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Application Proof of

Zhizu IoT Technology Group Co., Ltd.

智租物聯科技集團股份有限公司

(the “**Company**”)

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

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Zhizu IoT Technology Group Co., Ltd. 智租物聯科技集團股份有限公司

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

[REDACTED]

Number of [REDACTED] under the : [REDACTED] H Shares (subject to the
[REDACTED] [REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to
[REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to [REDACTED]
and the [REDACTED])
Maximum [REDACTED] : HK\$[REDACTED] per H Share, plus
[REDACTED] of 1.0%, SFC transaction levy of
0.0027%, Stock Exchange trading fee of
0.00565% and AFRC transaction levy of
0.00015% (payable in full on [REDACTED] in
Hong Kong Dollars and subject to refund)
Nominal Value : RMB1.00 per H Share
Stock Code : [●]

Sole Sponsor, [REDACTED], [REDACTED], [REDACTED],
[REDACTED] and [REDACTED]



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The [REDACTED] (for itself and on behalf of the [REDACTED]) may, with our consent, reduce the number of [REDACTED] under the [REDACTED] and/or the indicative [REDACTED] range below that stated in this document at any time prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. In such a case, notices of the reduction in the number of [REDACTED] under the [REDACTED] and/or the indicative [REDACTED] range will be published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.zhizukj.com not later than the morning of the last day for lodging [REDACTED] under the [REDACTED]. See “[REDACTED]” and “[REDACTED]” in this document.

The obligations of the [REDACTED] under the [REDACTED] are subject to termination by the [REDACTED] (for itself and on behalf of the [REDACTED]) if certain grounds arise prior to 8:00 a.m. on the [REDACTED]. See “[REDACTED]” It is important that you refer to that section for further details.

[REDACTED]

[REDACTED]

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

CONTENTS

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	<i>Page</i>
EXPECTED TIMETABLE	i
SUMMARY	1
DEFINITIONS	17
GLOSSARY OF TECHNICAL TERMS	27
FORWARD-LOOKING STATEMENTS	29
RISK FACTORS	31
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES	66
INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]	69
DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]	73
CORPORATE INFORMATION	76
INDUSTRY OVERVIEW	77
REGULATORY OVERVIEW	94
HISTORY AND DEVELOPMENT	113
BUSINESS	132

CONTENTS

	<i>Page</i>
RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS GROUP. . . .	189
DIRECTORS AND SENIOR MANAGEMENT	192
SUBSTANTIAL SHAREHOLDERS	204
SHARE CAPITAL	206
FINANCIAL INFORMATION	210
FUTURE PLANS AND [REDACTED]	248
[REDACTED]	251
STRUCTURE OF THE [REDACTED]	261
HOW TO APPLY FOR THE [REDACTED]	271
APPENDIX I — ACCOUNTANTS’ REPORT	I-1
APPENDIX II — UNAUDITED [REDACTED] FINANCIAL INFORMATION	II-1
APPENDIX III — SUMMARY OF ARTICLES OF ASSOCIATION	III-1
APPENDIX IV — STATUTORY AND GENERAL INFORMATION	IV-1
APPENDIX V — DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY	V-1

SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to [REDACTED] in the [REDACTED].

There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in “Risk Factors.” You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

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 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.

We operate in the LEV battery-swapping industry in China, the market size of which has expanded continuously at a CAGR of 41.2% from RMB3.1 billion in 2021 to RMB12.3 billion in 2025, and is expected to further grow at a CAGR of 28.6% from RMB15.8 billion in 2026 to RMB43.2 billion in 2030, according to Frost & Sullivan. 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. Since our inception and as of December 31, 2025, we had 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, as of the same date.

SUMMARY

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. See “Financial Information” in this document for more information.

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 through business partners do not operate in the same regions. In addition, we sold battery-swapping related hardware to facilitate riders’ everyday demand during the Track Record Period.

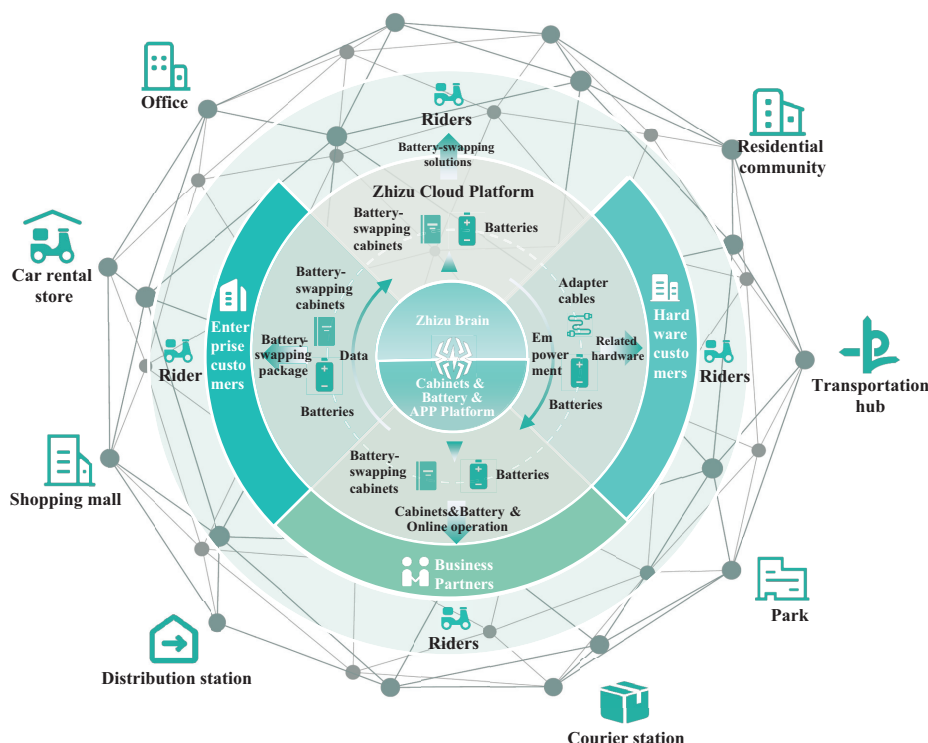
During the Track Record Period, we generated substantially all of our revenue from our battery-swapping solutions. We provide our battery-swapping solutions by operating our own battery-swapping stations in more developed regions and also sell battery-swapping cabinets and batteries and provide support 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.
- ***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 Business Partners” for detailed business arrangement.

SUMMARY

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. The following diagram illustrates our business model:



See “Business – Key Operating Metrics” for more operating data of our battery-swapping business.

OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths contribute to our success and sustainable growth in the LEV battery-swapping industry in China.

- A leading LEV battery-swapping solutions provider in China.

SUMMARY

- Create synergies and benefits to empower the entire LEV battery-swapping industry value chain.
- Closed-loop “R&D-Production-Operation-Service” operational model.
- AI empowered, integrated software and hardware capabilities.
- Visionary and experienced management team.

See “Business – Our Competitive Strengths” for details.

OUR DEVELOPMENT STRATEGIES

We intend to further entrench our competitive strengths and implement the following strategies in pursuit of our vision.

- Continue to expand our national network and global footprints.
- Further diversify application scenarios and product offerings.
- Continue to invest in R&D to upgrade and iterate our products and technologies.

See “Business – Our Development Strategies” for details.

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.

See “Business – Our Technology and Platform” for details.

OUR CUSTOMERS AND SUPPLIERS

Our Customers

We have accumulated a vast customer base during years of operation in the 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. Given the dispersed base of our customers, we do not have substantial reliance on any single customer. 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

SUMMARY

the Track Record Period accounted for less than 5.0% of our total revenue in each of the respective years.

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.

Purchases from our five largest suppliers in each year during the Track Record Period accounted for 52.4%, 33.4%, 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%, 24.8% of our total purchases in the same years, respectively.

PRICING

We adopt a cost-plus pricing strategy, with reference to market price, for our battery-swapping solutions through self-operated stations. 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 “Business – Our Battery-swapping Solutions – Battery-swapping Solutions through Self-operated Stations” for the details of our service fees. 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.

RISK FACTORS

Our business faces risks including those set out in the section headed “Risk Factors.” As different [REDACTED] may have different interpretations and criteria when determining the significance of a risk, you should read the “Risk Factors” section in its entirety before you decide to [REDACTED] in our [REDACTED]. Some of the major risks that we face include: (i) We operate in an emerging and fast evolving market, and may face challenges in promoting and scaling our battery-swapping solutions; (ii) Our future growth largely depends on customer acceptance and preference for LEVs, the battery-swapping model, and various battery-swapping technologies available; (iii) We invest in and establish our own battery-swapping stations. If we are unable to manage and monetize these assets, or if the performance of such stations falls short of expectations, our business and prospects may be materially and adversely affected; (iv) We face risks in connection with our cooperation with third-party site service providers; (v) We

SUMMARY

face risks associated with our sales of battery-swapping equipment to our business partners to build their battery-swapping stations, and any underperformance in this business segment or the battery-swapping stations of our business partners may adversely affect our business, financial condition, and results of operation; (vi) Operational disruptions at our battery-swapping stations could adversely affect our business, financial performance and results of operations; (vii) If we fail to upgrade and develop new solutions and products and technologies for our operations and solutions, we may lose competitiveness and our business, financial condition, and results of operations could be adversely impacted; (viii) We expect to invest in growth for the foreseeable future. If we fail to manage growth effectively, our business, results of operations, financial condition and prospects could be adversely affected; (ix) Our solutions and daily operations are subject to safety risks, and any accidents that occur during the performance of our solutions may expose us to civil, labor, environmental and criminal liabilities and adversely affect our business, results of operations, financial condition and prospects; (x) We recorded net liabilities and net current liabilities positions as of the end of each of the Track Record Period; and (xi) We could experience increases in the cost of, or shortage or disruptions, in supply of raw materials and site services.

OUR SINGLE LARGEST SHAREHOLDERS GROUP

As of the Latest Practicable Date, Mr. Li was a direct beneficial owner of 27,750,000 Shares and controlled 8,950,840 Shares and 2,500,000 Shares through Shanghai Xingchi and Shanghai Zhizu, respectively, in light of his capacity as their general partner. Therefore, the Single Largest Shareholders Group, comprising Mr. Li, Shanghai Xingchi and Shanghai Zhizu, was collectively interested in approximately 39.15% of the issued share capital of our Company. See “History and Development” in this document for details. Immediately upon completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), the Single Largest Shareholders Group is expected to be entitled to exercise an aggregate of approximately [REDACTED]% voting rights in our Company. The Single Largest Shareholders Group will remain as our single largest shareholders upon [REDACTED]. For details, please refer to “Relationship with Our Single Largest Shareholders Group” in this document.

PRE-[REDACTED] INVESTORS

Our Company obtained a series of investments from the Pre-[REDACTED] Investors through equity transfers and subscriptions for registered capital or Shares of our Company. For further details, see “History and Development – Investments in Our Company by the Pre-[REDACTED] Investors” in this document.

SUMMARY

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

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

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue	695,846	734,587	738,639
Cost of sales	(597,859)	(535,892)	(542,456)
Gross profit	97,987	198,695	196,183
Other income	26,127	26,088	21,735
Other gains and losses	10,273	(5,136)	(5,353)
Selling and marketing expenses	(78,276)	(94,410)	(80,364)
Administrative expenses	(42,421)	(42,150)	(36,006)
Research and development expenses	(44,936)	(30,198)	(29,885)
Impairment losses under expected credit loss model, net of reversal	69	(124)	(827)
Finance costs	(41,750)	(44,230)	(49,748)
Share of results of joint ventures	(418)	(612)	(551)
(Loss) profit before tax	(73,345)	7,923	15,184
Income tax credit (expense)	28,733	(1,996)	(7,029)
(Loss) profit for the year	(44,612)	5,927	8,155
Total comprehensive (expense) income for the year	(44,612)	5,927	8,155

Non-IFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use EBITDA, EBITDA margin, adjusted net (loss) profit and adjusted net (loss) profit margin (all are non-IFRS measures), as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe these non-IFRS measures facilitate comparisons of operating performance from period to period by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance.

SUMMARY

We believe that these measures provide useful information to [REDACTED] and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of EBITDA, EBITDA margin, adjusted net (loss) profit and adjusted net (loss) profit margin (all are non-IFRS measures) may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS. In addition, the non-IFRS measures may be defined differently from similar terms used by other companies.

We define (i) EBITDA (non-IFRS measure) as (loss) profit for the year adjusted by adding back finance costs (less bank interest income), income tax credit (expense), depreciation expenses; (ii) EBITDA margin (non-IFRS measure) as dividing EBITDA (non-IFRS measure) by revenue in the same year; (iii) adjusted net (loss) profit (non-IFRS measure) as (loss) profit for the year adjusted by adding back interest on redemption liabilities; and (iv) adjusted net (loss) profit margin (non-IFRS measure) as dividing adjusted net (loss) profit (non-IFRS measure) by revenue in the same year. The adjustments were consistently made during the Track Record Period.

The following table sets forth the reconciliations of our EBITDA, EBITDA margin, adjusted net (loss) profit and adjusted net (loss) profit margin (all are non-IFRS measures) in 2023, 2024 and 2025 presented to the most directly comparable financial measure calculated and presented in accordance with IFRS, which is our (loss) profit for the year:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Reconciliation of the (loss) profit for the year to EBITDA (non-IFRS measure)			
(Loss) profit for the year	(44,612)	5,927	8,155
Add:			
– Finance costs	41,750	44,230	49,748
– Income tax credit (expense)	(28,733)	1,996	7,029
– Depreciation of property, plant and equipment	198,762	194,219	242,883
– Depreciation of right-of-use assets	4,297	3,578	1,891
Less:			
– Bank interest income	412	3,214	1,936
EBITDA	171,052	246,736	307,770
EBITDA margin	24.6%	33.6%	41.7%

SUMMARY

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Reconciliation of the (loss) profit for the year to adjusted net profit (non-IFRS measure)			
(Loss) profit for the year	(44,612)	5,927	8,155
Add:			
– Interest on redemption liabilities	3,475	22,767	26,000
Adjusted net (loss) profit	(41,137)	28,694	34,155
Adjusted net (loss) profit margin	(5.9%)	3.9%	4.6%

Revenue

During the Track Record Period, we derived all of our revenue within Chinese mainland. The following table sets forth the breakdown of our revenue by business lines in absolute amounts and as percentages of our total revenue for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	% of total	RMB'000	% of total	RMB'000	% of total
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%

Notes:

(i) Included sales of battery-swapping related hardware, such as adapter cables and chargers.

(ii) Less than 0.1%.

SUMMARY

During the Track Record Period, battery-swapping solutions constituted our single largest revenue contributor, accounting for 99.9%, 100.0% and 99.8% of our total revenue in 2023, 2024 and 2025, respectively. In particular, almost all of revenue was generated from our self-operated battery-swapping stations during the Track Record Period, accounting for 99.6%, 99.8% and 96.9% of our total revenue in the same years, respectively.

Our revenue increased from 2023 to 2024, reflecting our continuous efforts to expand our self-operated battery-swapping business. Our revenue increased from 2024 to 2025, reflecting our strategic efforts to (i) expand our business partner network that led to more asset-light business of battery-swapping solutions and (ii) diversify our revenue streams that led to increased hardware retail sales.

The following table sets forth the number of paying users and the average revenue per paying user (“ARPU”) of our self-operated battery-swapping stations for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	<i>Number of paying users</i>	<i>ARPU (RMB)</i>	<i>Number of paying users</i>	<i>ARPU (RMB)</i>	<i>Number of paying users</i>	<i>ARPU (RMB)</i>
Battery-swapping solutions through self-operated stations	930,405	744.5	1,333,585	549.5	1,989,991	359.5

The number of paying users increased during the Track Record Period, reflecting our continuous efforts to expand our businesses of battery-swapping solutions through self-operated stations. The ARPU decreased during the Track Record Period, primarily as a result of (i) the intensified market competition, in line with the industry trend, and (ii) our strategic adjustment in and diversification of our service packages to attract new riders. Despite the decreasing trend in our ARPU during the Track Record Period, our ARPU maintained among the highest positions in the industry according to Frost & Sullivan.

See “Financial Information – Consolidated Statements of Profits or Loss and Other Comprehensive Income” for details.

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales. Our gross profit margin represents our gross profit divided by our revenue, expressed as a percentage. The following table sets forth the breakdown of our gross profit and gross profit margin by business lines for the periods indicated.

SUMMARY

	Year ended December 31,					
	2023		2024		2025	
	<i>Gross profit</i>	<i>Gross profit margin</i>	<i>Gross profit</i>	<i>Gross profit margin</i>	<i>Gross profit</i>	<i>Gross profit margin</i>
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Battery-swapping solutions						
Battery-swapping solutions through self-operated stations	96,315	13.9	197,985	27.0	191,080	26.7
Battery-swapping solutions through business partners	<u>1,581</u>	68.4	<u>676</u>	57.5	<u>4,991</u>	23.6
Sub-total	97,896	14.1	198,661	27.1	196,071	26.6
Hardware retail sales⁽ⁱ⁾	<u>91</u>	11.2	<u>34</u>	5.5	<u>112</u>	5.5
Total	<u>97,987</u>	14.1%	<u>198,695</u>	27.0%	<u>196,183</u>	26.6%

Note:

(i) Included sales of battery-swapping related hardware, such as adapter cables and chargers.

During the Track Record Period, almost all of our overall gross profit were contributed by gross profit generated from our battery-swapping solutions business, which was most affected by the gross profit generated from our battery-swapping solutions through self-operated stations. As a result, our gross profit margin during the Track Record Period was also determined by the gross profit margin of our battery-swapping solutions through self-operated stations in the same periods.

We recorded low gross profit and gross profit margin for our overall business and battery-swapping solutions through self-operated stations in 2023, primarily due to the impairment losses on certain batteries we purchased from an independent third party supplier with quality issues.

See “Financial Information – Description of Key Components of Our Results of Operations” for details.

SUMMARY

Summary of Consolidated Statements of Financial Position

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Total non-current assets	929,430	917,204	941,634
Total current assets	485,595	353,152	411,255
Total current liabilities	(1,252,761)	(1,136,602)	(1,112,590)
Net current liabilities	(767,166)	(783,450)	(701,335)
Total assets less current liabilities	162,264	133,754	240,299
Total non-current liabilities	(253,471)	(212,554)	(310,944)
Net liabilities	(91,207)	(78,800)	(70,645)

See “Financial Information – Discussion of Certain Key Items of Consolidated Statements of Financial Position” for details.

Net Current Liabilities

We recorded net current liabilities of RMB767.2 million, RMB783.5 million, RMB701.3 million and RMB726.8 million as of December 31, 2023, 2024 and 2025 and March 31, 2026, respectively. This was primarily due to (i) our significant purchase of components and raw materials for our business expansion during the Track Record Period, the asset balance of which was recorded in non-current assets, and (ii) our redemption liabilities in relation to our series financings.

See “Financial Information – Net Current Liabilities” for details.

Net Liabilities

Our net liabilities decreased from RMB78.8 million as of December 31, 2024 to RMB70.6 million as of December 31, 2025, primarily due to profit for the year of RMB8.2 million in 2025. Our net liabilities decreased from RMB91.2 million as of December 31, 2023 to RMB78.8 million as of December 31, 2024, primarily due to (i) profit for the year of RMB5.9 million, (ii) capital contributions of RMB166.4 million in relation to our series financings, (iii) recognition of capital contribution as redemption liabilities of RMB155.0 million and (iv) acquisition of additional interest in a subsidiary of RMB4.9 million.

SUMMARY

Summary of Consolidated Statements of Cash Flow

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

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net cash flows from operating activities	273,208	302,996	323,609
Net cash flows used in investing activities	(437,534)	(333,907)	(245,019)
Net cash from (used in) financing activities	186,725	(18,440)	(10,017)
Net increase (decrease) in cash and cash equivalents	22,399	(49,351)	68,573
Cash and cash equivalents at January 1	55,394	77,793	28,442
Total cash and cash equivalents at December 31	77,793	28,442	97,015

See “Financial Information – Liquidity and Capital Resources – Cash Flows” for details.

Key Financial Ratios

The following table sets forth certain of our key financial ratios for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
		%	
Gross profit margin ⁽ⁱ⁾	14.1	27.0	26.6
Net profit margin ⁽ⁱⁱ⁾	(6.4)	0.8	1.1
Operating cash flow-to-revenue ⁽ⁱⁱⁱ⁾	39.3	41.2	43.8
EBITDA margin ^(iv)	24.6	33.6	41.7

Notes:

- (i) Gross profit margin is calculated based on gross profit divided by revenue and multiplied by 100%.
- (ii) Net profit margin is calculated based on profit for the period divided by revenue and multiplied by 100%.
- (iii) Operating cash flow-to-revenue ratio is calculated as dividing net cash from operating activities in a given year by revenue in the corresponding year.
- (iv) EBITDA margin is calculated as dividing EBITDA by revenue and multiplied by 100%.

SUMMARY

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. 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.

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.”

LEGAL PROCEEDINGS AND COMPLIANCE

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 “Business – Legal Proceedings and Compliance – Legal Proceedings” for details.

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.

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

[REDACTED]

SUMMARY

[REDACTED]

[REDACTED] EXPENSES

The estimated total [REDACTED] expenses (based on the mid-point of our indicative [REDACTED] range for the [REDACTED] and assuming that the [REDACTED] is not exercised) for the [REDACTED] are approximately RMB[REDACTED] million (or [REDACTED]% of the [REDACTED] estimated to be received by us from the [REDACTED]), of which an estimated amount of approximately RMB[REDACTED] million is expected to be expensed through the statement of profit or loss and the remaining amount of approximately RMB[REDACTED] million is expected to be recognized directly as a deduction from equity upon the [REDACTED]. The estimated total [REDACTED] expenses comprise: (i) [REDACTED] expenses, including [REDACTED], of approximately RMB[REDACTED] million; and (ii) [REDACTED] expenses of approximately RMB[REDACTED] million, including (a) fees paid and payable to legal advisers and reporting accountant of approximately RMB[REDACTED] million; and (b) other fees and expenses, including sponsor fees, of approximately RMB[REDACTED] million.

The [REDACTED] expenses above are the current estimate for reference only and the final amount to be recognized to our consolidated income statement is subject to audit and the then changes in variables and assumptions.

DIVIDENDS

We are incorporated under the laws of the PRC. Any dividends we pay will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restriction and other factors which our Directors consider relevant. Our shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. We do not currently have a formal dividend policy or a predetermined payout ratio.

Under the applicable PRC laws and regulations, a PRC incorporated company is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reaches 50% of its registered capital. We may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above. As advised by our PRC Legal Advisors, our PRC companies cannot pay dividends if such companies are in an accumulated loss position.

SUMMARY

We neither declared nor paid any dividends during the Track Record Period. For further details, see note 14 to the Accountants’ Report in Appendix I to this document. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our Directors have the absolute discretion to recommend any dividend subject to our constitutional documents and the relevant laws. We cannot assure you that we will be able to declare dividends of any amount each year or in any year.

FUTURE PLANS AND [REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] million, after deducting [REDACTED], fees and estimated expenses payable by us in connection with the [REDACTED], and assuming an [REDACTED] of HK\$[REDACTED] per Share (being the midpoint of the indicative [REDACTED]) and that the [REDACTED] is not exercised. We currently intend to apply these net [REDACTED] for the following purposes:

- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for expansion of our domestic market, aiming to expand our service network, increase user penetration, and further grow our business scale.
- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for overseas market expansion, focusing on building our localized service network and operational capabilities in Southeast Asia market starting with Indonesia.
- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for R&D, aiming to reinforce our product competitiveness, digital operation capabilities and technological edges.
- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for domestic production line construction, aiming to improve our manufacturing capacities and efficiency.
- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for working capital and other general corporate purposes, including daily operations, expansion of regional operation centers, talent acquisition, and supply chain coordination.

See “Future Plans and [REDACTED]” in this document for details.

RECENT DEVELOPMENT

We continued to expand our product portfolio to unlock new growth potential. In particular, we launched our battery retail sales business branded as “ZhiBa Lithium Battery” (智霸鋰電) in 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.

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, up to the date of this document, there has been no material adverse change in our financial and trading position or prospects since December 31, 2025, being the end date of our latest consolidated financial statements as set out in the Accountants’ Report included in Appendix I to this document, and there is no event since December 31, 2025 that would materially affect the information as set out in “Appendix I – Accountants’ Report” to this document.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below. Certain technical terms are explained in “Glossary.”

“Accountants’ Report”	the accountants’ report of our Company for the Track Record Period, as included in Appendix I to this document
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Anqing Zhizu”	Anqing Zhizu IoT Technology Co., Ltd. (安慶智租物聯科技有限公司), a limited liability company established under the laws of the PRC on April 2, 2026, and our subsidiary
“Articles of Association” or “Articles”	the articles of association of our Company adopted on May 28, 2026 which will become effective on the [REDACTED] and as amended from time to time, a summary of which is set out in “Appendix III – Summary of the Articles of Association” to this document
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors of our Company
“business day”	any day (other than a Saturday, Sunday or public holiday in Hong Kong and any day on which tropical cyclone warning no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Chairman”	the chairman of our Board
“China” or “PRC”	the People’s Republic of China, excluding, for the purposes of this document only, the regions of Hong Kong, Macau Special Administrative Region and Taiwan of the People’s Republic of China, except where the content or context requires otherwise

DEFINITIONS

“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	Zhizu IoT Technology Group Co., Ltd (智租物聯科技集團股份有限公司) (formerly known as Shanghai Zhizu Logistics Technology Co., Ltd. (上海智租物流科技有限公司), Shanghai Zhizu IoT Technology Co., Ltd. (上海智租物聯科技有限公司), Zhizu IoT Technology (Anqing) Co., Ltd. (智租物聯科技(安慶)有限公司) and Zhizu IoT Technology Group Co., Ltd. (智租物聯科技集團有限公司)), a limited liability company established in the PRC on January 18, 2018 and converted into a joint stock limited liability company on April 20, 2026
“Company Law” or “PRC Company Law”	the Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“CSDCC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“Director(s)” or “our Director(s)”	the director(s) of our Company
“EIT Law”	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) as amended, supplemented or otherwise modified from time to time
“Extreme Conditions”	extreme conditions including but not limited to serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons as announced by the government of Hong Kong
[REDACTED]	[REDACTED]

DEFINITIONS

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

“Group,” “our Group,” “our,” “we” or “us” our Company and our subsidiaries from time to time

“Guide for New Listing Applicants” the Guide for New Listing Applicants issued by the Stock Exchange, as amended, modified and/or otherwise supplemented from time to time

“Hong Kong dollars” or “HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“HKFRS” Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DEFINITIONS

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

“Hong Kong” or “HK”

the Hong Kong Special Administrative Region of the PRC

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

“IFRS”

International Financial Reporting Standards, as issued by the International Accounting Standards Board

“Independent Third Party(ies)”

person(s) or company(ies) who/which, to the best of our Directors’ knowledge, information and belief, is/are not a connected person of our Company

DEFINITIONS

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

“Latest Practicable Date”

May 22, 2026, being the latest practicable date for the purpose of ascertaining certain information in this document prior to its publication

[REDACTED]

[REDACTED]

“Listing Committee”

the Listing Committee of the Stock Exchange

[REDACTED]

[REDACTED]

“Listing Rules”

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

“Main Board”

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

DEFINITIONS

“MOF” or “Ministry of Finance”	Ministry of Finance of the PRC (中華人民共和國財政部) “MOFCOM”
“MOFCOM”	Ministry of Commerce of the PRC (中華人民共和國商務部)
“Mr. Li”	Mr. Li Xuejun (李學軍), our chairman of the Board, executive Director and Chief Executive Officer, also a member of our Single Largest Shareholders Group
“Mr. Du”	Mr. Du Yan (杜岩), our executive Director and vice chairman of the Board
“Mr. Zhou”	Mr. Zhou Hongbin (周宏斌), our non-executive Director
“NDRC”	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“Nomination Committee”	the nomination committee of the Board
“NPC”	National People’s Congress of the PRC (中華人民共和國全國人民代表大會)
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

DEFINITIONS

[REDACTED]

[REDACTED]

“Overseas Listing Trial Measures” the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) released by the CSRC on February 17, 2023 and took effect on March 31, 2023

“PBOC” People’s Bank of China (中國人民銀行), the central bank of the PRC

“PRC GAAP” generally accepted accounting principles in mainland China

“PRC Legal Advisor(s)” Commerce & Finance Law Offices, the legal advisors to our Company as to the laws of the PRC

“Pre-[REDACTED] Investment” the investments made by the Pre-[REDACTED] Investors in our Company, details of which are set out in “History and Development – Investments in Our Company by the Pre-[REDACTED] Investors” in this document

“Pre-[REDACTED] Investor(s)” the investor(s) making investments in our Group prior to the [REDACTED], details of which are set out in “History and Development – Investments in Our Company by the Pre-[REDACTED] Investors” in this document

[REDACTED]

[REDACTED]

DEFINITIONS

[REDACTED]

[REDACTED]

“Regulation S”

Regulation S under the U.S. Securities Act

“Remuneration Committee”

the remuneration committee of the Board

“RMB” or “Renminbi”

Renminbi, the lawful currency of the PRC

“SAFE”

State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)

“SAMR”

State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)

“SAT”

State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)

“Securities and Futures Ordinance”
or “SFO”

Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

“Securities Law” or “PRC
Securities Law”

the Securities Law of the PRC (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time

“SFC”

the Securities and Futures Commission of Hong Kong

“Share(s)”

ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, comprising [REDACTED] and [REDACTED]

“Shanghai Xingchi”

Shanghai Xingchi Enterprise Management Center (Limited Partnership) (上海行馳企業管理中心(有限合夥)), a limited partnership established under the laws of the PRC on January 23, 2019, and a member of our Single Largest Shareholders Group

“Shanghai Zhizu”

Shanghai Zhizu Enterprise Management Center (Limited Partnership) (上海智租企業管理中心(有限合夥)), a limited partnership established under the laws of the PRC on April 9, 2019, and a member of our Single Largest Shareholders Group

DEFINITIONS

“Shareholder(s)”	holder(s) of our Share(s)
“Single Largest Shareholders Group”	unless the context otherwise requires, refers to the person named in “Relationship with Our Single Largest Shareholders Group” in this document
“Sole Sponsor”	the Sole Sponsor as named in “Directors and Parties Involved in the [REDACTED]” in this document
[REDACTED]	the [REDACTED] as named in “Directors and Parties Involved in the [REDACTED]”
“State Council”	State Council of the PRC (中華人民共和國國務院)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“subsidiary(ies)”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buybacks issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the three years ended December 31, 2023, 2024 and 2025
[REDACTED]	the [REDACTED] and the [REDACTED]
[REDACTED]	the [REDACTED] and the [REDACTED]
“United States,” “USA” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. dollars,” “US\$” or “USD”	United States dollars, the lawful currency of the United States
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“VAT”	value added tax

DEFINITIONS

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

“Xuzhou Zhizu”

Xuzhou Zhizu IoT Technology Co., Ltd. (徐州智租物聯科技有限公司), a limited liability company established under the laws of the PRC on August 26, 2020, and our subsidiary

“Zhitong Energy”

Zhitong Energy (Anhui) Co., Ltd. (智通能源(安徽)有限公司), a limited liability company established under the laws of the PRC on November 19, 2020, and our subsidiary

“Zhixing Xinneng”

Zhixing Xinneng Technology (Anhui) Co., Ltd. (智行新能科技(安徽)有限公司), a limited liability company established under the laws of the PRC on July 28, 2020, and our subsidiary

“Zhizu Chuangneng”

Zhizu Chuangneng (Shanghai) Technology Service Co., Ltd. (智租創能(上海)技術服務有限公司), a limited liability company established under the laws of the PRC on November 1, 2017, and our subsidiary

“Zhizu Xinneng”

Zhizu Xinneng (Anhui) Technology Co., Ltd. (智租新能(安徽)科技有限公司), a limited liability company established under the laws of the PRC on November 13, 2023, and our subsidiary

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

For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

Unless otherwise specified, in this document, certain amounts and percentage figures have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

GLOSSARY OF TECHNICAL TERMS

In this document, unless the context otherwise requires, explanations and definitions of certain terms used in this document in connection with our Company and our business shall have the meanings set out below. The terms and their meanings may not always correspond to standard industry meaning or usage of these terms.

“active users”	including our paying users and users who use the battery-swapping services through stations operated by our business partners
“AI”	artificial intelligence. Technologies that enable computer systems to simulate human intelligence, performing tasks such as learning, reasoning, perception, language understanding, image recognition, and decision-making
“BOM”	bill of materials. A comprehensive list of raw materials, components, sub-assemblies, and quantities required to manufacture a finished product
“battery pack”	a package consisting of one or more batteries or individual battery cells, equipped with a compatible battery-swapping module to enable battery swapping
“battery-swapping cabinet” or “cabinet”	a facility where LEV owners can rapidly exchange a battery pack for a charged one, as an alternative to charging the LEV at a charging station
“battery-swapping station”	a station used for battery swapping comprising of one or more battery-swapping cabinets
“BMS”	battery management system. An electronic system that monitors and manages battery safety, performance, and lifespan
“CAGR”	compound annual growth rate, measuring an investment’s average annual growth over a given period
“IoT”	Internet of things. Physical objects that are embedded with sensors, processing ability, software, and other technologies that connect and exchange data with other devices and systems over the Internet or other communication networks
“kWh”	a standard billing unit for electricity. 1 kWh is the amount of electricity used by a 1,000-watt appliance running for one hour

GLOSSARY OF TECHNICAL TERMS

“LEV”	light electric vehicle. A type of lightweight, short-distance electric mobility tool, covering electric two-wheelers, three-wheelers and other low-speed electric vehicles, excluding four-wheeled new energy vehicles
“LEV model”	LEV model developed and produced by LEV manufacturer with different configurations
“LLM”	large language model. An AI model trained on massive amounts of text data, capable of understanding, generating, and processing natural language
“MES”	manufacturing execution system. A computerized system used in manufacturing to track, monitor, document, and control the production process from raw materials to finished goods
“NEV”	new energy vehicle. A vehicle that is powered, either wholly or partially, by alternative energy sources rather than conventional gasoline or diesel
“PAYG”	pay-as-you-go. A pricing model where users are charged based on the actual number of times they use the service, without requiring upfront payment
“paying users”	users who use the battery-swapping services at company-owned stations
“QR code”	a matrix barcode capable of storing URLs, text, or instructions, enabling quick actions such as user identification or cabinet access
“R&D”	research and development
“SoC”	state of charge, being the remaining electricity available in the battery
“SN”	serial number. A unique alphanumeric identifier assigned to an individual product, component, or batch for purposes of traceability, quality control, and asset management throughout its lifecycle
“voltage”	the measure of the electric potential energy per unit charge between two points in an electric circuit, representing the force that drives electric current through a conductor

FORWARD-LOOKING STATEMENTS

This document contains, and the documents incorporated by reference herein may contain, forward-looking statements representing our goals, beliefs, expectations, intentions or predictions for the future. These forward-looking statements are contained principally in “Summary,” “Risk Factors,” “Industry Overview,” “Business,” “Financial Information” and “Future Plans and [REDACTED].” Forward-looking statements typically can be identified by the use of words such as “aim,” “anticipate,” “aspire,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “goals,” “intend,” “may,” “objective,” “ought to,” “outlook,” “plan,” “potential,” “project,” “schedules,” “seek,” “should,” “target,” “vision,” “will,” “would” and other similar terms. Forward-looking statements reflect the current views of our Directors with respect to future events, operations, liquidity and capital resources. Some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including those listed in “Risk Factors,” which are beyond our control and may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Our forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to us about the businesses that we operate. The risks, uncertainties and other factors, many of which are beyond our control, that could influence actual results include, but are not limited to:

- our operations and business prospects;
- our business and operating strategies and our ability to implement such strategies;
- our future business development, financial condition and results of operations;
- our ability to develop and manage our operations and business;
- our ability to control costs and expenses;
- our capital expenditure plan;
- our expectations regarding demand for and market acceptance of our products and services;
- our expectations regarding our relationships with customers, suppliers and other partners to conduct our business;
- our planned [REDACTED];
- future developments, trends and competitive landscape in the industries and markets in which we operate or plan to operate;
- relevant government policies and regulations relating to our industry; and
- capital market developments.

FORWARD-LOOKING STATEMENTS

By their nature, certain disclosures relating to these and other risks are only estimates. Should one or more of these risks or uncertainties, among others, materialize, or should the underlying assumptions prove to be incorrect, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Accordingly, you should not place undue reliance on any forward-looking statements.

Any forward-looking statement speaks only as of the date on which such statement is made. Except as required by applicable laws, rules and regulations, including the Listing Rules, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of, or references to, our intentions or those of any of our Directors are made as of the date of this document. Any such intentions may change in light of future developments.

All forward-looking statements in this document are expressly qualified by reference to this cautionary statement.

RISK FACTORS

You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an [REDACTED] in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the [REDACTED] of our H Shares could decline, and you may lose all or part of your [REDACTED].

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed “Forward-looking Statements.”

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business and industry; (ii) risks relating to doing business in the places where we operate; and (iii) risks relating to the [REDACTED].

Additional risks and uncertainties that are presently not known to us or not expressed or implied below or that we currently deem immaterial could also harm our business, financial condition and results of operations. You should consider our business and prospects in light of the challenges we face, including those discussed in this section.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We operate in an emerging and fast evolving market, and may face challenges in promoting and scaling our battery-swapping solutions.

The LEV energy replenishment market, especially the battery-swapping solution market, is relatively new and evolving rapidly. There is no assurance that it can continue to grow as rapidly as it has in the past. We may not have sufficient experience to address the risks to which companies operating in new or rapidly evolving markets may be exposed. The laws and regulations governing the LEV battery-swapping industry in China are still at a nascent stage and subject to further changes and interpretations. As the relevant markets, the regulatory environment or other conditions evolve, our existing battery-swapping solutions and products offerings may not continue to deliver the expected business results. As our business develops, we may continue to introduce new solutions and products, and adjust existing solutions and products, business model or operations in general. Any significant change to our business model or failure to achieve the intended business results may have a material and adverse impact on our financial condition and results of operations. Therefore, it may be difficult to effectively assess our future prospects. The LEV battery-swapping industry currently faces a range of challenges and uncertainties, such as the lack of universally accepted technical standards for LEV technology and batteries. Although the relevant regulatory authorities have issued policies related to battery-swapping technology for LEVs, there is no definitive timeline for the standardization of batteries. Consequently, our battery-swapping cabinets can only serve LEVs that are equipped with compatible battery modules and have sizes that fit within the constraints of our cabinets, which restricts the marketability of our cabinets. Looking ahead, should the MIIT introduce unified standards for LEV batteries, we may face significant expenses to align our existing and future solutions and products with these standards. In addition, you should

RISK FACTORS

consider our business and prospects in light of the risks and challenges that we encounter or may encounter, given the rapidly evolving market in which they operate and their limited operating history. These risks and challenges include our ability to, among other things:

- maintain and enhance relationships with riders, business partners, and other industry participants;
- comply with complex and evolving laws and regulations;
- improve operational efficiency;
- attract, retain and motivate talented employees, particularly in the areas of research and development, sales and marketing, as well as risk management;
- enhance technology infrastructure to support the growth of business and maintain the security of our data system and the confidentiality of the information provided and collected across such system;
- anticipate and adapt to changing market conditions; and
- defend against legal and regulatory actions, such as those involving intellectual property or data privacy claims.

Our future growth largely depends on customer acceptance and preference for LEVs, the battery-swapping model, and various battery-swapping technologies available.

Our business relies, to a large extent, on riders’ acceptance and preference for LEVs which is subject to various factors, such as purchase price, power rates, convenience of battery-swapping, and governmental regulations. In addition, the market for LEVs is still rapidly evolving, characterized by changing technologies, competitive pricing, evolving government regulation and industry standards, and changing consumer demands and behaviors. Other factors that may influence the adoption of LEVs include:

- perceptions about LEV quality, safety, design, performance and cost, particularly if adverse events occur that is attributable to the quality or safety of LEVs;
- the range of distance over which LEVs may run on a single battery charge or swap and the speed of battery-swapping;
- concerns about electric grid capacity and reliability;
- the density and convenience of charging stations or battery-swapping stations;
- access to battery-swapping stations, standardization of commercial-use LEV battery-swapping systems, and riders’ perceptions about convenience and cost of battery-swapping;
- the available governmental incentives to the LEV industry or future regulation requiring increased use of nonpolluting vehicles; and
- macroeconomic factors.

RISK FACTORS

Furthermore, there are currently two primary methods for LEV energy replenishment: battery-charging and battery-swapping. While battery-swapping offers notable advantages, such as quicker energy replenishment and reduced battery wear, it is still relatively new compared to the more established charging model. As a result, it remains uncertain whether battery-swapping will become the predominant method for LEV energy replenishment in the future. Furthermore, there are different technologies for battery-swapping, and it is unclear which technology will become the preferred standard in the market. The future growth of our business will largely depend on the riders’ acceptance and preference for LEVs, and acceptance of battery-swapping over battery-charging, among others. If the markets for commercial-use LEVs and battery-swapping do not grow as expected or develop more slowly than anticipated, our business, prospects, financial condition and operating results will be adversely affected.

We invest in and establish our own battery-swapping stations. If we are unable to manage and monetize these assets, or if the performance of such stations falls short of expectations, our business and prospects may be materially and adversely affected.

We operated 20,720, 22,092 and 21,400 self-operated battery-swapping cabinets as of December 31, 2023, 2024 and 2025, respectively. While we also sell battery-swapping equipment to our business partners to help them build their battery-swapping stations, our self-operated stations contributed to a significant majority of our revenue during the Track Record Period. In 2023, 2024 and 2025, our revenue generated from self-operated battery-swapping stations amounted to RMB692.7 million, RMB732.8 million and RMB715.5 million, respectively, accounting for 99.6%, 99.8% and 96.9% of our total revenue in the respective years. Operating these stations requires significant financial investments that encompass various aspects: upgrading, procurement and ongoing maintenance of machinery and equipment, as well as associated property and labor costs, which requires substantial investments to maintain the operational efficiency of these stations. If we are not able to manage or monetize these stations or the performance of such stations do not generate expected results, our business, results of operations and financial condition could be adversely affected. Furthermore, the heavy capital deployment into station infrastructure might limit our ability to invest in technology and R&D activities, potentially leading to adverse effects on our competitiveness and future growth. Additionally, operating in regional markets where we may not have the same level of market insight or resource allocation capabilities as local competitors can be challenging. This scenario could restrict our ability to gain operational efficiencies and competitive advantages in these markets, thus impacting the overall viability of our self-operated stations.

We face risks in connection with our cooperation with third-party site service providers.

Our battery-swapping stations are typically placed in or adjacent to commercial stores, residual communities, and shopping malls. We engaged 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, during the Track Record Period. Such site service providers primarily include property owners and property management companies, among others.

We entered into site service agreements with site service providers, where they typically covenant that (i) they have the titles or rights to the sites, and they have the rights to authorize us to operate our battery-swapping business on the relevant sites; (ii) if there is any damages arising from issues relevant to such titles or rights, they will compensate us for all the losses; and (iii) if there is any change to site service providers’ titles or rights, they need to notify us

RISK FACTORS

and facilitate the entry of new site service agreements with new service providers who have titles or rights. For other salient terms of the site service agreement, see “Business – Our Suppliers – Salient Terms of Agreements with Site Service Providers.

Despite the foregoing, we cannot assure you that our site service providers possess valid title or rights to the relevant sites. As advised by our PRC Legal Advisors, (i) the site service agreements entered into by us and our site service providers are valid, legally binding and enforceable, and are protected by law, provided no statutory invalidation circumstances prescribed by the Civil Code of the PRC exist 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 proof of site ownership does not, in itself, constitute grounds for contract invalidation; and (ii) as the site service agreements do not constitute property leasing under the PRC laws, we are not obligated to register any site service agreement with the relevant competent authorities for our use of any sites provided by our site service providers. However, we cannot assure you that our service providers’ sites provided to us will not be challenged by third parties who claim ownership of use right of such properties or by the relevant competent authorities. If our service providers’ rights to these properties where our stations are located are challenged and we are thus required to vacate such properties, we may not be able to identify suitable locations in time, at commercially acceptable terms, or at all. If we fail to find suitable alternatives, our business operations and results of operations could be materially and adversely affected.

In addition, we cannot guarantee that our site service providers possess all licenses, permits or approvals or have completed all prerequisite procedures required to provide site services at the swapping station locations. Furthermore, as we do not have control over our site service providers and their employees, if they do not possess the relevant licenses, permits, approvals or registrations required for them to provide site services, if they do not perform their obligations in accordance with our requirements or standards, if their work quality do not meet our requirements or standards, or if they fail to comply with the relevant laws and regulations when providing services to us, our business operations may be suspended, and our results of operations, financial condition and prospects may be materially and adversely affected. Although we may seek compensation for losses from our site service providers pursuant to the site service agreements, this recourse may be lengthy and costly and we may still face the challenges of identifying suitable alternative sites and potential disruptions to our operations.

We face risks associated with our sales of battery-swapping equipment to our business partners to build their battery-swapping stations, and any underperformance in this business segment or the battery-swapping stations of our business partners may adversely affect our business, financial condition, and results of operation.

We sell battery-swapping equipment to our business partners that have entered or intend to enter into the LEV battery-swapping industry. Our future growth is closely tied to our ability to encourage existing partners to make repeat purchases of our battery-swapping equipment and to extend our business partner base. As of December 31, 2023, 2024 and 2025, we helped our business partners build and operate battery-swapping cabinets of 304, 343 and 995, respectively. If we fail to generate sustained purchase demand from existing customers or to acquire new customers, our ability to further grow our business may be adversely affected. Our sales performance is subject to fluctuations in customer demand, which may be influenced by external factors such as technological change, evolving industry standards, competitive offerings, or

RISK FACTORS

shifts in partner strategies. In addition, securing long-term purchase engagement from customers requires ongoing effort to demonstrate value, align operational models, and maintain high service standards. Any failure to effectively manage these commercial relationships and expand our sales channels may materially and adversely affect our growth prospects, financial condition, and results of operation.

Furthermore, as such battery-swapping stations are not owned by us, and our participation in these stations’ daily operation is limited to the service scope as requested by our business partners, we cannot exert the same level of control over these battery-swapping stations as we do over our self-operated stations. If the owners of these battery-swapping stations fail to obtain or renew the permits or licenses necessary for their operations in a timely manner or fail to maintain effective operational management of these stations, or if a significant number of our customers and their battery-swapping stations underperform or incur any disputes, our business, financial condition, and operational results may be adversely affected.

Operational disruptions at our battery-swapping stations could adversely affect our business, financial performance and results of operations.

Our battery-swapping stations are critical to the delivery of our services, and any operational disruptions could materially impact our business. Such disruptions may arise from various scenarios, including power outages, equipment failures, and technical malfunctions. Additionally, environmental or other regulatory requirements could impose restrictions on the operation of our stations, potentially leading to service interruptions or even the temporary shutdown of certain stations. These disruptions could lead to decreased service availability, customer dissatisfaction, and loss of revenue. Moreover, any prolonged interruption in the operation of our battery-swapping stations could significantly impact our ability to meet customer demand, maintain our market position, and achieve our business objectives. If we are unable to promptly address these operational challenges or if similar issues arise frequently, it could harm our brand reputation, financial performance, and growth prospects.

If we fail to upgrade and develop new solutions and products and technologies for our operations and solutions, we may lose competitiveness and our business, financial condition, and results of operations could be adversely impacted.

LEV battery-swapping industry is characterized by rapid technological evolution and frequent introduction of new solutions and products incorporating new technologies; therefore, our long-term success depends on our ability to continually develop new technologies, solutions, and products. We may not always be able to keep up with changes in LEV and battery-swapping technologies and, as a result, our competitiveness may suffer. In addition, developments in alternative technologies, such as battery charging, may materially and adversely affect our business and prospects in ways we do not currently anticipate. Any failure by us to successfully react to changes in existing technologies could materially harm our competitive position and growth prospects.

We view our technological advantages as our core competence to enhance our market competitiveness. We focus our R&D efforts across several key technologies and platforms, such as Zhizu Battery-swapping Application Platform, our cloud-based smart IoT platform, and Zhizu Brain, our algorithm-based decision-making platform, to empower our battery-swapping solutions. However, as the LEV and the LEV battery-swapping industries are rapidly evolving, we cannot be certain that our choices of technologies will become the industry mainstream, or

RISK FACTORS

we can accurately anticipate the way these markets will evolve. As a result, we cannot guarantee that our efforts will deliver the results as we anticipate. In addition, even if our technological advancements are in line with industry trends, we cannot assure you that all of our R&D efforts will lead to profitable products or solutions in the short term. In the event that our new technologies fail to achieve commercialization, or our products and solutions fail to be adopted by the market, our business prospects and financial condition could be materially and adversely affected.

We face increased competition and may not be able to compete effectively.

We compete with not only other battery-swapping service providers but also charging service providers. Our competitors may have significantly more financial, technical, marketing and other resources than we do and may be able to devote greater resources to the development, promotion, sales and support of their products and service offerings. Our competitors may also have longer operating histories, greater brand recognition and loyalty, and broader or closer relationships with LEV rental companies, riders or enterprises with rider resources than we do. Our competitors may be better at developing solutions and products, responding more quickly to new technologies and undertaking more extensive and effective marketing campaigns. In response to competition, we may have to lower or adjust our service fees charged and the prices of our hardware, which could materially and adversely affect business and results of operations. Additionally, we cannot assure you that more established companies, including delivery platforms that possess large, existing user base, substantial financial resources and sophisticated technological capabilities will not enter the markets in which we compete. Competitors may ultimately prove to be more successful or more adaptable to customer demand and new regulatory, technological and other developments. If we are unable to compete with such companies and meet the need for innovation in our industry, the demand for our services could stagnate or substantially decline, which could harm our business and results of operations.

We could experience increases in the cost of, or shortage or disruptions, in supply of components, raw materials and site services.

For our battery-swapping cabinets, the key components and raw materials include battery cells, connectors, and wiring harnesses. The prices for these materials are subject to fluctuations due to factors beyond our control, such as market conditions, global demand, and supply chain disruptions. Any significant increase in the cost of these materials could adversely impact our costs and profitability. Moreover, our battery-swapping solutions are directly influenced by site service costs comprising primarily charging fees for our cabinets and batteries and site usage fees. Therefore, any increase in site service prices could increase our costs, potentially reducing the demand from riders and negatively affecting our financial performance. If site service costs rise significantly, we may be forced to adjust our pricing strategies, which could further impact the competitiveness and adoption of our services in the market.

In addition, certain of our suppliers are subject to various regulations and are required to obtain and maintain various qualifications, government licenses and approvals. If any of these suppliers loses its qualification or eligibility because of its failure to comply with regulatory requirements, we may not be able to find alternative suppliers in a timely manner or at all. Moreover, general economic conditions could also adversely affect the financial viability of our suppliers, resulting in their inability to provide materials and services used in our operations. In addition, suppliers may fail to supply products that meet our quality standards. If we are unable

RISK FACTORS

to identify alternative materials or suppliers and secure approval for their use in a timely manner, our business, results of operations, financial condition and prospects could be adversely affected. Any change in suppliers could require significant effort or investment in circumstances where the items supplied are integral to product performance or incorporate unique technology, and the loss of any existing supply contract could have an adverse effect on us.

As a result, any shortage or disruptions in supply of our components, raw materials and site service, arising from the above-mentioned reasons or other various reasons, such as strong market demand, available market supply, or acceptable commercial arrangement with our suppliers, could adversely affect our business operations, financial condition and results of operations.

We expect to invest in growth for the foreseeable future. If we fail to manage growth effectively, our business, results of operations, financial condition and prospects could be adversely affected.

Our battery-swapping network has expanded rapidly from our initial operations in Shanghai to covering over 90 cities across China as of the December 31, 2025. We expect to continue investing heavily in our growth for the foreseeable future. Our strategic initiatives include (i) deepening our penetration in the B-end instant delivery market to achieve a higher active user scale; (ii) expanding into the C-end consumer market (such as daily commuting); (iii) executing our asset-light operational models to form partnerships to operate battery-swapping stations; and (iv) accelerating our international expansion into Southeast Asia, beginning with our self-operated battery-swapping network in Indonesia. In addition, to support our hardware demands, we are constructing a new manufacturing facility in Anqing, Anhui Province, with a land area of approximately 108,000 sq.m, aiming to significantly increase our production capacity for smart swapping cabinets and lithium batteries.

Our future operating results depend to a large extent on our ability to manage our expansion and growth successfully. Risks that we face in effectively managing our growth include, among others:

- executing our diverse business strategies successfully, particularly in the unfamiliar C-end market and overseas jurisdictions where user behaviors and regulatory environments differ significantly from our historical B-end operations in China;
- managing a significantly larger organization with a growing number of employees across multiple regional operation centers and efficiently managing our sprawling network of business partners;
- scaling our IT infrastructure, Zhizu Cloud Platform comprising Zhizu Battery-swapping Application Platform and Zhizu Brain, to reliably monitor and support a massively growing network of hardware assets without experiencing system downtimes or latency;
- maintaining optimal asset utilization rates, such as the battery-to-user ratio and cabinet efficiency, and avoiding asset redundancy or inventory obsolescence while deploying new assets into new markets;

RISK FACTORS

- controlling capital expenditures, managing our working capital, and securing sufficient external financing to fund our planned capacity expansion and international rollout; and
- ensuring the consistent quality, stability, and safety of our batteries and swapping cabinets as our production output scales up.

If we fail to manage our growth effectively, we may experience overcapacity, inefficient asset utilization, operational deficiency, or a decline in service quality. As a result, our revenue may decline or fail to grow as anticipated, and our business, results of operations, financial condition, and prospects could be materially and adversely affected.

If our battery-swapping solutions and hardware products do not meet customer expectations in terms of quality, stability, availability or user experience, our business, results of operations, financial condition and prospects may be adversely affected.

We may fail to provide quality solutions and products if we fail to continue to innovate on hardware design (such as developing higher-capacity lithium batteries and upgrading smart swapping cabinets), maintain a widespread and responsive local maintenance and rescue network, handle customer complaints properly or offer appropriate after-sale services, or if there are technical errors, system downtimes or other incidents affecting our swapping solutions, among others. If we do not quickly resolve such issues, our ability to retain users or sell additional solutions or products to existing customers could suffer, and our brand and reputation could be harmed, which in turn could adversely affect our business, results of operations, financial condition and prospects. Moreover, we believe the LEV battery swapping is highly scenario-specific, and our ability to offer solutions that tailor to different mobility needs is highly critical in our ability to attract and retain customers. For instance, B-end delivery riders typically demand high-frequency swapping, extended battery life, robust stability and cost-effectiveness, whereas C-end daily commuters prioritize convenience, flexible swapping, and ease of use. If we cannot offer products and pricing packages that cater to our customers’ evolving demand, or if our competitors are better at addressing these requirements, we may lose our customers and our business, results of operations, financial condition and prospects may be adversely affected. In addition, we may not be able to maintain our relationship with major enterprise customers (such as delivery stations) for various other reasons and factors, including customers’ own business model, the availability of comparable swapping solutions from competitors at a lower cost, and any macroeconomic factors. Any adverse development in these respects may adversely affect our user base, and in turn affect our business, results of operations, financial condition and prospects.

If we otherwise fail to increase sales of our solutions and products to our customers and expand our customer base, our business, results of operations, financial condition and prospects may be adversely affected.

Our ability to achieve broader market acceptance, increase revenue and market share, and achieve and sustain profitability will depend, to a significant extent, on our sales and marketing efforts to effectively increase the active user base of our swapping services and expand our customer network. In 2023, 2024 and 2025, our selling and marketing expenses amounted to RMB78.3 million, RMB94.4 million and RMB80.4 million, respectively. Our operating results will suffer if these selling and marketing expenses do not generate more active users or customers as we anticipate. Additionally, our brand promotion and marketing activities,

RISK FACTORS

including our online live-streaming campaigns and offline station promotions, may not be well received by customers and may not result in the levels of user growth that we anticipate. If we fail to conduct our sales and marketing activities in a cost-effective way, we may incur considerable sales and marketing expenses, which could adversely affect our business, results of operations, financial condition and prospects. We may need to enhance our marketing approaches and experiment with new marketing methods to keep pace with industry developments and customer preferences. Failure to introduce new marketing approaches in a cost-effective manner and to retain existing users or attract new ones to our swapping network could reduce our market share and materially and adversely affect our business, results of operations, financial condition and prospects.

Higher labor costs and inflation may adversely affect our offline operations, including the provision of cabinet installation, daily maintenance and battery rescue services, and therefore adversely affect our business, results of operations, financial condition and prospects.

We rely on a large number of frontline operational staff and outsourced service vendors (such as third-party installation teams) to deploy and maintain our smart swapping cabinets and perform crucial offline services such as battery retrieval and rider rescue. Rising labor costs driven by factors such as inflation, changes in minimum wage regulations, labor market dynamics, or increased competition for skilled operational labor could exert upward pressure on our internal payroll and the fees that our third-party service providers charge us. This may significantly increase our cost in the provision of on-the-ground services, and therefore adversely affect our business, results of operations, financial condition, and prospects.

While we strive to manage and mitigate the impact of these rising labor costs through operational efficiencies, the utilization of our technology platforms, or technological innovations, these measures may not be sufficient to maintain our competitiveness and financial performance. There is no guarantee that we will succeed in effectively managing the impact of rising labor costs.

Our nationwide swapping and service network relies on our local operational teams, business partners, and third-party service providers to deliver high-standard performance, and we may not be able to manage the rapid expansion and compliant operations of such service network efficiently.

We rely on a combination of our direct operational teams, business partners, and other third-party service providers (such as site service providers) to deliver high-standard performance across our nationwide battery swapping and after-sales service network. This network is responsible for crucial on-the-ground services, including the installation of swapping cabinets, daily maintenance, battery retrieval, offline rescue for riders, and after-sales support. We may not be able to identify, attract and retain sufficient business partners or service providers with the requisite experience and resources to provide services that meet our quality standards. Our local business partners and third-party service providers may face various challenges during service provision, including but not limited to understaffing during peak seasons (such as summer months when delivery volumes and outsourced labor needs surge), sub-optimal technical skills, or poor customer service quality. Although we implement standardized operating system and provide training, we may not have effective control over the day-to-day operations of our business partners and outsourced personnel. Despite our efforts in

RISK FACTORS

quality control, we cannot assure you that our service providers and business partners will consistently provide such high-quality services. Any failure of our local teams, business partners, or third-party service providers to provide prompt and reliable performance may adversely affect our reputation, increase user churn rate, and in turn adversely affect our business, results of operations, financial condition and prospects.

Furthermore, our reputation and operations may be harmed by non-compliant or illegal actions of third-party service providers that are outside of our control. For example, the failure of our third-party service providers to operate in compliance with applicable laws and regulations could lead to administrative actions, interrupt our operations and result in claims against us. In the event that we become subject to administrative actions or claims caused by non-compliant or illegal actions of these third-party service providers, we may attempt to seek compensation from the relevant partners. However, such compensation may be limited. If no claim can be asserted against a third-party service provider, or amounts that we claim cannot be fully recovered from the third-party service provider, we may be required to bear such losses at our own costs. This could have a material and adverse effect on our business, financial condition and results of operations.

As of December 31, 2025, our swapping network covered over 90 cities across China. From 2023 to 2025, our business partners increased from five to 38, with covered cities growing from five to 37 over the same period. We also plan to expand our service network in overseas markets, starting with our self-operated swapping network in Indonesia. The expansion may not have the desired effect of increasing sales and enhancing our brand recognition in a cost-efficient manner. We may need to invest significant capital and management resources to manage existing business partners and service providers and enter into collaboration with new ones, and there can be no assurance that we will be able to improve the operational efficiency of our rapidly expanding swapping and service network.

Our solutions and daily operations are subject to safety risks, and any accidents that occur during the performance of our solutions may expose us to civil, labor, environmental and criminal liabilities and adversely affect our business, results of operations, financial condition and prospects.

The provision of our on-the-ground solutions, including the installation of smart swapping cabinets, daily maintenance, and battery rescue services, involves operational risks such as equipment defects, lithium battery thermal runaway, and misconduct by our frontline operational staff, business partners, and service providers. The personnel engaged by us or our third-party service providers may work in potentially dangerous conditions, such as handling heavy electrical equipment or moving batteries, which exposes us to potential liability for personal injury and other accidents, business interruptions, and the damage or destruction of property.

From time to time during our operations, we may experience work-related injuries among our frontline personnel. Furthermore, there may be isolated incidents of battery spontaneous combustion in the market, although they may be caused by riders’ unauthorized charging or aging vehicle wiring rather than systemic failures of our equipment. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material safety accidents resulting in death or catastrophic property damage in our operations. However, the safety protocols and training of our operational teams, business partners, and service providers

RISK FACTORS

may not be adequate to prepare the professionals to perform the necessary activities without causing damage or accidents.

According to our contracts with third-party service providers, they generally assume safety responsibilities and risks during their work process, such as cabinet installation. Meanwhile, we maintain employer liability insurance for our frontline staff and product liability insurance for our batteries and swapping cabinets. However, such insurance coverage may not be adequate to cover all potential liabilities if severe safety accidents, such as major fires or explosions, occur during the installation, maintenance, or operation process. Although our agreements stipulate that third-party service providers will assume certain safety risks and responsibilities, we cannot guarantee that we will not become entangled in legal proceedings in relation to personal and property damages.

In addition, any accidents involving our products and solutions can cause our reputation to be severely questioned and subject us to the filing of lawsuits, administrative proceedings, and the launch of regulatory investigations against us. Following severe electric vehicle fire incidents in recent years, the PRC government has significantly enhanced its safety scrutiny over the battery swapping industry. A major safety accident, even if not at our fault, may subject us to possible imposition of substantial fines, mandatory product recalls, or other penalties, with a corresponding surge in our compliance and operating expenses. Any accidents that occur during the performance of our solutions may also severely damage our brand reputation and result in significant costs, and consequently, adversely affect our business, results of operations, financial condition and prospects.

We may be liable for personal and property damages caused by the use of our battery-swapping related products. Any quality issues related to our products could result in a loss of customers and may subject us to product liability claims, product recalls and reputational risks.

The use of our hardware products, particularly lithium batteries and smart swapping cabinets, involves inherent safety risks, including the risk of thermal runaway, fires, or explosions. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material catastrophic personal or property damage claims caused by the systemic failure of our products. However, there have been isolated incidents of spontaneous battery combustion in the market, which were primarily attributed to rider misuse, unauthorized charging, or aging vehicle wiring. We may be held liable for personal injuries and property damages if such accidents are ultimately attributed to defects in our products. We may incur significant time and expenses to respond to customers’ or third parties’ claims against us, and we may not be able to successfully obtain indemnification from upstream suppliers for all, or any, claims.

We currently maintain product liability insurance covering our batteries and swapping cabinets. However, if a severe safety accident occurs, our insurance coverage might be insufficient to fully cover all damages sought, and the claim process might be prolonged. As a result, any material product liability claim or litigation could have a material and adverse effect on our business, results of operations, financial condition and prospects. Even unsuccessful claims could result in the expenditure of funds and managerial efforts in defending them and could have a negative impact on our reputation.

RISK FACTORS

If any products sold or leased by us are alleged to be unsafe or defective, we may experience a significant loss of active users and may have to recall them from the market. We actively monitor battery health through our BMS system and Zhizu Battery-swapping Application Platform and will execute proactive battery recalls or system disablements when abnormal parameters are detected. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any mandatory governmental product recall, nor had we experienced any material product liability claim. Nevertheless, we cannot assure that widespread recalls will not occur, or material claims will not be filed against us in the future. Any product recalls or any claims against us, regardless of merit, can strain our financial resources, hurt our brand reputation and consume the time and attention of our management. If any claims against us are successful, we may incur substantial liabilities, and our reputation may be severely damaged.

Our insurance coverage may not be sufficient to cover all losses associated with our business operations.

We maintain different types of insurance policies, including social insurance and accident insurance for our employees and product liability insurance, which we deem necessary for our operations and in line with industry practice. See “Business – Insurance.” We cannot assure you that our insurance coverage is sufficient to prevent us from any loss, or that we will be able to successfully claim our losses under our current insurance policies on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

Maintaining the trusted brand image of our solutions and products is critical to our success, and any failure to do so could severely damage our reputation and brand, which would have a material adverse effect on our business, results of operations, financial condition and prospects.

We believe that maintaining and enhancing our reputation and brand recognition is critical to our relationships with our customers and other participants within the LEV battery swapping ecosystem. Any loss of trust in our solutions and products could harm the value of our brand, which could reduce our revenue and profitability. Our ability to maintain our position as a trusted brand for LEV battery-swapping solutions and products is based in large part upon the quality of our solutions and products, users’ satisfaction with our solutions and products, and the increasing brand awareness through marketing and brand promotion activities. Any public perception that our solutions and products are defective or otherwise unsatisfactory, even if factually incorrect or based on isolated incidents, could damage our reputation, diminish the value of our brand, undermine the trust and credibility we have established and have a negative impact on our ability to attract new users or retain our current users. If we are unable to maintain our reputation, enhance our brand recognition or increase positive awareness of our products and solutions, it may be difficult to maintain and grow our user base and customer base, and our business and growth prospects may be materially and adversely affected.

We recorded net liabilities and net current liabilities positions as of the end of each of the Track Record Period.

As of December 31, 2023, 2024 and 2025, we recorded net liabilities of RMB91.2 million, RMB78.8 million and RMB70.6 million, respectively, and net current liabilities of RMB767.2

RISK FACTORS

million, RMB783.5 million and RMB701.3 million, respectively. Such position was primarily due to significant upfront investments in capital expenditures for swapping station-related assets and/or redemption liabilities, as applicable.

A net liabilities position may raise concerns as to our financial condition, liquidity and ability to sustain operations, and may adversely affect our ability to obtain additional financing on commercially reasonable terms, or at all. In particular, potential lenders or investors may perceive us as having higher credit risk, which could result in higher financing costs, more stringent covenants or dilution of existing shareholders’ interests in the event of equity financing. In addition, a sustained net liabilities position may limit our operational flexibility, restrict our ability to make necessary capital expenditures, and adversely affect our capacity to withstand adverse business, economic or industry conditions. It may also impact our compliance with certain financial covenants under existing or future financing arrangements, if any, and could result in a breach of such covenants.

Although we expect our financial position to improve as our business continues to grow and our operating performance improves, there can be no assurance that we will be able to return to a net assets position in the near future or at all. If we are unable to improve our net assets position, our business, financial condition, results of operations and prospects could be materially and adversely affected.

We rely on the service of certain key members of our executive management team, qualified technical, engineering, sales and operational personnel, and other key employees. The loss of any of them may adversely affect our business, results of operations, financial condition and prospects.

Our continued success is and will continue to depend to a significant extent on the efforts and abilities of us to retain the key members of our executive management team, and to make sure each of them is and will continue to be actively engaged in our management and determines our strategic direction. The departure of any of the key individuals from or their reduced attention to us could have a material adverse effect on our business, results of operations, financial condition and prospects.

We are and will continue to be dependent upon the services of members of our executive management team. Our future performance will also depend on their continued services and continuing contributions to formulate and execute our business plan and to identify and pursue new opportunities and service innovations. The loss of services of any of these individuals, or the ineffective management of any leadership transitions, could significantly delay or prevent the achievement of our development and strategic objectives, which could adversely affect our business, results of operations, financial condition and prospects.

Our success also depends, in part, on the continuing ability to identify, hire, attract, train and develop and retain highly qualified personnel. Competition for employees can be intense and the ability to attract, hire and retain them will depend on our ability to provide competitive compensation. For instance, we may face challenges in recruiting and retaining specialized technical talents, such as embedded software developers, to support our R&D capabilities, and we historically experienced relatively high turnover rates among our frontline sales and operational personnel. We may not be able to attract, assimilate, develop or retain qualified personnel in the future. The inability to recruit and retain qualified personnel in the future could have an adverse effect on our business, results of operations, financial condition and prospects.

RISK FACTORS

Any of our expansion into international markets will expose us to additional tax, compliance, market and other risks and there can be no assurance that any such expansion will be successful.

We have expanded and plan to continue to expand our operation into international markets, such as Southeast Asia. Our operations in international markets are expected to expose us to various risks, including but not limited to those arising from:

- operating our business across a significant distance, in different languages and among different cultures;
- differing demand dynamics for our solutions and products, such as varying preferences for short-term solutions among local users;
- competition with local competitors which may have greater resources and more favorable market positions;
- establishing relationships with local electric motorcycle companies, regulators and commercial partners;
- deploying battery-swapping infrastructure and hardware in overseas markets;
- establishing service networks in overseas markets;
- compliance with applicable laws and regulations, including those with respect to privacy, intellectual property, data protection, consumer protection, anti-corruption, trade barriers and economic sanctions, and the risk of penalties if our practice is deemed to be noncompliant;
- obtaining required government approvals, licenses or other authorizations;
- varying levels of internet adoption and infrastructure;
- foreign exchange controls and exchange rate fluctuations;
- public health emergencies and containment measures;
- potentially adverse tax consequences;
- higher costs of doing business internationally, including increased accounting, travel, infrastructure, and legal compliance costs;
- the effectiveness of training, motivation and management of our employees;
- the diversity of customers preferences and demand and our ability to anticipate or respond to such preferences and demand;
- changes in the political and economic environments in the countries where we operate, and the imposition of new duties or other protectionist measures; and
- the occurrence of acts of terrorism or similar events, conflicts, civil unrest or situations of political instability.

RISK FACTORS

These or other factors may deter our international expansion plans, distract our management attention, or cause us to incur significant costs in these markets, which could have an adverse effect on our business, results of operations, financial condition and prospects.

Our overseas operations may subject us to governmental economic sanctions and export controls laws, which could subject us to liability and impair our ability to compete in overseas markets.

Our planned overseas operations may subject us to various applicable sanctions and export controls regulations. We have sold and will continue to sell our products to overseas customers and partners in foreign countries and regions, such as Southeast Asia. In the event that any of these countries or regions imposes economic sanctions or enforces import restriction or tariffs in relation to our products, our business, results of operations, financial condition and prospects may be adversely affected. In addition, in the event that any of the countries or regions where we may procure materials from imposes export controls, tariffs, trade restrictions or other trade barriers on any of the components or raw materials supplied to us, we may not be able to obtain a steady supply of necessary components or raw materials at competitive prices, and our business, results of operations, financial condition and prospects may be materially and adversely affected.

Exports of our products must be made in compliance with various economic sanctions and export controls laws in different jurisdictions. For example, U.S. economic sanctions prohibit the provision of products and services to certain countries or regions, governments, and persons targeted by U.S. sanctions. European Union sanctions also have similar regime to prohibit the provision of products and services to countries or regions, governments and persons on their respective target list. We take precautions to prevent our products from being provided to any target of these sanctions. However, we cannot assure you that our products and solutions would not be provided to those targets through independent distributors or agents despite such precautions, which is out of our control. Any such provision could have negative consequences, including government investigations, penalties and reputational harm. We could be subject to future enforcement action with respect to compliance with governmental economic sanctions and export controls laws that result in penalties and costs that could have a material effect on our business, results of operations, financial condition and prospects.

Further, applicable sanctions and export controls laws and regulations may be revised, and potential national security and foreign policy concerns may prompt governments to impose trade or other restrictions. If new sanctions and export controls measures were to include a complete or more restrictive ban on products sales to certain entities, it could impact not only our ability to continue supplying our products to affected customers, but could also negatively affect our customers' demand for our products, and could even lead to changes in supply chains of our products, to the extent they involve the use of items subject to the Export Administration Regulations or other applicable regulations.

We may need to raise additional funds and these funds may not be available when needed on favorable terms, if at all.

We operate in a capital-intensive industry and may need to raise additional capital in the future to further scale and expand our battery swapping network and business. We may raise additional funds through the issuance of equity or debt related securities, or through obtaining credit from government or financial institutions. There is no certainty that additional funds will

RISK FACTORS

be available on favorable terms when required, or at all. If additional funds cannot be obtained when needed or on favorable terms, our business, results of operations, financial condition and prospects could be adversely affected. If we raise funds through the issuance of debt securities or through loan arrangements, the terms of which could require significant interest payments, contain covenants that restrict our business, or other unfavorable terms. In addition, to the extent we raise funds through the sale of additional equity securities, our shareholders would experience additional dilution.

We have been and intend to continue investing in R&D, which may not generate the results we expect and therefore may adversely affect our short-term cash flow, liquidity and profitability.

We have been investing heavily in our R&D to maintain our capabilities in the design, development and production of smart batteries and cabinets as well as digital technology platforms, and to keep pace with the industry’s technological evolution. Our R&D expenses were RMB44.9 million, RMB30.2 million and RMB29.9 million in 2023, 2024 and 2025, respectively, representing 6.5%, 4.1% and 4.0% of our total revenue in the same years, respectively. We may continue to incur significant research and development expenses in the future.

However, there can be no assurance that our R&D efforts will deliver the benefits we anticipate. The results of our R&D activities are inherently uncertain, and we may not be able to obtain and retain qualified R&D personnel. Even if we succeed in R&D and generate the results we expect, we may still encounter practical difficulties in commercializing our R&D results. New technologies could render our technologies, technological infrastructure or solutions that we are developing or plan to develop obsolete or unattractive, thereby limiting our ability to recover related development costs, which could adversely affect our revenue, profitability and market share. As such, our R&D efforts may not contribute to our future results of operations or such contribution may not meet our expectations or even cover the costs of our R&D efforts, which may materially and adversely affect our business, results of operations, financial condition and competitive position.

Our development strategies may not succeed, which may materially and adversely affect our business, financial condition and results of operations.

We have implemented comprehensive business strategies, including developing new technologies and expanding our operations. We have been and will continue introducing new solutions and products and improving existing ones to meet evolving market demand and customer needs. The success of our growth initiatives, strategies and operating plans depends on various factors, such as market conditions, competition, regulatory requirements, technological changes, economic conditions and customer preferences. These factors may be difficult to predict or control, and if they do not develop as we expect, our growth initiatives, strategies and operating plans may not be successful in enhancing our business as anticipated.

There can be no assurance that our strategies are accurate or correct in terms of aligning with the market development, including technological advancements, industry trends and end-user preferences. If any of our business strategies are proven to deviate from such market development, it could have a negative impact on our business, financial condition and results of operations. In addition, we may fail to obtain the necessary resources to fund our future plans or employ suitable personnel to manage our expanded business. If we are unable to develop and introduce new solutions and products and improve existing solutions and products in a

RISK FACTORS

cost-effective and timely manner, our business, financial condition, results of operations and competitive position would be materially and adversely affected.

We collaborate with business partners to expand our sales and operation network. If we are unable to maintain, expand and manage our sales and operation network successfully, our business, financial condition, results of operations and prospects would be materially and adversely affected.

We utilize a mix of direct operation and a partnership model to expand our market coverage and our user base. During the Track Record Period, the number of our business partners increased from five in 2023 to six in 2024 and further to 38 in 2025. Under this partnership model, our business partners typically purchase our battery-swapping equipment, such as smart swapping cabinets and batteries, and operate independently in their respective cities using our software platforms. We have limited control over the day-to-day operations of our business partners. Their effectiveness in expanding local customer base directly impacts our market share and revenue. If we fail to effectively manage them, or if they engage in unauthorized practices, such as offline price dumping that disrupts our market pricing system, fail to provide adequate local maintenance, or violate our operational guidelines, our brand reputation, user experience, and overall business could be severely harmed. Furthermore, if we are unable to identify and secure reliable business partners for new markets or renew contracts with existing high-performing ones, our expansion strategy and financial prospects will be materially and adversely affected.

Failure to pay the social insurance premium and housing provident funds for and on behalf of our employees in accordance with applicable laws and regulations of the PRC may subject us to penalties and have an adverse impact on our financial conditions and results of operations.

In accordance with the PRC Social Insurance Law (《中華人民共和國社會保險法》) and the Regulations on the Administration of Housing Fund (《住房公積金管理條例》) and other relevant laws and regulations, China has established a social insurance and housing provident fund system. Social insurance includes basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance, and maternity insurance. An employer is required to make contributions to the statutory social insurance and housing fund for its employees in accordance with the rates provided under relevant regulations and withhold the contribution amounts to be paid by the employees themselves. Pursuant to applicable PRC laws and regulations, if the employer fails to register and establish an account for housing provident fund contributions, the authority could order the employer to correct it within a prescribed time limit, where failure to do so at the expiration of the time limit shall result in a fine of not less than RMB10,000 nor more than RMB50,000 being imposed. Furthermore, in light of the Article 19(1) of the Supreme People’s Court’s Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the “**New Judicial Interpretation**”), promulgated on July 31, 2025, and effective as of September 1, 2025, if an employer and an employee agree or the employee undertakes that social insurance contributions need not be paid, the People’s Court shall deem such agreement or undertaking invalid. Moreover, where an employer fails to pay social insurance contributions in accordance with the law, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to Article 38(3) of the PRC Labor Contract Law, the People’s Court shall support such claims, in which case, the employer remains liable

RISK FACTORS

for paying economic compensation (calculated as the number of years of employment multiplied by the monthly salary) to the employee, notwithstanding any prior agreement to waive social insurance contributions. For more information, see “Regulatory Overview – Regulations on Labor.”

During the Track Record Period and up to the Latest Practicable Date, we had not made full contributions to the social insurance and housing provident fund for our employees as required by relevant laws and regulations. For more details, see “Business – Social Insurance and Housing Provident Funds. As of the Latest Practicable Date, we had not been required to settle the outstanding amount of social insurance payments and housing provident fund contributions, nor had we been imposed with administrative actions, fines or penalties on us with respect to this incident by the competent government authorities. However, we cannot assure you that the relevant government authorities will not impose new requirements on us according to laws, regulations or local policies published by the relevant government authorities in the future, such as ordering us to make supplemental social insurance and housing provident fund contributions, imposing late fees or fines on us or ordering us to take other measures, any of which may materially and adversely affect our business, financial condition and results of operations.

Our leased properties may be subject to non-compliance or challenges that could potentially affect our future use of them.

We have leased certain properties in China for storage, production, employee dormitories and office premises. See “Business – Our Properties – Leased Properties” for details. Pursuant to the Measures for Administration of Lease of Commodity Properties (商品房屋租賃管理辦法), which was promulgated by the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) on December 1, 2010 and became effective on February 1, 2011, both lessors and lessees are required to file the lease agreements for registration and obtain property leasing filing certificates for their leases.

As of the Latest Practicable Date, 14 of our 19 lease agreements in China had not been registered. While the lack of registration will not affect the validity of the leases under PRC laws and regulations, we may be ordered by the relevant government authorities to register the relevant leases within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease. As of the Latest Practicable Date, we had not been subject to any penalties arising from the non-registration of lease agreements. If any of our leases is terminated or becomes unenforceable as a result of challenges from third parties, we would need to seek alternative properties and incur relocation costs. Any relocation could lead to disruptions to our operations and adversely affect our business, financial conditions and results of operations. As our leases expire, we may face difficulties renewing them, either on commercially acceptable terms or at all. Our inability to enter into new leases or renew existing leases on terms acceptable to us could materially and adversely affect our business, results of operations or financial condition.

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.

There can be no assurance that we can prevent third parties from infringing upon our intellectual property rights. Unauthorized use of our intellectual properties, unfair competition, defamation or other violations of our rights by our employees and/or third parties may harm our brand and reputation, and the expenses incurred in protecting our intellectual property rights

RISK FACTORS

may materially and adversely affect our business. We may, from time to time, be required to institute litigation, arbitration or other proceedings to enforce our intellectual property rights, which may be time-consuming and expensive to resolve and could divert our management’s attention regardless of the outcome, and adversely affect our business, financial condition and results of operations.

It can be difficult to register, maintain and enforce intellectual property rights in the jurisdictions where we operate. Laws and regulations are subject to judicial interpretation and enforcement and may not be applied consistently. Preventing any unauthorized use of our intellectual properties is difficult and costly and the steps we take may be inadequate to prevent the misappropriation of our intellectual properties. In addition, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. Any failure in protecting or enforcing our intellectual property rights may have a material and adverse effect on our business, financial condition, results of operations and prospects.

We may infringe intellectual property rights of third parties, which can lead to time-consuming and costly intellectual property infringement claims.

We may inadvertently infringe on third-party IP rights, leading to costly litigation or licensing fees. We use open-source software, which carries risks if not managed in compliance with license terms. In addition, there may be third-party trademarks, patents, copyrights, know-how or other intellectual property rights that are infringed upon by our products, solutions, services or other aspects of our business without our knowledge. Holders of such intellectual property rights may seek to enforce such intellectual property rights against us in the PRC or other jurisdictions. If any third-party infringement claims are brought against us, we may be forced to divert our management’s attention and other resources from our business and operations to defend these claims, regardless of their merits.

Additionally, the application and interpretation of the PRC laws relating to intellectual properties, and the procedures and the standards for granting trademarks, patents, copyrights, know-how or other intellectual property rights in the PRC are still evolving, and there can be no assurance that the PRC courts or regulatory authorities would agree with our analysis. If we were found to have violated the intellectual property rights of any third party, we may be subject to liability for our infringing activities or may be prohibited from using such intellectual properties, and we may incur licensing fees or be forced to develop alternatives of our own. In such events, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Confidentiality agreements and non-compete covenants with employees may not adequately protect our proprietary rights.

We have devoted substantial resources to the development of our technology and know-how. Although we enter into employment agreements with confidentiality, non-compete covenants and intellectual property ownership clauses with our key employees, there can be no assurance that these agreements will not be breached, that we will have adequate remedies for any breach in time or at all, or that our proprietary technology, know-how or other intellectual properties will not otherwise become known to third parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain protection for our proprietary rights could adversely affect our business, financial condition, results of operations and competitive position.

RISK FACTORS

We may be adversely affected by any negative publicity concerning us and our battery swapping business, shareholders, affiliates, directors, officers, other employees, business partners, other third parties as well as the industry in which we operate, regardless of its accuracy, that could harm our reputation and in turn adversely affect our business, results of operations, financial condition and prospects.

Our ability to attract and retain customers is highly dependent upon the public perceptions of our battery swapping solutions and products, trustworthiness and business practices. Negative perceptions or publicity about us and our business, shareholders, affiliates, directors, officers, employees, business partners, other third parties as well as the LEV battery-swapping industry, even if related to isolated incidents (such as local battery fire accidents), could erode trust and confidence and damage our reputation among existing and potential customers. In turn, this could decrease the demand for our solutions and products, increase regulatory scrutiny and detrimentally affect our business. In addition to traditional media, there has been an increasing use of social media platforms and similar devices in China, including instant messaging applications, social media websites and other forms of internet-based communications that provide individuals with access to a broad audience of consumers and other interested persons. Negative publicity concerning these parties could be related to a wide variety of matters, including, but are not limited to:

- alleged misconduct or other improper activities committed by our directors, officers, and employees, as well as our business partners;
- false or malicious allegations or rumors about us or our directors, shareholders, affiliates, officers and employees;
- complaints by our customers about our solutions and products;
- security breaches of private customer or transaction data;
- employment-related claims relating to alleged employment discrimination, wage and hour violations; and
- governmental and regulatory investigations or penalties upon us.

The availability of information on instant messaging applications and social media platforms is virtually immediate as is its impact without affording us an opportunity for redress or correction. The opportunity for dissemination of information, including inaccurate information, is seemingly limitless and readily available. Information concerning our company, shareholders, directors, officers and employees may be posted on such platforms at any time. The risks associated with any such negative publicity or incorrect information cannot be completely eliminated or mitigated and may materially harm our reputation, business, financial condition and results of operations.

Furthermore, our brand name and our business may be harmed by aggressive marketing and communication strategies by competitors and third parties. We may be subject to government or regulatory investigation or third-party claims as a result and we may be required to spend significant time and incur substantial costs to react to and address these consequences. There is no assurance that we will be able to effectively refute each of the allegations within a reasonable period of time, or at all. Additionally, public allegations, directly or indirectly, against us or our

RISK FACTORS

business partners, may be posted online by anyone on an anonymous basis. Social media platforms may not necessarily filter or check the accuracy of information before publishing them and we are often afforded little or no time to respond. As a result, our reputation may be adversely affected and our ability to attract and retain customers and maintain our market share and our financial conditions may suffer.

We are subject to evolving regulatory requirements regarding the end markets of our solutions and products and solutions, such as the “New National Standard” for LEVs, local motorcycle bans and battery safety regulations, which may adversely impact our operations.

Our operations are highly sensitive to regulatory changes in the PRC. The PRC government has implemented the “New National Standard” (新國標) for LEVs, requiring 48V batteries to undergo mandatory 3C certification. While our self-produced 48V batteries have obtained this certification, many users in the market currently operate 60V or 72V batteries, which strictly classify their vehicles as electric motorcycles. Currently, over 300 cities in China ban or restrict motorcycles, creating compliance uncertainties for electric motorcycle users (including our delivery riders). Due to frequent LEV safety accidents, local enforcement is becoming increasingly strict, with cities like Shanghai, Beijing, Shenzhen, and Guangzhou transitioning strictly to the New National Standard. A strict, uniform enforcement of the New National Standard or intensified local crackdowns on high-voltage LEV could abruptly reduce the demand for our high-capacity swapping services, which would negatively impact our revenue and asset utilization.

Furthermore, government regulations have imposed stringent requirements on LEV safety in general and in the context of battery fire protection. While we believe that the enhancement of battery safety standards and the implementation of the New National Standard could present a market opportunity for our solutions and products, evolving regulatory requirements could also be challenging to satisfy and may adversely affect our portfolio of solutions and products and business operations. Government safety regulations are subject to changes driven by a number of factors that are beyond our control, including new technologies, adverse publicity regarding recalls and safety risks of lithium-ion batteries, accidents involving thermal runaway or fires, domestic and foreign political situations, and litigation relating to battery safety as well as data privacy. New legislation or changes in the regulatory requirements with respect to the LEV battery swapping industry could adversely affect our business, and requires continuous monitoring of laws and regulations and an ongoing compliance process to ensure that we are in compliance with existing laws and regulations in each market where we operate. Our compliance cost could be substantial given the evolving nature and complexity of the relevant laws and regulations.

Data privacy and security regulations, such as China’s Data Security Law and overseas local data protection rules, impose strict compliance obligations.

We are subject to various laws and regulations concerning data security and privacy. Recently, the governments worldwide have placed increasing emphasis on privacy and data protection regulations. The PRC government, in particular, has implemented a series of laws, regulations and policies to safeguard personal data.

For instance, on June 10, 2021, the Standing Committee of the National People’s Congress promulgated the Data Security Law of the People’s Republic of China (《中華人民共和國數據安

RISK FACTORS

全法》) (the “**Data Security Law**,” effective since September 1, 2021). The Data Security Law sets out a number of obligations on data security undertaken by entities and individuals engaged in data-related activities. It also prohibits any individual or entity in China from providing data stored in China to foreign judicial or law enforcement departments without the approval of the competent authorities in China. And on November 7, 2016, the Standing Committee of the National People’s Congress promulgated the Cybersecurity Law of the People’s Republic of China (《中華人民共和國網絡安全法》, effective since June 1, 2017, amended by the SNPC on October 28, 2025 and such amendment effective on January 1, 2026), and pursuant to which, the State is to advance the development of a socialized service system for cybersecurity, and encourage related businesses and institutions to carry out cybersecurity services such as certification, testing and risk assessment. According to the Measures for Cybersecurity Review (《網絡安全審查辦法》) jointly promulgated by the Cyberspace Administration of China (the “CAC”), the NDRC, the MIIT, the MPS, the Ministry of State Security (the “MSS”), the MOF, the MOFCOM, the PBOC, the SAMR, the National Radio and Television Administration (the “NRTA”), the CSRC, the National Administration of State Secrets Protection (the “NASSP”) and the State Cryptography Administration (the “SCA”) on December 28, 2021 and effective on February 15, 2022, entities meeting certain standards shall apply for a cybersecurity review.

Pursuant to the Measures for Cybersecurity Review Measures, critical information infrastructure operator(s) (“**CIIOs**”) that purchase network products and services and network platform operators engaging in data processing activities that affect or may affect national security must be subject to the cybersecurity review. According to the Measures for Cybersecurity Review, before purchasing any network products or services, a CIIO shall assess potential national security risks that may arise from the launch or use of such products or services, and apply for a cybersecurity review with the cybersecurity review office of CAC if national security will or may be affected. In addition, network platform operators who possess personal information of more than one million users and intend to be listed at a foreign stock exchange must apply for the cybersecurity review. Furthermore, when members of the cybersecurity review working mechanism determine that certain network products and services or data processing activities have affected or may affect national security, the Cybersecurity Review Office shall, following approval through the prescribed procedures by the Central Commission for Cybersecurity and Informatization, conduct a review in accordance with the provisions of these Measures. Our PRC Legal Advisor made a telephonic consultation on a named basis with the China Cybersecurity Review, Certification and Market Regulation Big Data Center (中國網絡安全審查認證和市場監管大數據中心, CCRC) which is the competent institution entrusted by the CAC to set up cybersecurity review consultation hotline. The CCRC confirmed that the term “[REDACTED] in a foreign country” under the Measures for Cybersecurity Review does not apply to [REDACTED] in Hong Kong, and thus the obligation to proactively apply for cybersecurity review by an entity seeking [REDACTED] in a foreign country shall not be applicable to the proposed [REDACTED]. And during the Track Record Period and up to the Latest Practicable Date, we have not received any notices, requests, or orders requiring us to undergo a cybersecurity review.

Our failure or perceived failure to comply with data privacy and security laws could lead to potential legal proceedings or actions initiated by government entities or other parties, which may materially and adversely impact our reputation, thereby harming our business, financial condition and results of operations.

RISK FACTORS

We are subject to risks related to properly and timely obtaining and maintaining the requisite licenses, permits, registrations and filings applicable to our business according to evolving legal requirements.

The LEV battery-swapping industry in which we operate is highly regulated. Under mainland China laws and regulations, we are required to obtain or complete a number of licenses, approvals, registrations, filings and other permissions for our operation, including China Compulsory Certification (3C certification) for our batteries, and environmental and fire safety approvals for our manufacturing facilities. For more information, see “Business – Licenses and Permits.” As a fast-growing company that is continuously exploring new approaches to conduct our business and capture growth opportunities, we may become subject to additional license, approval and other requirements as we develop and expand our business scope and engage in different business activities.

In addition, certain licenses, permits or registrations we hold are subject to periodic renewal. Nevertheless, there can be no assurance that we will be able to obtain and/or renew all of the approvals, licenses and permits required for our existing business operations upon expiration in a timely manner, or at all. If we fail to obtain or maintain any of the required licenses or approvals or make the necessary filings in any of the jurisdiction where we operate, we may be subject to penalties such as the imposition of fines and discontinuation or restriction of our operations. Furthermore, due to the evolving interpretation and implementation of existing laws and the adoption of additional laws and regulations, the licenses, permits, registrations or filings we hold may be deemed insufficient by the PRC government, which may restrain our ability to expand our business scope. Any such penalties may disrupt our business operations and materially and adversely affect our business, results of operations and financial condition.

Moreover, as we expand our business internationally, we may encounter additional requirements with respect to permits and licenses in the countries in which we operate. For example, we have registered overseas subsidiaries in Singapore and Indonesia and plan to launch our self-operated battery swapping network in Indonesia. If our overseas operations are deemed under applicable local laws as required of certain permits and licenses, we would be subject to certain compliance requirements, such as filing of notification and obtaining permission. Despite our commitment to obtaining and maintaining the requisite licenses, permits, registrations and filings applicable to our business, complying with local license, permit, registration and filing requirement applicable to us requires continuous efforts and could be costly, and delays in obtaining these licenses and permits may hinder our ability to expand, which may adversely affect our business and results of operations.

RISK FACTORS

Our employees, business partners and other third parties may engage in intentional or negligent misconduct, or violate our internal policies and laws, which could impair the quality of our solutions, products and service, cause us to lose customers or subject us to liabilities.

We risk compromising the quality of our solutions and products if our employees, business partners, and other third parties such as suppliers of raw materials and components and technical service providers, do not perform in accordance with our standards. We have internal policies and guidelines to monitor and ensure the solutions and products delivered to our customers are of satisfactory standard. In addition, we have adopted and strictly implemented a series of procedures designed to verify the integrity and qualifications of our employees before they are engaged, and of partners prior to any cooperation. However, there can be no assurance that such verification procedures will always be effective.

Nevertheless, we cannot guarantee that our employees, business partners and other third parties will not engage in any intentional or negligent misconduct. Furthermore, we may be exposed to the risks of fraud or other unlawful activities committed by our employees, business partners and other third parties. Fraud or other unlawful activities by them may include making unauthorized misrepresentation to our customers, misappropriating third-party intellectual property and other proprietary rights, misusing sensitive customer information and engaging in bribery or other unlawful payments. In any such event, we could incur liability to our customers or any other third parties.

Any claims could subject us to costly litigation and affect our financial condition, and may distract the attention of our management regardless of whether the claims have merit. Any claims could result in complaints from our customers or other third parties, regulatory or legal liabilities or damages to our reputation.

We might experience work stoppage, labor shortage and other labor related matters, which may disrupt our normal operation and adversely affect our reputation and results of operations.

We have implemented comprehensive policies and measures to protect the welfare and working conditions of our employees, including providing competitive remuneration packages comprising salary and allowances and performance-based bonuses, training and insurance. For more information, see "Business – Our Employees." Despite our best efforts, we cannot guarantee we will not face any labor-related issues, including labor disputes, strikes or the inability to attract and retain qualified workers, which may lead to work stoppage or labor shortage and significantly impact our ability to meet customer demands and fulfill orders within the expected time frames. Furthermore, such labor-related matters could incur additional costs associated with resolving labor disputes, hiring temporary workers or implementing contingent plans to mitigate the impact of labor shortage. These additional expenses, coupled with potential revenue losses from delayed deliveries, may negatively affect our profitability and overall results of operations.

Our risk management and internal control systems may not be adequate or effective.

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.

RISK FACTORS

While we seek to improve our risk management and internal control systems on a continuous basis, we cannot assure you that these systems are sufficiently effective. For more information, see "Business – Risk Management and Internal Control." Since our risk management and internal control systems depend on implementation by our employees, we cannot assure you that our employees or other related third parties are sufficiently or fully trained to implement these systems, or that their implementation will be free from human error or mistakes. If we fail to timely update, implement and modify, or fail to deploy sufficient human resources to maintain our risk management policies and procedures as our business continues to expand rapidly, our business, results of operations, financial condition and prospects could be materially and adversely affected.

Defects in our software or algorithms, or any malfunction, unexpected system failure, interruption, insufficiency or security breaches of our information technology networks and systems, could materially and adversely affect our reputation, business and results of operations.

Our battery swapping solutions rely on complex software, IoT platforms and AI algorithms. Despite rigorous testing, our software (such as our user apps and battery management systems) may contain bugs, errors, or vulnerabilities that are not discovered until after deployment. Such defects could lead to system failures, safety incidents, or negative user experiences, resulting in reputational damage and potential liability.

In addition, we rely on information technology networks and systems for electronic communications among our personnel, customers, business partners and suppliers and for synchronization with our smart swapping cabinets and lithium batteries on battery status, location, order placements and swapping network management. These information technology systems, some of which are managed by third parties (such as our cloud service providers), may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components, power outages, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors or catastrophic events. If our information technology systems suffer damage, disruption or shutdown, we may incur substantial costs in repairing or replacing these systems.

Failures in information technology systems, as well as defects in our software and algorithms, especially those related to battery safety (such as thermal runaway prevention) and associated data, could potentially lead to problems with our solutions and products, resulting in physical injuries or even fatalities to instant delivery riders, daily commuters and other individuals. If we do not effectively resolve the issues in a timely manner, our business, results of operations and financial condition may be materially and adversely affected, and we could experience delays in reporting our financial results.

Computer malware, viruses, ransomware, hacking, phishing attacks and other network disruptions could result in security and privacy breaches, loss of proprietary information and interruption in service, which would adversely affect our business, results of operations, financial condition and prospects.

Computer malware, viruses, physical or electronic break-ins and similar disruptions could lead to interruption and delays in our battery swapping services and operations and loss, misuse or theft of data. Computer malware, viruses, ransomware, hacking, phishing attacks or denial-of-service attacks against online networks have become more prevalent and may occur on

RISK FACTORS

our systems. Any attempts to disrupt our services or systems could harm our business, introduce liability to data subjects, result in the misappropriation of funds, be expensive to remedy, result in fines, penalties or other liabilities and damage our reputation or brand.

Even with the security measures implemented by us, such as web application firewalls (WAF), distributed denial-of-service (DDoS) protection, encrypted transmission, regular penetration testing, and any additional measures we may implement or adopt in the future, our facilities and systems, and those of our third-party service providers, could be vulnerable to security breaches, computer viruses, lost or misplaced data, programming errors, scams, burglary, human errors, acts of vandalism, or other events. Although we had not experienced any material data breaches or cyber-attacks during the Track Record Period and up to the Latest Practicable Date, efforts to prevent cyberattacks and similar disruptions are expensive to implement.

We may experience service disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, third-party service providers, human or software errors and capacity constraints. We rely on data carrier networks to support reliable operation, management and maintenance of our smart swapping cabinets, battery status monitoring, rider authentication, and payment processing, all of which depend on reliable connections with wireless communications networks. If our services are unavailable when users attempt to access them, they may seek other services, which could reduce demand for our solutions and adversely affect our business, results of operations, financial condition and prospects.

We rely on third-party cloud service providers to operate certain aspects of our service. Interruptions, delays in service or inability to increase capacity with our cloud service providers could impair the use of our services and subject us to liability, which could adversely affect our business, results of operations, financial condition and prospects.

We currently serve customers using third-party cloud services. All our services are housed in third-party data centers operated in local markets, and we employ redundant backup cloud service providers for all services. Any outage or failure of such cloud service providers could negatively affect our smart swapping cabinets and lithium batteries’ connectivity and performance. Furthermore, we depend on connectivity from our hardware products to our cloud service providers through cellular service and virtual private networking providers. Any incident affecting the cloud service providers’ or cellular and/or virtual private networking service providers’ infrastructure or operations, whether caused by fire, flood, storm, earthquake, power loss, telecommunications failures, breach of security protocols, computer viruses and disabling devices, failure of access control mechanisms, natural disasters, war, criminal act, military actions, terrorist attacks and other similar events could negatively affect the use, functionality or availability of our products and services.

Any damage to, or failure of, our systems, or those of our third-party cloud service providers, could interrupt or hinder the use or functionality of our battery swapping solutions. Impairment of or interruptions in our solutions may reduce our revenue, subject us to claims and litigation, cause customers to terminate their usage, and adversely affect renewal rates and our ability to attract new customers. Our brand and reputation will also be harmed if customers and potential customers believe our services are unreliable. Any such events could adversely affect our business, results of operations, financial condition and prospects.

RISK FACTORS

Our sales and results of operations are subject to seasonal variations.

Our battery-swapping solutions and product sales are dependent on the demand from LEV users, such as delivery riders. In China, the instant delivery industry typically experiences a peak in the summer months, leading to an increase in active riders due to the influx of summer workers, while the demand typically drops during the winter and the Chinese New Year holiday period as many delivery riders return to their hometowns. Consequently, the demand for our solutions is higher in the third quarter of the year and lower in the first quarter of the year. We expect the impact of seasonality on our business to remain in the future. As a result of these seasonal variations, we believe that comparisons of our operational results between different quarters within a single fiscal year or across different fiscal years are not necessarily meaningful and that these comparisons cannot be relied upon as indicators of our future performance.

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.

We operate in a regulated environment and may be involved in administrative actions and penalties, legal proceedings and commercial or contractual disputes in the ordinary course of our business. For instance, we initiated a litigation regarding defected batteries against one battery supplier. See “Business – Legal Proceedings and Compliance – Legal Proceedings” for details. In addition, we are subject to on-site inspection by the relevant administrative authorities, which may require us to adjust the location of our cabinets. We cannot assure you that we will not be involved in various legal proceedings, regulatory investigations and other disputes with customers, suppliers, or employees in the future, which may expose us to additional risks and losses.

In addition, we may have to pay legal costs associated with such disputes, including fees relating to appraisal, auction, execution and legal advisory services. Litigation and other disputes may lead to inquiries, investigations, administrative penalties and proceedings by regulatory authorities and other governmental agencies and may result in damage to our reputation, additional operating costs and diversion of resources and management’s attention from our core business. The disruption of our business due to judgments, arbitration and legal proceedings against us, significant administrative penalties, or adverse adjudications in proceedings against our Directors, senior management or key employees may materially and adversely affect our reputation, business, results of operations, financial condition and prospects.

We are subject to risks related to online payment through third party channels.

We accept payments through major third-party online payment channels in China such as Alipay and WeChat Pay. We may also be susceptible to fraud, user data leakage and other illegal activities in connection with the various payment methods we offer. In addition, our business depends on the billing, payment and escrow systems of the third-party payment service providers to maintain accurate records of payments by customers and collect such payments. If the quality, utility, convenience or attractiveness of these payment processing and escrow services declines, or if we have to change the pattern of using these payment services for any reason, the attractiveness of our battery swapping solutions could be adversely affected. We are also subject to various rules, regulations and requirements, regulatory or otherwise, governing electronic funds transfers which could change or be reinterpreted to make our current acceptance of payment through major third-party online payment channels a violation of relevant rules,

RISK FACTORS

regulations or requirements. If we fail to comply with these rules or requirements properly or timely, we may be subject to fines and higher transaction fees and become unable to accept payments from our customers through the online payment methods that we currently adopt, and our business, results of operations, financial condition and prospects could be adversely affected.

We are subject to environmental, health, and safety (EHS) regulations. Changes in EHS compliance requirements could have an adverse impact on our business, operating results and financial condition.

Our operations must comply with EHS laws. Violations could lead to fines or production shutdowns. Additionally, with the rising awareness of EHS issues, including with respect to waste disposal, packaging waste, greenhouse gas emissions and environmental protection, more stringent laws and regulations that affect our business operations may be adopted. Accordingly, we may need to devote more effort and resources to ensure our compliance with such laws or regulations. We have adopted a series of measures aiming to ensure our compliance with the EHS-related laws and regulations applicable to us. For more information, see “Business – Environmental, Social and Governance.” There can be no assurance that these measures can effectively help us to navigate the complex and evolving regulatory environment. Changes in existing EHS-related laws and regulations or the promulgation of new EHS-related laws and regulations may increase our compliance costs, and accordingly may have an adverse impact on our business, results of operations and financial performance.

Our operations may be disrupted by natural disasters, pandemics, or force majeure events.

Natural disasters or outbreaks could suspend or affect our operations and delivery. Any future occurrence of force majeure events, natural disasters or outbreaks of epidemics and contagious diseases, including COVID-19 pandemic, avian influenza, severe acute respiratory syndrome, H1N1 influenza or Ebola virus, may materially and adversely affect our business, financial condition and results of operations. An outbreak of an epidemic or contagious disease could result in a widespread health crisis and restrict the level of business activities in affected areas, which may, in turn, materially and adversely affect our business.

Moreover, natural disasters such as snowstorms, earthquakes, fires and floods can cause physical damage to our production facilities, equipment and inventory which could result in production delays, inventory shortages and obsolete, which could increase our impairment and costs for repairs and replacements. Additionally, these events can lead to power outages, communication interruptions and transportation disruptions, further hampering business operations.

RISKS RELATING TO DOING BUSINESS IN THE PLACES WHERE WE OPERATE

Changes in economic, political and social conditions, as well as government policies, laws and regulations, and industry practice guidelines in the jurisdictions where we operate could have a material and adverse effect on our business, financial condition, results of operations and prospects.

Substantially all of our business, assets and operations are located in China. Accordingly, our business, financial condition and results of operations are subject to the economic, political, social and regulatory environment in the PRC.

RISK FACTORS

During the past decades, the PRC government has taken various actions to promote the market economy and the establishment of sound corporate governance of business entities. Through strategically allocating resources, regulating the payment of foreign currency denominated obligations, setting monetary policy and providing governmental policy support to particular industry or companies, it also exerts significant influence over China’s economic growth.

Our performance has been and will continue to be affected by China’s economy, which, in turn, is influenced by the global economy. The uncertainties relating to the global economy as well as the political environment in various regions of the world will continue to impact China’s economic growth. There can be no assurance that we will be able to predict all the risks and uncertainties that we face in relation to current economic, political, social and regulatory developments, which might be beyond our control, and materially and adversely affect our business and operations as well as our financial performance.

We may be affected by currency exchange regimes and exchange rate fluctuations.

We are subject to foreign exchange risk arising from future commercial transactions and recognized assets and liabilities in currencies other than RMB which is our functional currency. The value of RMB against other currencies may fluctuate, subject to changes resulting from relevant government’s policies and depends to a large extent on domestic and international economic and political developments as well as supply and demand in the local market. It is difficult to predict how market forces or government policies may impact the exchange rates between the RMB and other currencies in the future.

Complying strictly, properly or timely with the current and evolving environmental protection, fire protection, drainage or health and safety laws and regulations requires continuous efforts and could be costly, we could become subject to fines and penalties or incur costs that could have an adverse effect on our business, results of operations, financial condition and prospects.

We are subject to numerous environmental protection, fire protection, drainage or health and safety laws and regulations, including the Environmental Protection Law of the PRC and Fire Protection Law of the PRC. As advised by our PRC counsel, we had been compliant with such laws and regulations in all material aspects during the Track Record Period and up to the Latest Practicable Date. However, the cost of compliance with such laws and regulations is substantial. In addition, as we continue to expand our battery swapping network and business scale, we cannot assure you that there will not be suspected violations in the smart swapping cabinets and batteries that result in us becoming subject to governmental investigations or penalties, which may include cessation of operation, fines, and confiscation of illegal gains. Despite our commitment to being law-abiding and rule compliant, any complying with environmental, fire protection, drainage or health and safety laws and regulations requires continuous efforts and could be costly.

Changes in currency conversion policies may adversely affect the value of your [REDACTED].

We may convert a portion of our revenue into other currencies to meet our foreign currency obligations, such as payments of operating costs and expenses and payments of dividends declared in respect of our H Shares, if any. Shortages in the availability of foreign currency may restrict our ability to remit sufficient foreign currency to pay dividends, or otherwise satisfy our

RISK FACTORS

foreign currency-denominated obligations. Under existing PRC foreign exchange regulations, the foreign exchange expenditure under the current items shall be paid by an institution with its self-owned foreign exchange upon valid documents or with the foreign exchange purchased from any financial institution operating the foreign exchange sale or settlement business in accordance with the administrative provisions of the foreign exchange administrative department of the State Council on the payment and purchase of foreign exchange. In addition, the foreign exchange expenditure under the capital items shall be paid by an institution with its self-owned foreign exchange upon valid documents or with the foreign exchange purchased from any financial institution operating the foreign exchange sale or settlement business in accordance with the administrative provisions of the foreign exchange administrative department of the State Council on the payment and purchase of foreign exchange. If the administrative provisions require the approval of a foreign exchange administrative organ, the approval must be obtained before making foreign exchange payments. According to relevant foreign exchange rules, where any material imbalance in international receipts and payments occurs or may occur, the PRC government may implement necessary safeguards and other measures. There can be no assurance that regulations regarding the remittance of RMB into or out of the PRC will not change in the future.

Holders of our H Shares may be subject to income tax obligations in China.

Under the current tax laws and regulations in China, non-Chinese resident individuals and non-Chinese resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of our H Shares.

Non-Chinese resident individuals are required to pay individual income tax at a rate of 20% under IIT law for the interests, dividends and bonuses they obtain from China. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. Generally, in accordance with the Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 issued by the SAT (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》), when a tax rate of 10% is not applicable, the withholding company (i) may make an application for return of the excess tax amount on behalf of such foreign individual pursuant to due procedures if the applicable tax rate is lower than 10%; (ii) shall withhold such foreign individual income tax at the effective tax rate agreed on if the applicable tax rate is between 10% and 20%; and (iii) shall withhold such foreign individual income tax at a rate of 20% if no taxation treaty is applicable.

For non-Chinese resident enterprises that do not have establishments or premises in China, and for those who have establishments or premises in China but whose income is not related to such establishments or premises under the EIT law, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of Shares are ordinarily subject to China enterprise income tax at a rate of 20%. In accordance with the Circular on Issues Relating to the Withholding of Enterprise Income Tax by Chinese Resident Enterprises on Dividends Paid to Overseas Non-Chinese Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the SAT, such tax rate has been reduced to 10%.

RISK FACTORS

If there is any change to applicable tax laws and regulations or in the interpretation or application of such laws and regulations, the value of your [REDACTED] in our H Shares may be materially affected.

We may be subject to additional regulatory requirements under new laws and regulations on overseas [REDACTED] and [REDACTED] issued by PRC government authorities.

On July 6, 2021, the relevant PRC government authorities issued the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》). These opinions emphasize the need to strengthen the administration over illegal securities activities and the supervision on overseas [REDACTED] by China-based companies and propose to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-[REDACTED] companies.

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Overseas Listing Trial Measures**”) along with five relevant guidelines, which became effective on March 31, 2023. The Overseas Listing Trial Measures require, among others, that PRC domestic companies that seek to initially [REDACTED] and [REDACTED] securities in overseas markets, either directly or indirectly, shall file the required documents with the CSRC within three business days after its application for overseas [REDACTED] is submitted. As advised by our PRC Legal Advisors, the [REDACTED] will be considered a direct overseas [REDACTED] and [REDACTED] activity by a PRC domestic company under the Overseas Listing Trial Measures. A rescission of any such approval or filing obtained by us would subject us to sanctions by the CSRC or other PRC regulatory authorities, and such failure may materially adversely affect our ability to finance the development of our business. Furthermore, if the filing procedure with the CSRC under the Overseas Listing Trial Measures is required for any future [REDACTED], [REDACTED] or any other [REDACTED] activities, we cannot guarantee that we could complete such filing procedure in a timely manner, or at all.

Payment of dividends is subject to laws and regulations in regions where we operate.

Under the PRC laws, dividends may be paid only out of distributable profits. Our distributable profits represent our distributable net profits less appropriations to statutory surplus reserve, general reserve, and discretionary surplus reserve (as approved by our Shareholders’ meeting). Our distributable net profit represents the lowest of (i) our net profit attributable to our equity holders for a period plus distributable profits or net of accumulated losses, if any, at the beginning of such period, as determined under PRC GAAP, and (ii) our net profit attributable to our equity holders for the period plus distributable profits or net of accumulated losses, if any, at the beginning of such period, as determined under IFRS Accounting Standards. As a result, we may not have sufficient distributable profits to make dividend distributions to our Shareholders in the future, including in respect of periods where we register an accounting profit. Any distributable profits that are not distributed in a given year are retained and available for distribution in subsequent years.

RISK FACTORS

Service of process upon us or our Directors or senior management who reside in China, or foreign court judgments enforcement against us or them would be subject to certain legal procedures and requirements.

Substantially all of our assets are located in China and the majority of our executive Directors and senior management reside in China. Therefore, it may not be possible for [REDACTED] to directly effect service of legal process within Hong Kong or elsewhere outside of China upon us or our Directors or senior management.

On July 14, 2006, China and Hong Kong signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (“**Arrangement**”), which came into effect on August 1, 2008. Pursuant to the Arrangement, a party with an enforceable final court judgment rendered by any designated Mainland court or any designated Hong Kong Special Administrative Region court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in the relevant Mainland court or Hong Kong Special Administrative Region court. Similarly, a party with an enforceable final judgment rendered by a Mainland court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of such judgment in Hong Kong. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement, in which a Hong Kong Special Administrative Region court or a Mainland court is expressly identified as the court having sole jurisdiction for the dispute. Therefore, it may not be possible to enforce a Hong Kong Special Administrative Region court’s verdict in the PRC if the parties to the dispute did not agree to a written choice of court agreement. On January 18, 2019, the Supreme People’s Court of the PRC and Hong Kong Department of Justice entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the “**New Arrangement**”), which seeks to establish a bilateral legal mechanism that provides clarity and certainty for the recognition and enforcement of judgments in a wider range of civil and commercial matters between Hong Kong and mainland China, based on criteria other than a written choice of court agreement. The Arrangement was superseded upon the effectiveness of the New Arrangement on January 29, 2024 but remained applicable to a “written choice of court agreement” entered into before the New Arrangement taking effect. However, there can be no assurance that all final judgments will be recognized and effectively enforced by the relevant courts.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our H Shares, and the liquidity and market price of our H Shares may be volatile.

Prior to completion of the [REDACTED], there has been no public market for our H Shares. We have applied to the Stock Exchange for the [REDACTED] of, and permission to [REDACTED], our H Shares. However, there can be no assurance that an active [REDACTED] market for our H Shares will develop or be sustained after completion of the [REDACTED].

RISK FACTORS

Pursuant to applicable PRC laws, all of the Shares in issue as of the date of this document will be subject to a lock-up period of one year from the [REDACTED]. If an active public market for our H Shares does not develop following completion of the [REDACTED], the market price and liquidity of our H Shares could be materially and adversely affected. The [REDACTED] is the result of negotiations between our Company and the [REDACTED] (for itself and on behalf of the [REDACTED]), which may differ significantly from the market price at which our H Shares will be traded following completion of the [REDACTED]. The market price of our H Shares may drop below the [REDACTED] at any time after completion of the [REDACTED].

A future or perceived significant increase in the supply of our H Shares in public markets could cause the market price of our H Shares to decrease significantly, and dilute shareholdings of holders of H Shares.

The market price of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

Because the [REDACTED] per Share is higher than the net tangible book value per Share, purchasers of our H Shares in the [REDACTED] will experience immediate dilution.

The [REDACTED] of our H Shares is higher than the net tangible book value per Share immediately prior to the [REDACTED]. Therefore, purchasers of our H Shares in the [REDACTED] will experience an immediate dilution. Existing Shareholders will receive an increase in the [REDACTED] adjusted consolidated net tangible assets value per share of their shares. For more information, see “Appendix II – Unaudited [REDACTED] Financial Information” to this document.

Our future financing may cause dilution of your shareholding or place restrictions on our operations.

In order to raise capital and expand our business, we may consider offering and issuing additional Shares or other securities convertible into or exchangeable for our Shares in the future other than on a pro rata basis to our then existing Shareholders. As a result, the shareholdings of those Shareholders may experience dilution in net asset value per Share. If additional funds are to be raised through debt financing, certain restrictions may be imposed on our operations, which may further limit our ability or discretion to pay dividends, increase our risks in adverse economic conditions, adversely affect our cash flows or limit our flexibility in business development and strategic plans.

We have significant discretion as to how we will use the [REDACTED] of the [REDACTED], and you may not necessarily agree with how we use them.

Our management may spend the [REDACTED] from the [REDACTED] in ways you may not agree with or that do not yield a favorable return. See “Future Plans and [REDACTED].” However, our management will have discretion as to the actual application of our [REDACTED] from the [REDACTED]. You are entrusting your funds to our management, upon whose

RISK FACTORS

judgment you must depend, for the specific use we will make of the [REDACTED] from this [REDACTED].

We cannot assure you whether and when we will declare and pay dividends.

Distribution of dividends shall be formulated by our Board of Directors at their discretion and may be subject to Shareholders’ approval. A decision to declare or to pay any dividends and the amount of any dividends will depend on various factors, including but not limited to our results of operations, cash flows and financial conditions, operating and capital expenditure requirements, distributable profits as determined under IFRS, our Articles of Association, market conditions, our strategic plans and prospects for business development, contractual limits and obligations, payment of dividends to us by our operating subsidiaries, taxation and any other factor determined by our Board of Directors from time to time as being relevant to the declaration of dividend payments. As a result, our historical dividend distributions are not indicative of our future dividend distribution policy. There can be no assurance whether, when and in what form we will pay dividends in the future or that we will pay dividends in accordance with our dividend policy. For more information, see “Financial Information – Dividend.”

If securities or industry analysts do not publish research reports about our business, or if they adversely change their recommendations regarding our H Shares, the trading price and trading volume of our H Shares may decline.

The trading market for our H Shares may be influenced by research reports that industry or securities analysts publish about us or our business. If one or more analysts who cover us downgrade our H Shares or publish negative opinions about us, the trading price and volume of our H Shares would likely decline regardless of the accuracy of the information. If one or more of these analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume of our H Shares to decline.

Certain facts, forecasts and statistics derived from official government sources contained in this document may not be reliable and the market opportunity estimates may not be accurate.

We have derived certain facts and other statistics in this document, particularly those relating to the general economy, LEV battery swapping industry, from information provided by official government sources and other third-party sources. We have not independently verified information and statistics from official government sources, and there can be no assurance as to the accuracy and reliability of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other data problems, the statistics herein may be inaccurate. You should consider carefully how much weight or importance you should attach to or place on such facts or statistics.

Market opportunity estimates included in this document, including our ability to capture a meaningful share of the relevant markets, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The variables that go into the calculation of our market opportunity are subject to change over time, and there can be no assurance that our market opportunity estimates will materialize as anticipated. Any expansion in our market depends on a number of factors, including the cost, performance and perceived value

RISK FACTORS

associated with our business and those of our competitors. Even if the market in which we compete meets the size estimates and growth forecasted in this document, our business could fail to grow at similar rates, if at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is inherently subject to certain risks and uncertainties.

Forward-looking statements are subject to risks and uncertainties.

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as "anticipate," "believe," "could," "going forward," "intend," "plan," "project," "seek," "expect," "may," "ought to," "should," "would" or "will" and similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved, and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

[REDACTED] should read the entire document carefully and should not consider any particular statements in this document or in published media reports without carefully considering the risks and other information contained in this document.

The [REDACTED] is being made solely on the basis of the information and representations contained in this document, which are true and accurate to the best of our knowledge and belief. Any information not contained in this document should not be relied upon in making an [REDACTED] decision with respect to the securities being [REDACTED].

Prior to the publication of this document, there has been coverage in the media regarding us and the [REDACTED], which may have contained among other things, certain financial information, projections, valuations and other forward-looking information about us and the [REDACTED]. [REDACTED] should be aware that information and opinions published by third-party sources may have been based on outdated, incomplete, or inaccurate information. These sources may also have conflicts of interest, and their opinions may not be independent or objective. The media's coverage of our Company and the [REDACTED] may be influenced by a wide range of factors, including the bias of individual journalists, the preferences of media outlets and the demands of advertisers.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

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

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong.

Our headquarters and our business operations are principally based, managed and conducted in the PRC. As our executive Directors play very important roles in our business operation, it is in our best interest for them to be based in the places where our Group has significant operations. We consider it practicably difficult and commercially unreasonable for us to arrange for two executive Directors to be ordinarily reside in Hong Kong, either by means of relocation of our executive Directors to Hong Kong or appointment of additional executive Directors. Therefore, we do not have, and in the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules, provided that our Company implements the following arrangements:

- (a) we have appointed Mr. Li, our chairman of the Board, executive Director and Chief Executive Officer, and Ms. Liu Shengyun, one of our joint company secretaries, as our authorised representatives pursuant to Rules 3.05 of the Listing Rules. The authorised representatives will act as our Company’s principal channel of communication with the Stock Exchange. They will be readily contactable by phone and email to promptly deal with enquiries from the Stock Exchange, and will also be available to meet with the Stock Exchange to discuss any matter within a reasonable period of time upon request of the Stock Exchange;
- (b) when the Stock Exchange wishes to contact our Directors on any matter, each of the authorised representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly at all times. Our Company will also inform the Stock Exchange promptly in respect of any changes in the authorised representatives. We have provided the Stock Exchange with the contact details (i.e. mobile phone number, office phone number (if any) and email address) of all Directors to facilitate communication with the Stock Exchange;
- (c) all Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon the request of the Stock Exchange;
- (d) we have appointed Red Solar Capital Limited as our compliance adviser upon [REDACTED] pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED]. Our compliance adviser will have reasonable

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

access at all times to our authorised representatives, our Directors and our senior management will act as the additional channel of communication with the Stock Exchange when the authorised representatives are not available; and

- (e) meetings between the Stock Exchange and our Directors can be arranged through our authorised representatives or our compliance adviser, or directly with our Directors within a reasonable time frame.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and
- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

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

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

Pursuant to the Guide for New Listing Applicants, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

- (a) whether the issuer has principal business activities primarily outside Hong Kong;
- (b) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined by the Guide) nor Relevant Experience (as defined by the Guide) as a company secretary; and
- (c) why the directors consider the individual to be suitable to act as the issuer’s company secretary.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

Further, pursuant to the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the “**Waiver Period**”) and on the following conditions:

- (a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and
- (b) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer.

Our Company has appointed Mr. Tian Wei, our Chief Financial Officer, as one of our joint company secretaries. He has extensive experience in board and corporate management matters but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfil the requirements of the Listing Rules. Therefore, we have appointed Ms. Liu Shengyun (柳聖云), a member of the Hong Kong Chartered Governance Institute, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Mr. Tian for an initial period of three years from the [REDACTED] to enable Mr. Tian to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Given Ms. Liu’s professional qualification and experience, she will be able to explain to both Mr. Tian and us the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Ms. Liu will also assist Mr. Tian in organising Board meetings and Shareholders’ meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Mr. Tian is expected to work closely with Ms. Liu and will maintain regular contact with Ms. Liu. In addition, Mr. Tian will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules to enhance his knowledge of the Listing Rules during the three-year period from the [REDACTED]. He will also be assisted by our compliance adviser and our legal advisors as to the Hong Kong laws on matters in relation to our ongoing compliance with the Listing Rules and the applicable laws and regulations.

Since Mr. Tian does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Mr. Tian as a joint company secretary of our Company. The waiver is valid for an initial period of three years from the [REDACTED] on the conditions that (a) Mr. Tian must be assisted by Ms. Liu who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules; and (b) the waiver will be revoked immediately if and when Ms. Liu ceases to provide assistance to Mr. Tian as a joint company secretary or if there are material breaches of the Listing Rules by our Company.

Before the expiration of the initial three-year period, the qualifications of Mr. Tian will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will liaise with the Stock Exchange to enable it to assess whether Mr. Tian, having benefited from the assistance of Ms. Liu for the preceding three years, will have acquired the skills necessary to carry out the duties of a company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality

Executive Directors

Mr. Li Xuejun (李學軍)	Room 603, No.7 Lane 488, Pingdu Road Pudong New Area, Shanghai, PRC	Chinese
Mr. Du Yan (杜岩)	Room 302, Building 33 Lane 395 Huaqiang Street, Huaxin Town Qingpu District Shanghai, PRC	Chinese
Mr. Li Ziang (李子昂)	Room 603, No.7, Lane 488, Pingdu Road Pudong New Area, Shanghai, PRC	Chinese

Non-Executive Director

Mr. Zhou Hongbin (周宏斌)	Room 123, Hongjun Huafu, No. 1509 Dongxiang Road, Xishan District Wuxi City, Jiangsu Province, PRC	Chinese

Independent non-executive Directors

Mr. Ding Zhongming (丁忠明)	No. 11, Unit 2, Building 10, No. 255 Hongye Road, Bengshan District Bengbu City, Anhui Province, PRC	Chinese
Mr. Ng Chi Pan (吳志斌)	House 1, The Aegean, 2 Tsing Fat Street Siu Lam, Tuen Mun, N.T., Hong Kong	Chinese (Hong Kong)
Ms. Wu Yushan (吳瑜珊)	Room 2803, No. 3, Riyuan 4th Lane Huli District, Xiamen City Fujian Province, PRC	Chinese

For the biographies and other relevant information of our Directors, please see “Directors and Senior Management” in this document.

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor	Shenwan Hongyuan Capital (H.K.) Limited Level 6, Three Pacific Place 1 Queen’s Road East, Hong Kong

[REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Legal Advisors to the Company

As to Hong Kong laws:

**Eric Chow & Co. in Association with
Commerce & Finance Law Offices**
3401, Alexandra House, 18 Chater Road
Central, Hong Kong

As to PRC laws:

Commerce & Finance Law Offices
12–15th Floor, China World Office 2
No. 1 Jianguomenwai Avenue
Beijing 100004, PRC

*As to PRC cybersecurity and data privacy
protection law:*

Commerce & Finance Law Offices
12–15th Floor, China World Office 2
No. 1 Jianguomenwai Avenue
Beijing 100004
PRC

Legal Advisors to the Sole Sponsor and [REDACTED]

As to Hong Kong laws:

Fangda Partners
26/F, One Exchange Square
8 Connaught Place
Central, Hong Kong

As to PRC laws:

AllBright Law Offices
9th, 11th and 12th floors
Shanghai Tower,
No. 501 Yincheng Middle Road
Pudong New Area
Shanghai
PRC

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Auditors and Reporting Accountants

Deloitte Touche Tohmatsu

Certified Public Accountants

Registered Public Interest Entity Auditor

35/F, One Pacific Place

88 Queensway

Hong Kong

Industry Consultant

Frost & Sullivan

2504 Wheelock Square

1717 West Nanjing Road

Shanghai

PRC

Compliance adviser

Red Solar Capital Limited

Unit 402B, 4/F, China Insurance Group Building

No.141 Des Voeux Road Central

Central, Hong Kong

Receiving Banks

[●]

CORPORATE INFORMATION

Registered Office	No. 1, Renai Road Economic and Technological Development District Anqing City, Anhui Province, PRC
Headquarters and Principal Place of Business in the PRC	Room 601, Building 3, Lane 1466 Shenchang Road, Minhang District Shanghai, PRC
Principal Place of Business in Hong Kong	46/F, Hopewell Centre, 183 Queen’s Road East Wan Chai, Hong Kong
Company Website	www.zhizukj.com <i>(Information contained on this website does not form part of this document)</i>
Joint Company Secretaries	Mr. Tian Wei (田威) Ms. Liu Shengyun (柳聖云)
Authorized Representatives	Mr. Li Xuejun (李學軍) Ms. Liu Shengyun (柳聖云)
Audit Committee	Ms. Wu Yushan (吳瑜珊) (<i>Chairman</i>) Mr. Ding Zhongming (丁忠明) Mr. Ng Chi Pan (吳志斌)
Remuneration Committee	Mr. Ng Chi Pan (吳志斌) (<i>Chairman</i>) Mr. Li Xuejun (李學軍) Mr. Ding Zhongming (丁忠明)
Nomination Committee	Mr. Li Xuejun (李學軍) (<i>Chairman</i>) Mr. Ding Zhongming (丁忠明) Mr. Ng Chi Pan (吳志斌)
[REDACTED]	[REDACTED]
Principal Banks	China Construction Bank Anqing Dongbu Xincheng Sub-branch Rooms 3 and 4, First Floor Commercial Podium Building of Zifeng Tower Yingjiang District, Anqing City PRC

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this document were extracted from the report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the F&S Report, an independent industry report, in connection with the [REDACTED]. We believe that these sources are appropriate sources for such information and statistics and reasonable care has been exercised by us in selecting and identifying the named information sources, compiling, extracting and reproducing the information, and ensuring no material omission of the information. The information from official government sources has not been independently verified by us, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] or any of our or their respective directors, senior management, representatives or any other person involved in the [REDACTED] and no representation is given as to its accuracy.

SOURCE OF INFORMATION

We engaged Frost & Sullivan, an independent market research consultant, to conduct an analysis of, and to prepare the F&S Report about, LEV battery-swapping market. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York and its services include, among others, industry consulting, market strategic consulting and corporate training. In connection with the market research services provided, we have paid a fee of RMB 650,000 to Frost & Sullivan, which we believe to be consistent with market rates.

In compiling and preparing the F&S Report, Frost & Sullivan conducted (1) primary research includes interviewing industry participants, competitors, downstream customers and recognized third-party industry associations; and (2) secondary research includes reviewing corporate annual reports, databases of relevant official authorities, as well as the exclusive database established by Frost & Sullivan over the past decades. The market projections in the F&S Report are based on the following key assumptions during the forecast period: (i) the social, economic and political conditions in Chinese markets discussed will remain stable during the forecast period, (ii) government policies on China and SEA LEV battery-swapping market will remain consistent during the forecast period, and (iii) LEV battery-swapping market will be driven by the factors which are stated in the F&S Report.

All the data and forecasts contained in this section are derived from the F&S Report. The commissioned report has been prepared by Frost & Sullivan independently without the influence from the Company or other interested parties. Our Directors confirm that, to the best of their knowledge, after making reasonable inquiries, there is no material and adverse change in the market information since the date of the F&S Report, which may qualify, contradict or have an impact on the information in this section.

MACRO BACKGROUND FOR THE DEVELOPMENT OF THE GLOBAL BATTERY SWAPPING INDUSTRY

Driven by the dual-carbon economy, the platform economy and the sharing economy, the macro environment for the development of the global battery-swapping industry continues to improve. The dual-carbon economy is accelerating the electrification of transportation and the transition toward cleaner and more efficient energy use, creating a favorable policy and market

INDUSTRY OVERVIEW

foundation for the adoption of Light Electric Vehicles (“LEVs”) and related energy replenishment infrastructure. At the same time, the platform economy, supported by digital technologies such as IoT, data analytics and intelligent dispatch systems, is improving the efficiency of resource matching and operational management across mobility scenarios. In addition, the sharing economy is reshaping user behavior from ownership-based consumption toward access-based and on-demand services, supporting broader acceptance of asset-sharing models and high-frequency usage scenarios.

Against this backdrop, LEV battery-swapping has formed strong synergies with these three macro trends. Benefiting from the dual-carbon economy, battery-swapping supports green mobility by improving battery utilization efficiency, reducing charging-related safety risks and enabling the large-scale deployment of electric two-wheelers and other LEVs. Benefiting from the platform economy, battery-swapping operators are able to leverage digital platforms to optimize station deployment, battery scheduling, user management and operational efficiency. Benefiting from the sharing economy, the battery-swapping model lowers users’ upfront costs, reduces barriers to adoption and enables the centralized management and circulation of battery assets. Together, these trends are driving LEV battery-swapping from a single energy replenishment solution toward a more integrated infrastructure and service model.

ANALYSIS OF CHINA’S LEV ENERGY REPLENISHMENT MARKET

Overview of China’s LEV Energy Replenishment Market

Driven by the dual-carbon economy, the platform economy and the sharing economy, the electrification of short-distance transportation in China has continued to advance, and the energy replenishment system has accelerated its upgrade toward greater efficiency, safety and compliance. As of 2025, the ownership of electric two-wheeled vehicles in China had exceeded 400.0 million units, covering diversified scenarios such as personal commuting, instant delivery, and a market landscape has been formed in which three mainstream energy replenishment methods – residential charging, public charging pile charging and battery-swapping – are developing in parallel. In 2025, the overall market size of China’s LEV energy replenishment market exceeded RMB100.0 billion, providing broad development space for various energy replenishment models.

From the perspective of market structure, residential charging has the largest existing base, with expenditure reaching RMB45.5 billion in 2025. However, illegal practices such as “unauthorized external wiring charging ” pose prominent safety hazards, making it difficult to form standardized and market-oriented operations. Public charging pile charging is a compliant energy replenishment method, with a market size of RMB42.3 billion in 2025, but it still faces certain limitations in terms of station supply, layout density, queuing time and energy replenishment duration. Its suitability for high-frequency and high-turnover scenarios remains relatively limited, making it difficult to meet the demand for high-frequency and high-efficiency energy replenishment. In 2025, the market size of battery-swapping reached RMB12.3 billion. By virtue of advantages such as rapid energy replenishment, centralized safety management and full-chain intelligent operation and maintenance, battery-swapping addresses the core needs of enterprise customers and individual customers, and has substantial substitution and penetration potential in a market of over RMB100.0 billion.

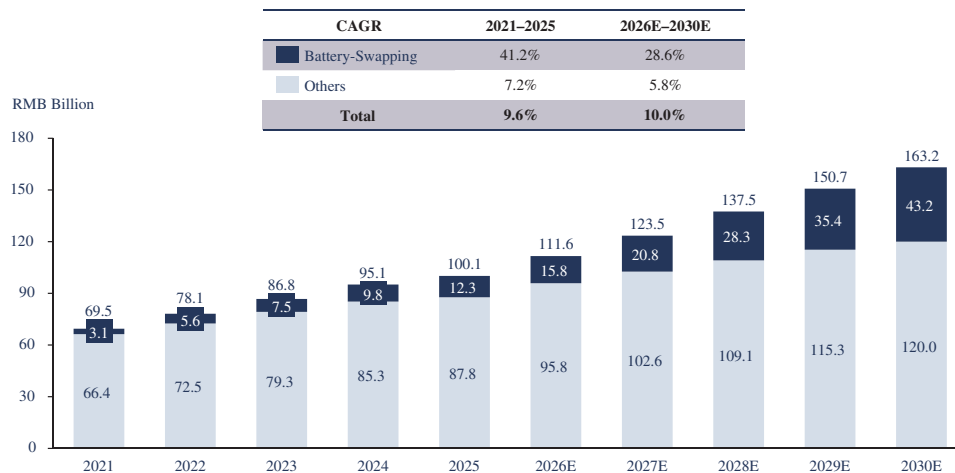
INDUSTRY OVERVIEW

Comparison of the Three Major Energy Replenishment Models in China’s LEV Energy Replenishment Market

	Battery-swapping	Residential Charging	Public Charging Piles
Time Required	Dozens of seconds	6–8 hours	6–8 hours
Safety	High	Low	Low
Level of Intelligence	Relies on the battery-swapping network to conduct intelligent battery health monitoring and proactive operation and maintenance, fully leveraging the advantages of intelligent battery management	No professional intelligent operation and maintenance system, and lead-acid batteries do not have the conditions for intelligent management	
Energy Replenishment Scenario	Battery swapping can be carried out at battery-swapping stations	Restricted by residential scenarios, charging can only be completed at fixed locations, making it unable to satisfy high-frequency travel energy replenishment needs	Restricted by charging locations, with a very limited number of public charging piles, which may result in competition for charging, queuing and remote locations
Battery Performance	Standard lithium batteries, with a theoretical cycle life of over 2,000 cycles, and significantly leading in energy density and convenience	Mainly lead-acid batteries, with a theoretical cycle life of only around 300 cycles, and performance degrades rapidly	Mainly lead-acid batteries, with continuous battery degradation and a sharp decline in performance as the service period lengthens
2025 China’s Market Size	RMB12.3 billion	RMB45.5 billion	RMB42.3 billion
Market Attributes	Compliant and market-oriented operations, incorporated into the urban infrastructure system, with room for scaled development	Mainly in the form of unauthorized external wiring charging which is illegal; although large in scale, it does not constitute a compliant market and poses significant safety risks	A compliant and market-oriented energy replenishment method, but public charging pile supply is insufficient, layout is uneven, and price advantages are not significant

Source: Frost & Sullivan

China’s LEV Energy Replenishment Market Size, China, 2021–2030E



Source: Frost & Sullivan

Note: “Others” refers to the combined market size of residential charging market and public charging piles market.

Analysis of the Substitution Trend of Battery-swapping for Traditional Energy Replenishment Methods

- **Instant delivery scenario: Improved energy replenishment efficiency and enhanced operating benefits are driving the accelerated substitution of battery-swapping.**
- For high-frequency user groups such as food delivery riders and couriers, vehicle energy replenishment efficiency directly affects working hours, order-taking continuity and daily income levels. Residential charging and public charging pile charging usually require a relatively long energy replenishment time. Public charging pile charging may also be constrained by factors such as site distribution, queuing time

INDUSTRY OVERVIEW

and travel distance, making it difficult to match the high-frequency, continuous and long-distance operating needs of the instant delivery scenario. By contrast, battery-swapping can complete energy replenishment within a short period of time, significantly reducing waiting time and downtime losses, and improving vehicle utilization and rider operating efficiency. At the same time, platform-based battery management and a standardized operation and maintenance system also help reduce hidden costs arising from battery maintenance, degradation management and abnormal service suspension.

- ***Residential use scenario: Multiple factors including policy, safety, time and cost are jointly driving the gradual substitution of battery-swapping.***
 - **Safety dimension:** In residential use scenarios, user self-charging is often affected by the charging environment, operating habits and equipment conditions, and therefore involves certain safety risks. Through centralized battery management, standardized equipment operation and a platform monitoring system, the battery-swapping model can, to a certain extent, reduce safety risks caused by non-compliant charging and better satisfy residential users’ demand for safe and stable energy replenishment methods.
 - **Policy dimension:** As the regulation of high-risk behaviors such as unauthorized external wiring charging, indoor charging and corridor charging continues to strengthen across various regions, the usage boundaries of traditional residential charging are being continuously tightened, and some non-compliant charging methods have been explicitly prohibited and brought within the scope of penalties. By contrast, as a more standardized, regulated and centrally manageable energy replenishment method, battery-swapping is more aligned with the future direction of urban safety governance and community management, and therefore has stronger compliance adaptability.
 - **Time efficiency dimension:** Although residential users are generally less sensitive to the timeliness of energy replenishment than instant delivery users, time convenience still has practical value. Battery-swapping can reduce the time spent waiting for charging, carrying batteries and managing daily charging, making the energy replenishment process more time-saving and convenient, and helping improve residents’ daily travel experience and ease of use.
 - **Cost dimension:** In residential use scenarios, the price of a common civilian-use battery is usually around RMB500 to RMB600. Based on a two-year usage cycle, the annual battery depreciation cost is approximately RMB250 to RMB300. After adding daily charging expenses, the annual comprehensive cost of residential charging is usually above RMB500. By contrast, the annual expenditure of residential battery-swapping users is usually around RMB600, which is already relatively close to the annual comprehensive cost of residential charging. Going forward, as battery-swapping companies continue to advance in-house battery R&D, large-scale procurement, network density enhancement and refined operations, battery-swapping costs will continue to decline and are expected to fall below the comprehensive cost of residential charging, thereby further enhancing its economic attractiveness in residential use scenarios.

INDUSTRY OVERVIEW

ANALYSIS OF CHINA’S LEV BATTERY-SWAPPING MARKET

Definition and Value of LEV Battery-swapping

Definition: LEV battery-swapping is an energy replenishment model for LEV vehicles such as electric two-wheeled vehicles and electric three-wheeled vehicles, which provides battery sharing and rapid battery-swapping through infrastructure such as battery-swapping cabinets. Users do not need to be equipped with fixed batteries and can achieve continuous energy replenishment through shared batteries. LEV battery-swapping services cover enterprise customers (i.e., enterprises with rider resources such as delivery stations, food delivery platforms, and courier companies) and individual customers (including both B-end riders using the service directly, and C-end riders); in the future, they are also expected to expand into emerging fields such as unmanned delivery vehicle battery-swapping and drone battery-swapping.

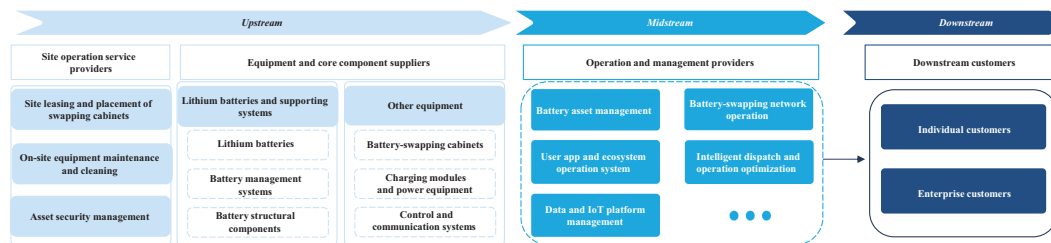
Value: Compared with traditional charging models, it has significant advantages in efficiency, safety and economic efficiency, and is an important component of new urban energy infrastructure. It deeply serves the travel needs of enterprise customers and individual customers, and effectively supports the efficient operation of urban local life and instant delivery business formats; especially in high-density scenarios in large cities, through efficient energy replenishment and standardized safe operation, it significantly improves logistics and delivery efficiency and public travel safety, provides critical support for the low-carbon transformation of urban transportation, the intelligent development of logistics and the networking of energy services, and has prominent social value and industrial value.

Analysis of the LEV Battery-swapping Industry Chain

The LEV battery-swapping industry chain centers on the circular utilization of battery assets and the operation of battery-swapping services, covering upstream service, equipment and core component supply, midstream operation and management, and downstream applications, with all segments jointly forming a complete industry system. Among them, the upstream mainly includes site operation service providers as well as equipment and core component suppliers, which provide service, infrastructure and core components for the construction of battery-swapping networks. Site operation service providers are mostly small-scale entities including property owners, property management companies and other enterprises and institutions, among others. The midstream is the core of the industry chain and is led by battery-swapping operators, focusing on battery asset management and battery-swapping network operation, and achieving unified management and efficient coordination of batteries, equipment and users through user apps and ecosystem operation systems, intelligent dispatch and operation optimization, and data and IoT platform management. Downstream covers individual customers and enterprise customers.

INDUSTRY OVERVIEW

Industry Chain of LEV Battery-swapping

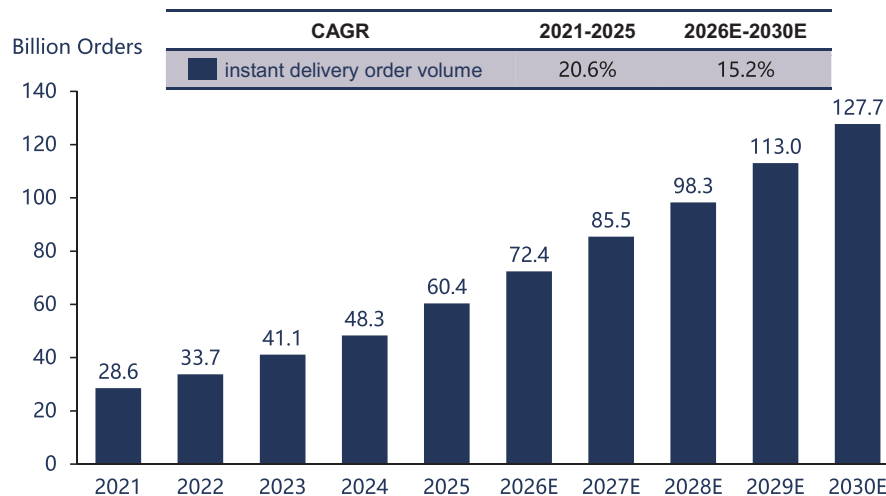


Source: Frost & Sullivan

Core Downstream Demand

The sustained expansion of China’s on-demand delivery sector constitutes the fundamental downstream driver for the LEV battery-swapping market. As of 2025, the number of B-end riders in China has surpassed 14 million. However, on-demand delivery order volume has maintained robust growth from 2021 to 2025, with a further upward trajectory projected through 2030. By contrast, the growth of B-end riders has lagged far behind the rapid increase in delivery orders. The widening mismatch between surging order volume and slower rider expansion has substantially increased operational workload and riding intensity for existing practitioners. Against this backdrop, battery swapping emerges as an efficient solution to ease operational pressure, cut energy replenishment time and improve overall delivery efficiency, delivering strong operational empowerment for the on-demand delivery industry.

Instant Delivery Order Volume, China, 2021–2030E



Source: Frost & Sullivan, China Federation of Logistics & Purchasing

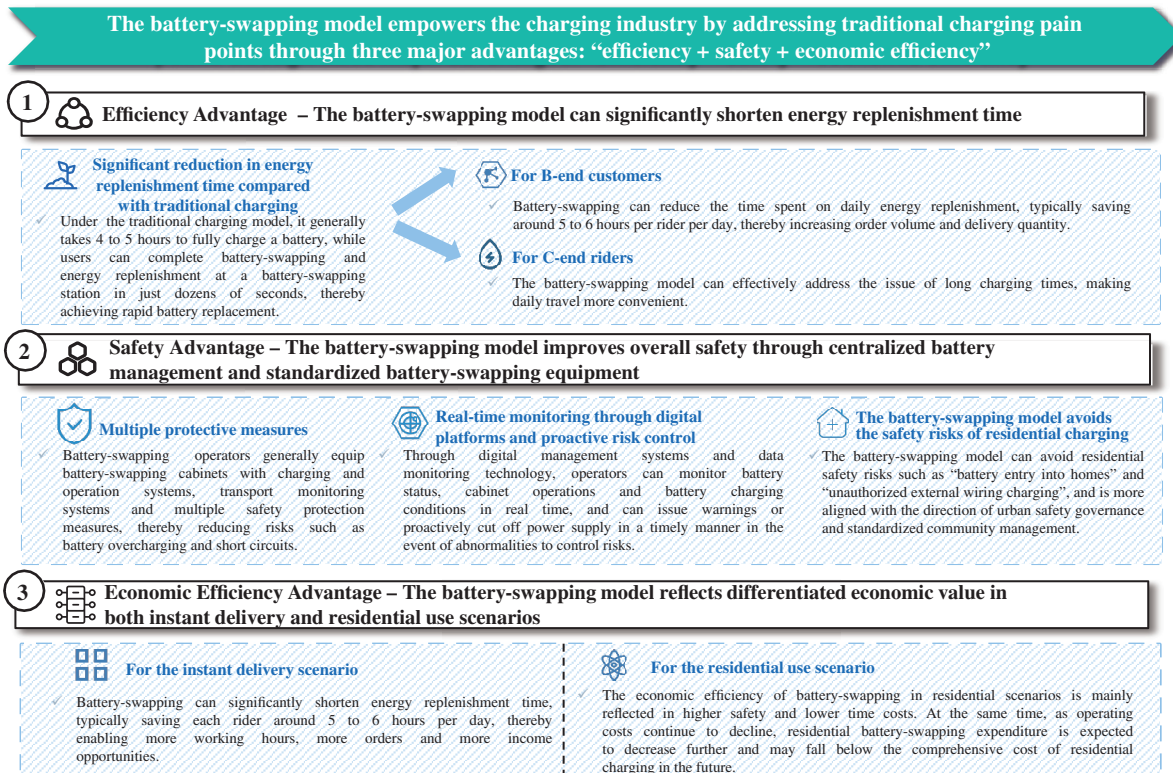
Core Advantages of LEV Battery-swapping

LEV battery-swapping has significant advantages in efficiency, safety and economic efficiency. In terms of efficiency, battery-swapping can shorten energy replenishment time from several hours to several minutes, significantly improving the operating efficiency and operational continuity of B-end customers, while also providing C-end riders with a convenient and efficient daily travel energy replenishment experience. The B-end customer market covers

INDUSTRY OVERVIEW

mostly both enterprise customers and B-end riders. C-end riders refer to civilian residents riders. In terms of safety, through centralized battery management and standardized equipment operation, it effectively reduces the safety risks arising from behaviors such as residential charging and unauthorized external wiring charging. In terms of economic efficiency, it not only reduces the financial burden on users from the one-time purchase of batteries, but also helps operators optimize their cost structure through scaled operations, thereby enhancing value across the entire chain.

Core Advantages of LEV Battery-swapping



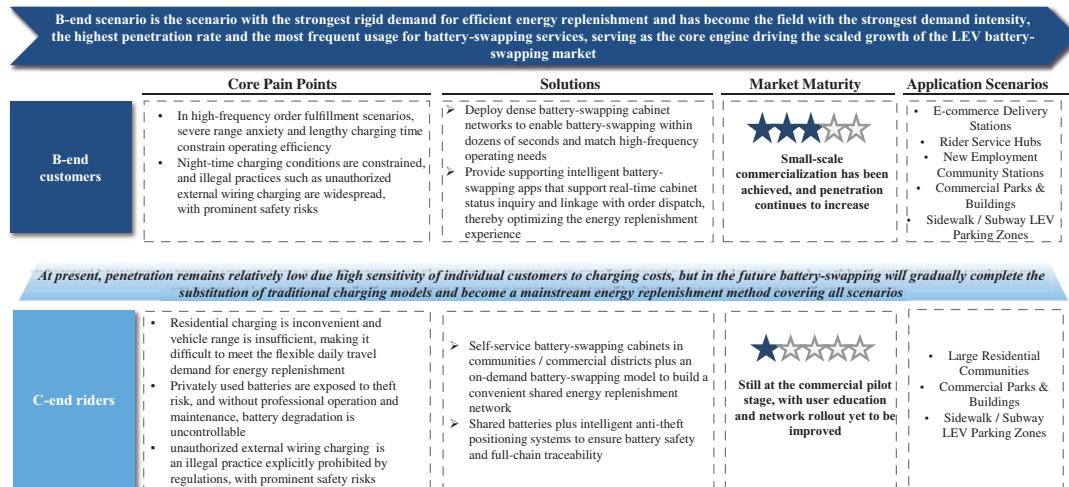
Source: Frost & Sullivan

Analysis of the Current Status and Potential of Downstream Application Scenarios for LEV Battery-swapping

China’s LEV battery-swapping market presents a multi-scenario development landscape, with different scenarios demonstrating distinct development status and characteristics. The B-end customer market is the most mature and high-penetration core market. It drives steady growth through rigid demand for high-frequency, long-distance operations, while balancing efficiency, safety and compliance requirements. Meanwhile, the C-end rider market represents the major long-term potential for battery-swapping services. Though still in an early cultivation stage, its development is being supported by stricter safety regulations and the expansion of public and community-based swapping networks. Due to the operational characteristics of the industry, the vast majority of battery-swapping cabinets are placed in external or public areas of typical scenarios, such as the storefronts or exterior walls of leased premises at e-commerce delivery stations, and public roadsides, vehicle rental operator outlets, shopping malls, as well as public facility areas in large residential communities.

INDUSTRY OVERVIEW

Current Status and Potential of Downstream Application Scenarios for LEV Battery-swapping in China

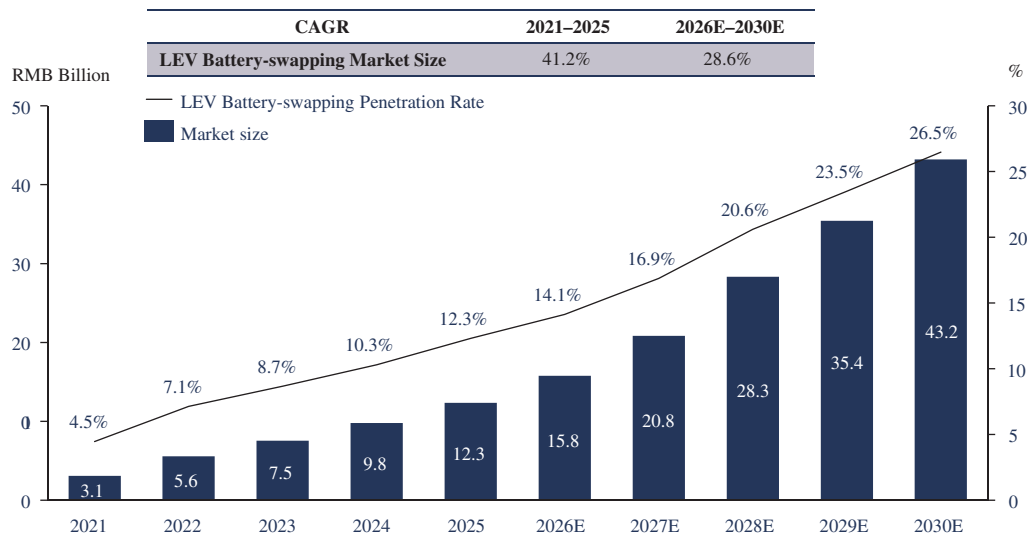


Source: Frost & Sullivan

LEV Battery-swapping Market Size and LEV Battery-swapping Penetration Rate, China, 2021-2030E

From 2021 to 2030, China's LEV battery-swapping market has shown a development trend of rapid market scale growth and continuous penetration increase, with the industry moving from the early exploration stage into the stage of scaled penetration and high-quality development. The substitution effect on traditional energy replenishment methods continues to emerge, and the industry has broad long-term growth potential.

LEV Battery-swapping Market Size and Penetration Rate*, China, 2021–2030E



Note: Penetration rate refers to the proportion of the LEV battery-swapping market size in the overall energy replenishment market (including battery-swapping, residential charging and public charging piles).

Source: Frost & Sullivan

INDUSTRY OVERVIEW

Drivers of the LEV Battery-swapping Industry

- **Policy compliance:** As urban safety governance and green transportation policies continue to advance, multiple cities have gradually strengthened the regulation of charging safety for electric LEV vehicles, for example by regulating or restricting high-risk behaviors such as indoor charging and unauthorized external wiring charging. Against this backdrop, through centralized battery management and standardized equipment operation, the battery-swapping model can, to a certain extent, reduce the risks associated with battery use and aligns with the development direction of urban safety management and green mobility, thereby promoting the development of the LEV battery-swapping industry.
- **Market demand:** As demand for instant delivery, local life services and short-distance urban travel continues to grow, the importance of electric LEV vehicles in the urban transportation system continues to increase. High-frequency user groups such as food delivery riders and couriers have strong demand for highly efficient energy replenishment methods, while residential users’ demand for convenient and safe charging methods is also increasing, thereby continuously driving the expansion of market demand for LEV battery-swapping services.
- **Last-mile logistics upgrade:** Last-mile urban distribution has emerged as a critical driver for the LEV battery-swapping industry. Traditional logistics tricycles are gradually shifting from lead-acid batteries and fuel power to lithium-ion batteries. The electrification upgrade of logistics fleets generates growing demand for safe, efficient and unified energy replenishment, making battery swapping a mainstream supplementary solution and further expanding the application boundary of the industry.

Development Trends of the LEV Battery-swapping Industry

- **Diversification of market structure:** The user structure of the LEV battery-swapping market is continuing to expand, gradually extending from B-end customers such as food delivery riders and couriers to C-end riders such as urban residents. At the same time, the applicable scope of battery-swapping services is no longer limited to electric two-wheeled vehicles, but is also gradually covering multiple types of LEV vehicles such as electric three-wheeled vehicles and small logistics vehicles. In addition, as overseas markets with relatively strong LEV demand, such as Southeast Asia, develop rapidly, the relevant regions are expected to become new growth areas for the industry.
- **Technology and model upgrades:** As industry technology continues to advance, battery-swapping equipment and battery technologies are continuously developing toward higher safety standards, longer service life and lower costs. At the same time, big data analytics and large artificial intelligence models are gradually being applied to battery-swapping cabinet site selection and planning, dynamic battery dispatch and daily operation and maintenance management. Through the analysis and forecasting of user demand, equipment operating conditions and network operation data, they further improve the operating efficiency and resource allocation capabilities of battery-swapping networks. In terms of business models, industry companies are also

INDUSTRY OVERVIEW

gradually transforming from a single heavy-asset self-operated model to a model combining heavy and light assets, in which light-asset models include developing agency and franchise networks and providing asset custody services.

- **Integrated ecosystem synergy:** As the industry gradually matures, leading companies are continuously strengthening their industry chain integration capabilities and gradually building full-chain capabilities covering R&D, production, operation and services. By reducing intermediate links such as core component procurement and third-party outsourced operations, the integrated model reduces production and operating losses, improves resource utilization efficiency, drives down the overall industry cost curve and enhances industry profit potential.

At the same time, companies are also cooperating with multiple parties such as vehicle manufacturers, delivery platforms, commercial property operators and financial institutions to form an industry ecosystem covering battery-swapping services, battery recycling and data services. As the degree of ecosystem synergy improves, industry resources are expected to further concentrate toward leading companies.

Industry Support Policies

At the national level, China has continuously introduced relevant policies centered on the “dual carbon” goals and the development of the new energy industry, providing institutional support for the development of the LEV battery-swapping industry. Notably, these policies also explicitly encourage the deployment of battery-swapping cabinets in outdoor, public spaces to enhance safety and accessibility. In addition, driven by environmental protection policies and industrial upgrading, the electric LEV vehicle sector is gradually showing a development trend of transitioning from lead-acid batteries to lithium batteries. Compared with lead-acid batteries, lithium batteries have clear advantages in energy density, weight and cycle life, and are also more aligned with green development requirements in terms of pollution control and resource utilization. Driven by relevant environmental protection policies and technological progress, the application proportion of lithium batteries in LEV vehicles and battery-swapping scenarios continues to increase.

INDUSTRY OVERVIEW

Overview of Industry Support Policies at the National and Local Levels

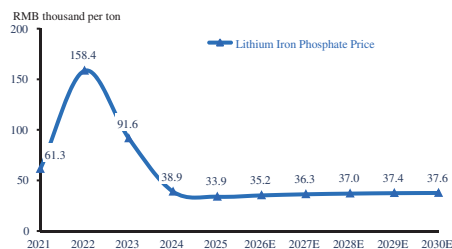
Policy Name	Policy Interpretation
Guidelines for Shared Battery-swapping for Electric Bicycles	With the core objective of comprehensively addressing safety hazards throughout the entire chain of electric bicycle use, it systematically regulates the full-process operation and management of shared battery-swapping and establishes a LEV energy replenishment system that is safe and controllable, standardized and unified, and intelligent and efficient. It prioritizes outdoor installation in open, power-accessible areas for delivery riders and residents, encouraging the use of scattered urban plots to expand coverage without obstructing sidewalks or accessibility paths, while maintaining required fire safety distances from buildings to ensure both user convenience and operational safety.
The 15th Five-Year Plan Outline for National Economic and Social Development of the People's Republic of China (2026–2030)	Guided by the carbon peaking and carbon neutrality goals, it advances the green transformation of transportation and society and promotes the development of an energy system that is low-carbon, safe and efficient in terms of infrastructure, providing an overall policy framework for the development of infrastructure related to new energy transportation.
Implementation Opinions on Further Improving the Service Support Capacity of Electric Vehicle Charging Infrastructure	Improves the network layout of charging and battery-swapping infrastructure and promotes the formation of an energy replenishment system with broad coverage and a rational structure.
Regulations on Fire Safety Management of High-rise Civil Buildings	Prohibits high-risk practices such as “unauthorized external wiring charging” for electric bicycles and bringing them into buildings or households for charging.
Notice of the Office of the Capital Urban Environmental Construction and Management Committee on Issuing the Work Plan for Further Strengthening Whole-chain Control of Electric Bicycles in Beijing	Focusing on whole-chain safety governance for electric bicycles, it specifies that infrastructure construction in residential and public areas should follow the principle of “battery-swapping/charging cabinets as the primary solution and charging piles as the supplementary solution,” and encourages exploration of the vehicle-battery separation model and the shared battery-swapping model, balancing safety governance with market-oriented promotion.
Shanghai Work Plan for Promoting the Construction and Management of Charging and Battery-swapping Cabinets for Electric Bicycles	Promotes the construction and management of charging and battery-swapping cabinets around the questions of “how to build, how to manage and how to serve,” clarifies differentiated positioning, classified layout, construction in key scenarios and access to digital platforms. It explicitly encourages placement in outdoor public areas such as delivery stations, residential communities, and street-level plots, avoiding pedestrian and accessibility obstructions while meeting fire safety standards, and also provides institutional support for standard setting and normalized regulation, thereby promoting the healthy and orderly development of the industry.
Technical Guidelines for the Construction of Charging and Battery-swapping Facilities for Electric Bicycles in Guangzhou	For scenarios such as residential areas, factories, enterprises and public institutions, and public places, it clarifies the types of facilities including charging sockets, charging facilities and battery-swapping facilities, and puts forward construction requirements for power supply and distribution systems, monitoring systems and supporting facilities. It requires facilities to be installed in suitable locations and prioritizes placement in outdoor areas, following the principles of “local adaptation and safe application.”
Work Plan of Shenzhen on Promoting the High-quality Development of Centralized Charging and Battery-swapping Facilities for Electric Bicycles, and Advancing the Construction of “Electric Bicycle City” (Seeking Public Comments)	Focuses on the high-quality development of centralized charging and battery-swapping facilities for electric bicycles, encourages the networked deployment of battery-swapping facilities, supports the entry of battery-swapping cabinets into communities and industrial park scenarios, and promotes the formation of a safer, healthier and more intensive LEV energy replenishment system.

Source: Frost & Sullivan

Analysis of Raw Material Costs and Technological Evolution Trends of the Industry

In the cost structure of the LEV battery-swapping industry, batteries, as core assets, constitute a major component of the construction and operating costs of battery-swapping networks. As the industry advances toward scale, battery procurement and replacement costs continue to account for an important proportion. In high-frequency charging and discharging and high-turnover scenarios for LEV battery-swapping, batteries are required to simultaneously meet the requirements of high safety, long cycle life and cost stability. Therefore, lithium iron phosphate, which offers advantages such as strong thermal stability, excellent cycle performance and controllable costs, has gradually become the mainstream cathode material system.

Lithium Iron Phosphate Prices, China, 2021–2030E



Lithium Metal Prices, China, 2021–2030E



Source: Frost & Sullivan

As an important component of battery-swapping operations, electricity costs are generally relatively stable. Depending on differences in regions and electricity consumption structures, commercial electricity prices nationwide are generally in the range of approximately RMB0.6 to RMB0.8 per kWh.

INDUSTRY OVERVIEW

National Commercial Electricity Price Range for LEV Battery-swapping Scenarios (2021–2030E)

Year	Price Range (RMB per kWh)
2021	0.60 – 0.75
2022	0.62 – 0.78
2023	0.63 – 0.80
2024	0.60 – 0.75
2025	0.58 – 0.72
2026E	0.59 – 0.74
2027E	0.60 – 0.76
2028E	0.61 – 0.78
2029E	0.62 – 0.80
2030E	0.63 – 0.82

Source: Frost & Sullivan, National Development and Reform Commission

From the perspective of technological evolution trends, the LEV battery-swapping industry is undergoing multidimensional upgrading from traditional battery solutions to high-performance battery systems, from single-point equipment to network-based operations, and from basic operation and maintenance to data-driven management.

In the early stage, the industry mainly adopted lead-acid battery solutions. With rising requirements for energy density, safety and cycle life, it has gradually evolved toward lithium-ion battery systems represented by lithium iron phosphate. At the same time, battery pack design is upgrading from non-standardized to standardized and modularized configurations in order to enhance cross-model compatibility and the universality of battery-swapping networks. At the system level, battery-swapping equipment is developing from single-point deployment toward scaled networks and intelligent dispatch systems, while gradually incorporating energy management capabilities to optimize charging and discharging strategies and achieve grid coordination. At the operational level, the industry is shifting from an equipment-driven model toward a platform-based and data-driven model, under which users, equipment and battery assets are managed in a unified manner through digital systems, and dispatch efficiency and asset turnover continue to improve based on data analysis.

Analysis of Cost Optimization Pathways for LEV Battery-swapping Companies

As the scale of LEV battery-swapping networks continues to expand, industry participants are gradually promoting the continuous optimization of their cost structures through multiple approaches such as scaled operations, technological innovation and business model optimization, thereby improving overall operating efficiency and enhancing profitability.

- **Cost reduction through scale effects:** As the density of battery-swapping network deployment increases, the number of users served by each battery-swapping cabinet continues to rise, thereby enabling operation and maintenance costs and site usage

INDUSTRY OVERVIEW

fees to be diluted to a certain extent. At the same time, as the operating scale of industry participants expands, companies are able to form scale procurement advantages when purchasing core hardware such as lithium batteries and battery-swapping equipment, thereby reducing unit procurement costs and further optimizing the overall cost structure.

- **Cost reduction through technological innovation:** Technological progress provides important means of cost optimization for LEV battery-swapping companies. For example, through battery full-lifecycle management technologies, such as adaptive balancing technologies, companies are able to extend battery service life and reduce battery replacement frequency, thereby lowering asset depreciation costs. In addition, with the application of artificial intelligence and big data technologies, companies are able to optimize battery-swapping cabinet layout, battery dispatch and operation and maintenance management through intelligent algorithms, thereby reducing battery operation and maintenance costs and further improving operating efficiency.
- **Cost reduction through business model optimization:** In terms of business models, LEV battery-swapping companies optimize their capital input structure through a variety of approaches. For example, in battery management, companies may redeploy retired batteries from enterprise customers scenarios that still retain usable value for continued use in individual customers scenarios, thereby extending battery service cycles and reducing new battery procurement costs. At the same time, companies also expand battery-swapping networks through agent or franchise models, thereby reducing their own capital investment and improving network expansion efficiency. In addition, cooperation with electricity suppliers to obtain direct electricity supply also helps reduce energy procurement costs, thereby further optimizing overall operating costs.

Future Outlook for the LEV Battery-swapping Market

With the advancement of relevant technologies and the development of emerging industries, the application scenarios of the battery-swapping model are expected to expand further from electric LEV vehicles to fields such as robots, unmanned delivery vehicles and drones, bringing new growth space to the battery-swapping industry. As the low-altitude economy, unmanned delivery and the robotics industry continue to develop, demand from high-frequency operating equipment for highly efficient energy replenishment methods continues to increase. By virtue of characteristics such as rapid energy replenishment and continuous operation, the battery-swapping model has promising application prospects.

In the robotics field, as the market size of industrial robots and unmanned delivery robots continues to expand, their high-frequency operating characteristics impose higher requirements on battery replenishment efficiency. The battery-swapping model can achieve rapid energy replenishment and support the continuous operation of equipment, thereby providing important support for the scaled application of the robotics industry.

In the field of unmanned delivery vehicles, such vehicles have gradually entered the stage of commercial application and have achieved normalized operations in scenarios such as communities, parks and commercial districts. As unmanned delivery vehicles usually require long-duration continuous operations, the battery-swapping model can improve vehicle utilization efficiency through rapid battery replacement, thereby meeting their efficient operating needs.

INDUSTRY OVERVIEW

In the field of low-altitude economy, as low-altitude airspace is gradually opened up and the construction of related infrastructure advances, the application of drones in scenarios such as logistics delivery, agricultural crop protection and power inspection continues to expand. The battery-swapping model can improve energy replenishment efficiency and reduce downtime to a certain extent, thereby better meeting the energy replenishment needs of drones in high-frequency operating scenarios.

ANALYSIS OF COMPETITION IN CHINA’S LEV BATTERY-SWAPPING INDUSTRY

From the perspective of the overall competitive landscape, a small number of leading players in the industry occupy major market shares by virtue of first-mover advantages, scaled network deployment, and mature battery asset management and operational capabilities, and have formed relatively strong user stickiness and network effects in core cities and high-frequency use scenarios. At the same time, leading players have further consolidated their market positions by continuously increasing the density of battery-swapping networks, optimizing operational efficiency and expanding diversified application scenarios.

Ranking and Market Share of LEV Battery-swapping Companies

In China’s LEV battery-swapping market, the top five companies together accounted for 60.5% of the market share in 2025 by revenue, indicating a relatively high level of industry concentration. Among them, the Company ranked fourth in the industry, with LEV battery-swapping revenue of RMB0.7 billion and a market share of 5.8%.

Ranking and Market Share of LEV Battery-swapping Companies (by Revenue), China, 2025

Ranking	Company Name	Revenue (RMB Billion)	Market Share
1.	Company A	3.0	24.6%
2.	Company B	2.0	16.6%
3.	Company C	1.0	8.2%
4.	The Company	0.7	5.8%
5.	Company D	0.7	5.3%
	Others	4.9	39.5%
Total		12.3	100.0%

Notes:

- (1) Company A is a listed company founded in 2014 and headquartered in Beijing, China. It focuses on the construction, operation and maintenance of digital infrastructure and related services. Through its energy business, the company also provides battery swapping, charging, backup power and other integrated energy services.
- (2) Company B is a private company founded in 2016 and headquartered in Shanghai, China. It focuses on local mobility and lifestyle services powered by digital technology. Its business covers two-wheeled shared mobility, ride-hailing, electric vehicle rental and battery swapping services.

INDUSTRY OVERVIEW

- (3) Company C is a private company founded in 2012 and headquartered in Hangzhou, China. It focuses on intelligent charging and battery-swapping solutions for electric two-wheelers. Its business covers battery-swapping services, charging and swapping equipment, and AIoT-enabled operating systems.
- (4) Company D is a private company founded in 2019 and headquartered in Beijing, China. It focuses on battery products and battery-swapping services for two-wheeled electric vehicles. Its business covers power batteries, smart swapping cabinets, cloud-based IoT platforms and related operation and maintenance services.

Source: Frost & Sullivan, Companies' Annual Reports

In addition, in 2025, in terms of rankings in segmented areas, from the perspective of core regional deployment, the Company ranked among the top three in both the Yangtze River Delta and the Pearl River Delta with a market share of 15.3% and 19.8%, respectively; from the perspective of operating model, the Company is the only one battery-swapping companies in the industry with an integrated “R&D-Production-Operation-Service” model (integrated “R&D-Production-Operation-Service” model refers to a model in which battery-swapping enterprises fully undertake the in-house design and manufacturing of battery-swapping cabinets and battery packs); and from the perspective of sales channels, the Company ranked first in online channels.

Analysis of Industry Entry Barriers

Capital barriers: Traditionally, the LEV battery-swapping industry has been regarded as an asset-heavy sector. In the early stage, continuous investment is required in assets such as battery-swapping cabinets, battery packs, system platforms and station deployment. In the subsequent process of network expansion, investment is also required for equipment operation and maintenance, asset turnover, upgrades and iteration. Only companies with strong financial strength and sustained investment capability can take the lead in completing network deployment in key cities and forming scale effects. Therefore, capital thresholds constitute an important entry barrier to the industry.

Technological barriers: The LEV battery-swapping industry places relatively high requirements on technological capabilities such as battery management, cabinet control, platform dispatch, data monitoring and safety warning. Companies need to possess the R&D and coordination capabilities for intelligent battery-swapping cabinets, battery management systems, IoT platforms and intelligent dispatch systems, and continuously optimize operating efficiency and safety levels through ongoing data accumulation. The construction cycle of the relevant technological system is relatively long and highly comprehensive, and therefore constitutes a strong technological barrier to the industry.

Channel barriers: The LEV battery-swapping industry is highly dependent on downstream channel resources, especially in high-frequency scenarios such as instant delivery, express logistics and local mobility. Those that are able to establish stable cooperation with delivery platforms, rider service providers, LEV rental companies and vehicle rental operators are more likely to obtain core user traffic and improve network utilization. At the same time, companies' deployment capabilities in online platforms, directly operated station and business partner network also directly affect their market expansion efficiency. Therefore, the accumulation of channel resources constitutes an important barrier to the industry.

INDUSTRY OVERVIEW

Operational barriers: Competition in the LEV battery-swapping industry ultimately manifests itself as competition in refined operational capabilities. Companies not only need to deploy battery-swapping networks efficiently, but also need to continuously improve cabinet efficiency, battery turnover efficiency, operation and maintenance response capabilities, while ensuring safety and service stability during large-scale operations. Such capabilities are highly dependent on long-term operating experience, standardized management systems and data-driven capabilities, and are difficult to replicate in a short period of time. Therefore, they constitute relatively high operational barriers to the industry.

OVERVIEW OF THE COMPANY’S KEY OVERSEAS MARKETS

Overview of the Southeast Asian LEV Battery-swapping Market

The Southeast Asian LEV battery-swapping market as a whole is still at an early stage of development, but has already shown relatively evident growth and expansion potential. Compared with earlier-developed markets such as China, the Southeast Asian LEV battery-swapping industry currently has a relatively small market size, and market participants are still continuously advancing network deployment, user cultivation and the development of operational systems. Overall, the industry is in the process of gradually transitioning from the introduction stage to the stage of scaled development. Benefiting from the widespread use of two-wheel travel in Southeast Asia, strong demand for short-distance urban transportation, and the continuous growth of delivery scenarios, the LEV battery-swapping model has a relatively solid foundation for application.

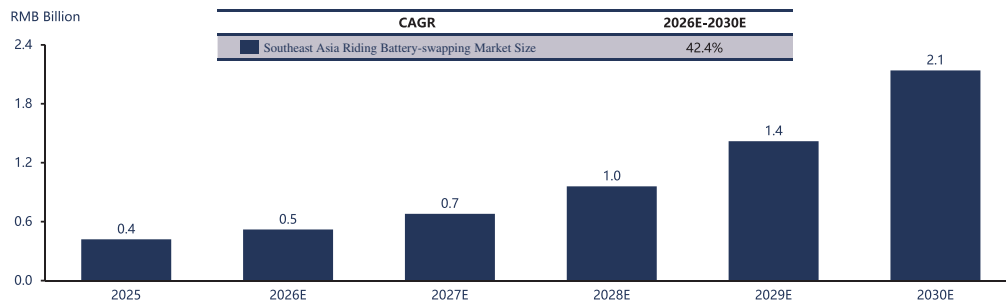
At the same time, as the penetration rate of electric two-wheeled vehicles gradually increases, users’ requirements for energy replenishment efficiency, range convenience and operational efficiency continue to rise, and the commercial value of the battery-swapping model is gradually emerging. Especially in high-frequency use scenarios such as food delivery, instant retail and intra-city logistics, battery-swapping can effectively meet the need for rapid energy replenishment and help improve vehicle utilization efficiency. Overall, the Southeast Asian LEV battery-swapping market is still at an early growth stage, but as battery-swapping infrastructure is gradually improved, operating models continue to mature, and market acceptance continues to increase, the industry still has considerable room for future development.

Southeast Asia LEV Battery-swapping Market Size, 2025–2030E

From 2025 to 2030, the Southeast Asian LEV battery-swapping market is expected to show a trend of rapid market expansion. Overall, the Southeast Asian LEV battery-swapping industry is still at a stage of accelerating transition from early introduction to scaled development. Although the market size remains relatively small, its growth potential is relatively prominent. In terms of market size, the Southeast Asian LEV battery-swapping market reached RMB0.4 billion in 2025, and is expected to record a CAGR of 42.4% from 2026 to 2030, further increasing to RMB2.1 billion by 2030. Overall, as demand for LEV energy replenishment in the region continues to be released, the commercial viability of the battery-swapping model is gradually validated, and industry participants continue to advance localized operations and network replication, the Southeast Asian LEV battery-swapping market is expected to maintain a relatively rapid expansion trend, with broad room for future development.

INDUSTRY OVERVIEW

LEV Battery-swapping Market Size, Southeast Asia, 2025–2030E



Source: Frost & Sullivan

Drivers of the Southeast Asian LEV Battery-swapping Market

- Policy guidance and the transition toward green mobility are creating a supportive external environment for industry development.** In recent years, some Southeast Asian countries have continuously promoted transportation electrification and green, low-carbon development, while encouraging the adoption of new energy mobility modes such as electric two-wheeled vehicles. Under relevant policy support, the foundation for electric mobility has gradually improved, creating a more favorable external environment for the promotion of the LEV battery-swapping model. At the same time, battery-swapping also helps accelerate the transition from fuel-powered vehicles to electric vehicles, as it significantly shortens energy replenishment time, reduces dependence on fixed charging conditions, lowers the upfront cost burden by separating battery usage from vehicle purchase, and better supports the operational needs of users in high-frequency usage scenarios. By improving convenience, economics and operational efficiency, battery-swapping makes electric mobility more practical in everyday use and therefore provides stronger support for the replacement of fuel-powered vehicles with electric alternatives.
- The economic efficiency of the battery-swapping model in commercial operating scenarios is gradually emerging.** For vehicles with high-frequency usage, energy replenishment time, attendance efficiency and full-lifecycle usage costs are all core considerations. The battery-swapping model can, to a certain extent, improve the continuous operating capability of vehicles, and through centralized battery management, unified operation and maintenance and standardized services, address the efficiency and management issues under traditional energy replenishment models. As industry operating experience accumulates and business models continue to be optimized, the economic efficiency and replicability of the battery-swapping model in commercial scenarios are gradually becoming evident, thereby accelerating the release of market demand.
- The accelerated deployment by leading operators is driving the industry into an expansion stage.** As some market participants continue to increase resource investment in key countries and core cities, the Southeast Asian LEV battery-swapping industry is gradually moving from single-point pilot operations toward regional replication. The continued investment by leading players in station deployment, battery dispatch, user operations and local partnerships helps improve the industry’s overall service capabilities and operational maturity, and drives the market from the stage of early validation toward commercial rollout on a broader scale.

REGULATORY OVERVIEW

REGULATIONS ON COMPANY ESTABLISHMENT AND FOREIGN INVESTMENT

The PRC Company Law (《中華人民共和國公司法》), which was promulgated by the Standing Committee of the National People’s Congress (the “**SCNPC**”), further amended in December 1999, August 2004, October 2005, December 2013, October 2018 and latest amended in December 2023 and came into effect on July 1, 2024, provides that companies established in the PRC may take the form of limited liability company or joint stock company with limited liability and the Company Law shall apply to all companies established in the PRC. Each company has independent legal person property and enjoys legal person property rights. The legitimate rights and interests of the company are protected by law and are inviolable.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “**FIL**”), which was promulgated by the National People’s Congress (the “**NPC**”) on March 15, 2019, and came into effect on January 1, 2020, provides that the “foreign investment” refers to the investment activities in China carried out directly or indirectly by foreign individuals, enterprises or other organizations (the “**Foreign Investors**”), including the following: (1) Foreign Investors establishing foreign-invested enterprises in China alone or collectively with other investors; (2) Foreign Investors acquiring shares, equities, properties or other similar rights of Chinese domestic enterprises; (3) Foreign Investors investing in new projects in China alone or collectively with other investors; and (4) Foreign Investors investing through other ways prescribed by laws and regulations or the State Council. The FIL further adopts the management system of pre-establishment national treatment and negative list for foreign investment. The “pre-establishment national treatment” refers to granting to foreign investors and their investments, in the stage of investment access, the treatment no less favorable than that granted to domestic investors and their investments; the “negative list” refers to special administrative measures for access of foreign investment in specific fields as stipulated by the State. The FIL granted national treatment to foreign investments outside the negative list. The negative list will be released by or upon approval of the State Council.

In December 2019, the State Council promulgated the Regulations on Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) (the “**Implementation Rules**”) which came into effect in January 2020. The Implementation Rules further clarified that the State shall encourage and promote foreign investment, protect the lawful rights and interests in foreign investments, regulate foreign investment administration, continue to optimize foreign investment environment, and advances a higher-level opening.

Investment activities in the PRC by foreign investors were principally governed by the Special Administrative Measures (Negative List) for Access of Foreign Investment (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”), and the Catalog of Encouraged Industries for Foreign Investment (2025 Edition) (《鼓勵外商投資產業目錄(2025年版)》) (the “**Encouraging List**”). Unless otherwise prescribed by the PRC laws, any industries not falling into any of the encouraged, restricted or prohibited industries set out and the Negative List are generally deemed as permitted for foreign investment. Our business does not fall under such categories where foreign investment is restricted or prohibited.

The Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》) was released by the Ministry of Commerce (the “**MOFCOM**”) and the State Administration for Market Regulation (the “**SAMR**”) on December 30, 2019, and became effective on January 1, 2020. Foreign investors directly or indirectly conducting investment activities within the

REGULATORY OVERVIEW

territory of China shall submit the investment information through submission of initial reports, change reports, deregistration reports, annual reports etc. to the competent commerce authorities in accordance with The Measures on Reporting of Foreign Investment Information. When submitting an annual report, a foreign-invested enterprise shall submit the basic information on the enterprise, the information on the investors and their actual controlling party, the enterprise’s operation and asset and liabilities information etc., and where the foreign investment admission special administrative measures are involved, the foreign investment enterprise shall also submit the relevant industry licensing information.

REGULATIONS AND POLICIES ON ELECTRIC VEHICLES CHARGING INFRASTRUCTURE

According to the Guiding Opinions of the General Office of the State Council on Further Establishing a High-Quality Charging Infrastructure System (《國務院辦公廳關於進一步構建高質量充電基礎設施體系的指導意見》), which was promulgated and became effective on June 08, 2023, local governments at all levels are expected to provide financial support such as the implementation of time-of-use power price policies and operational subsidies to ensure the further development of charging infrastructure, and build a higher-quality charging infrastructure system. Charging infrastructure provides charging and swapping services for electric vehicles and is important infrastructure for transportation and energy integration. It is imperative to, by relying on the urban road transport network and with the focus on “two areas” (residential area and office area) and “three centers” (commercial center, industrial center and leisure center), promote the orderly extension of the urban charging network from the central urban area to the edge of the urban areas and from the priority development areas to other areas. Great efforts shall be made to promote the integrated planning, construction and management of urban charging infrastructure and parking facilities to achieve the full coverage of various types of parking scenarios in cities. Rational use shall be made of the adjacent space of urban roads, public charging infrastructure dominated by fast charging and supplemented by slow charging shall be constructed, and the construction of new centralized charging infrastructure of a certain scale shall be encouraged.

The Development Plan for the New-energy Vehicle Industry (2021–2035) (《新能源汽車產業發展規劃(2021–2035年)》) was promulgated by the General Office of the State Council and became effective on November 02, 2020. According to the Development Plan, the government encourages wide social participation, through technological innovation, such as the construction of an efficient recycling system for power batteries and the operation and service platform for charging facilities, improve the charging and battery-swapping network, and improve the charging and battery-swapping service guarantee level.

According to Shanghai’s Work Plan for Promoting the Construction and Management of Electric Bicycle Charging and Battery-Swapping Cabinets (《上海市推動電動自行車充換電櫃建設管理工作方案》), which was promulgated by Shanghai Municipal Development and Reform Commission, Shanghai Municipal Administration for Market Regulation and six other departments on May 22, 2024, on the supply side, efforts will focus on improving the current piecemeal, ad-hoc approach to construction; the functional positioning of charging and battery-swapping cabinets as essential supporting facilities for commerce and logistics will be clarified. Construction tasks will be implemented in accordance with local conditions. The layout requirements for charging and battery-swapping cabinets specified by the competent authorities for the food delivery and courier industries will be implemented, with construction

REGULATORY OVERVIEW

tasks allocated to sub-districts and towns. Establish a localised promotion mechanism to guide and supervise sub-districts, towns and grassroots management bodies in conducting rolling surveys of typical scenarios – including commercial centres, e-commerce platform delivery stations, business parks and buildings, large residential estates, bicycle parking areas near pavements and metro stations, community service stations for new employment groups, and ‘Riders’ Homes’ – as well as suitable land resources in their vicinity. By integrating initiatives such as the ‘15-minute community living circle,’ beautification of neighbourhoods, the undergrounding of overhead cables and the refurbishment of utility poles and cabinets, and urban renewal, to increase supply through multiple channels and initiatives. Organise the property owners and property management companies of the relevant land resources to ensure the site and power supply conditions for charging and battery-swapping cabinets are met, and select the most suitable charging and battery-swapping cabinet providers to carry out the construction.

Guidelines for the Shared Battery Swapping of Electric Bicycles (Trial Version) (《電動自行車共享換電工作指南(試行)》) was promulgated by National Fire and Rescue Administration, MIIT and SAMR on July 10, 2025, main content of which includes scientific planning and site selection. When installing battery swapping cabinets, consideration should be given to electric bicycle parking areas, user needs, battery swapping scenarios and urban aesthetics, planning should be unified, layout should be reasonable and site selection should be scientific. It is encouraged to incorporate the construction of battery-swapping cabinets into urban infrastructure planning for coordinated development. Generally, they should be installed in open outdoor areas convenient for delivery riders and residential users to swap batteries, making full use of street corners and scattered plots to increase density. They must not occupy or impede the functionality of pavements or tactile paving, and must maintain a certain fire safety distance from buildings, ensuring user safety whilst meeting daily battery-swapping needs. Where indoor installation is strictly necessary, the installation must comply with the fire compartmentation requirements and fire safety design standards set out in relevant national standards and regulations, and maintain a safe distance from surrounding combustible materials.

According to Specification for Construction and Operation Management of Electric Bicycle Centralized Charging and Battery Swap Facilities (《電動自行車集中充換電設施建設及運營管理規範》) promulgated by Guangdong Administration for Market Regulation on July 21, 2025, being effective on October 21, 2025, which applies to the construction and operational management of centralised charging and battery-swapping facilities for electric bicycles in Guangdong Province, existing public buildings, residential buildings and other premises used for production and business operations should, where appropriate, identify suitable locations for the installation of centralised charging and battery-swapping facilities, giving priority to outdoor areas, and should adhere to the principles of ‘adapting to local conditions’ and ‘safety and practicality’.

REGULATIONS ON VALUE-ADDED TELECOMMUNICATIONS SERVICES

The PRC Telecommunications Regulations (《中華人民共和國電信條例》), promulgated by the State Council on September 25, 2000 and last revised on February 6, 2016, provides the regulatory framework for telecommunications service providers in China. The PRC Telecommunications Regulations classify telecommunications services into basic telecommunications services and value-added telecommunications services. Providers of value-added telecommunications services are required to obtain a license for value-added

REGULATORY OVERVIEW

telecommunications services, and violators of this rule may be ordered to make rectifications, have their illegal gains confiscated and be imposed upon a fine, or, under severe circumstances, be ordered to suspend the business operations. According to the Catalog of Telecommunications Services (《電信業務分類目錄》), attached to the PRC Telecommunications Regulations and recently amended by the MIIT on June 6, 2019, information services provided via public communication networks or the internet are value-added telecommunications services.

As a subcategory of the value-added telecommunications services, internet information services are regulated by the Administrative Measures on Internet Information Services, or the ICP Measures (《互聯網信息服務管理辦法》), which was promulgated by the State Council on September 25, 2000 and last revised on December 6, 2024. Internet information services are defined as “services that provide information to online users through the internet”. The ICP Measures classify internet information services into non-commercial internet information services and commercial internet information services. Commercial internet information service providers must obtain an ICP License from appropriate telecommunications authorities. A ICP License has a term of five years and can be renewed within 90 days prior to its expiration, according to the Administrative Measures for Telecommunications Businesses Operating Licensing (《電信業務經營許可管理辦法》), which was promulgated by the MIIT on March 1, 2009, recently amended on July 3, 2017, and became effective on September 1, 2017. Furthermore, the MIIT Circular on Regulating the Use of Domain Names in Internet Information Services (《工業和信息化部關於規範互聯網信息服務使用域名的通知》), issued on November 27, 2017 and came into effect on January 1, 2018, requires internet information service providers to register and own the domain names they use in providing internet information services.

The Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》), promulgated by the State Council on December 11, 2001 and most recently amended on March 29, 2022, requires foreign-invested value-added telecommunications enterprises in China to be established as Sino-foreign joint ventures, and foreign investors shall not acquire more than 50% of the equity interest of such an enterprise. Moreover, the joint ventures must obtain approvals from the MIIT and the MOFCOM, or their authorized local counterparts, before launching the value-added telecommunications business in China.

Pursuant to the Ministry of Information Industry’s Notice on Strengthening the Administration of Foreign Investment in and Operation of Value-added Telecommunications Services (《信息產業部關於加強外商投資經營增值電信業務管理的通知》), issued by the Ministry of Information Industry, the predecessor of the MIIT, on July 13, 2006, domestic value-added telecommunications enterprises were prohibited to rent, transfer, or sell licenses for value-added telecommunications services to foreign investors in any form, or provide any resources, premises, facilities, or other assistance in any form to foreign investors for their illegal operation of any value-added telecommunications business in China.

REGULATIONS ON LAND GRANTS

Under the Land Administration Law of the PRC (《中華人民共和國土地管理法》), promulgated by the SCNPC on June 25, 1986, last amended on August 26, 2019 and came into effect on January 1, 2020, the land can be classified by use into agricultural land, construction land, and unused land. The construction land can be further classified into state-owned and

REGULATORY OVERVIEW

collectively managed construction land, and land users may obtain the land use right of the construction land according to the Land Administration Law.

Under the Regulations on the Implementation of the Land Administration Law of the PRC (《中華人民共和國土地管理法實施條例》), promulgated by the State Council on January 4, 1991, last amended on July 2, 2021 and came into effect on September 1, 2021, in order to use state-owned land, the user should acquire the land in the form of paid use, except when it may be obtained by allocation as prescribed by the laws and administrative regulations.

Under the Interim Regulations on Assignment and Transfer of the Rights to the Use of the State-owned Urban Land of PRC (《中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例》), promulgated by the State Council on May 19, 1990 and latest amended on November 29, 2020, a system of assignment and transfer of the right to use state-owned land was adopted. A land user must pay land premiums to the state as consideration for the assignment of the right to use a land site within a certain term, and the land user who obtained the right to use the land may transfer, lease out, mortgage or otherwise commercially exploit the land within the term of use. Under the Interim Regulations on Assignment and Transfer of the Rights to the Use of the State-owned Urban Land of PRC (《中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例》) and the Law of the PRC on Urban Real Estate Administration (《中華人民共和國城市房地產管理法》), the local land administration authority may enter into an assignment contract with the land user for the assignment of land use rights. The land user is required to pay the land premium as provided in the assignment contract. After the full payment of the land premium, the land user must register with the land administration authority and obtain a land use rights certificate which evidences the acquisition of land use rights.

REGULATIONS ON PLANNING OF A CONSTRUCTION PROJECT

Pursuant to the Regulations on Planning Administration regarding Assignment and Transfer of the Rights to Use of the State-Owned Land in Urban Area (《城市國有土地使用權出讓轉讓規劃管理辦法》) promulgated by the Ministry of Construction in December 1992 and amended in January 2011, a construction land planning permit shall be obtained from the municipal planning authority with respect to the planning and use of land. According to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》) promulgated by the SCNPC on October 28, 2007 and latest amended on April 23, 2019, a construction work planning permit must be obtained from the competent urban and rural planning government authority for the construction of any structure, fixture, road, pipeline or other engineering project within an urban or rural planning area.

After obtaining a construction work planning permit, subject to certain exceptions, a construction enterprise must apply for a construction work commencement permit from the construction authority under the local people’s government at the county level or above in accordance with the Administrative Provisions on Construction Permit of Construction Projects (《建築工程施工許可管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development (the “MOHURD”), on October 15, 1999, and further amended in July 2001, June 2014, and September 2018, with the latest amendment becoming effective on March 30, 2021.

REGULATIONS ON ENVIRONMENTAL PROTECTION

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), or the Environmental Protection Law, was promulgated by the “SCNPC” and effective on December

REGULATORY OVERVIEW

26, 1989, and most recently amended on April 24, 2014. This Environmental Protection Law has been formulated for the purpose of protecting and improving both the living environment and the ecological environment, preventing and controlling pollution, other public hazards and safeguarding people’s health.

According to the provisions of the Environmental Protection Law, in addition to other relevant laws and regulations of the PRC, the Ministry of Environmental Protection and its local counterparts take charge of administering and supervising said environmental protection matters. Pursuant to the Administrative Regulations on the Environmental Protection of Construction Project (《建設項目環境保護管理條例》) (the “**Construction Environmental Protection Rules**”), promulgated by the State Council on November 29, 1998 and amended on July 16, 2017, and other relevant environmental laws and regulations, enterprises which plan to construct projects shall submit or fill in assessment report, assessment form, or registration form on the environmental impact of such projects to relevant environmental protection administrative authority for approval or recording. Construction entities may entrust a technical institution to conduct an environmental impact assessment of its construction projects and prepare the assessment reports and assessment forms on the environmental impact of construction projects. If the construction entities have the technical capability of environmental impact assessment, it may carry out the above activities by itself.

Pursuant to the Code of the People’s Republic of China on the Ecological Environment (《中華人民共和國生態環境法典》) promulgated by the SCNPC on March 12, 2026 and will take effect on August 15, 2026, for any construction projects have an impact on the environment, the construction entity is required to produce either a report, or a form, or a registration form on such environmental impact depending on the seriousness of the impact that may be exerted on the environment.

Pursuant to the Environmental Protection Law, the environmental impact statement on any construction project must assess the pollution that the project is likely to produce and its impact on the environment, and stipulate preventive and curative measures; the statement shall be submitted to the competent administrative department of environmental protection for approval. Installations for the prevention and control of pollution in construction projects must be designed, built and commissioned together with the principal part of the project. Permission to commence production at or utilize any construction project shall not be granted until its installations for the prevention and control of pollution have been examined and confirmed to meet applicable standards by the appropriate administrative department of environmental protection that examined and approved the environmental impact statement. Installations for the prevention and control of pollution shall not be dismantled or left idle without authorization. Where it is absolutely necessary to dismantle any such installation or leave it idle, prior approval shall be obtained from the competent local administrative department of environmental protection.

The Environmental Protection Law makes it clear that the legal liabilities of any violation of said law include warning, fine, rectification within a time limit, compulsory cease operation, compulsory reinstallation of dismantled installations of the prevention and control of pollution or compulsory reinstallation of those left idle, compulsory shutout or closedown, or even criminal punishment.

REGULATORY OVERVIEW

REGULATIONS ON WORK SAFETY

Our business is subject to a variety of work safety laws, including the Regulation on the Quality Management of Construction Projects (《建設工程質量管理條例》) which was promulgated by State Council, further amended in January 2000, October 2017 and latest amended and came into effect on April 23, 2019.

The Regulation on the Quality Management of Construction Projects is formulated for the purposes of strengthening the management of construction project quality, ensuring the quality of construction projects and protecting the safety of people’s lives and property. All those engaging in activities of the new construction, expansion, change of construction projects as well as supervision and management of the quality of construction projects shall abide by this Regulation.

According to the Work Safety Law of the PRC (《中華人民共和國安全生產法》) promulgated on June 29, 2002, last amended on June 10, 2021 with effect on September 1, 2021, business entities shall strengthen their work safety management, enhance work safety conditions, promote work safety standardization and improve work safety levels. Entities which cannot meet the safety conditions prescribed by laws, regulations and national or industry standards shall not engage in production or other business activities. To ensure work safety rules are observed in the production process, business entities shall establish and improve their work safety responsibility systems and work safety policies which specify responsible person(s) at each position, the scope of duties and evaluation criteria. Business entities shall provide their employees with labor protection equipment and work safety training. Where the primary person-in-charge of a business entity fails to perform his or her duties in respect of work safety, he or she would be subject to legal liabilities, depending on the seriousness of the relevant work safety accidents.

REGULATIONS ON FIRE CONTROL

Pursuant to the Fire Safety Law of the PRC (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998 and latest amended on April 29, 2021, for special construction projects stipulated by the housing and urban-rural development authority of the State Council, the developer shall submit the fire safety design documents to the housing and urban-rural development authority for examination, while for construction projects other than those stipulated as special development projects, the developer shall, at the time of applying for the construction permit or approval for work commencement report, provide the fire safety design drawings and technical materials which satisfy the construction needs. According to Interim Regulations on Administration of Examination and Acceptance of Fire Control Design of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) promulgated on April 1, 2020 and amended on August 21, 2023, an examination system for fire prevention design and acceptance only applies to special construction projects, and for other projects, a record-filing and spot check system would be applied.

REGULATIONS ON CONSUMER RIGHTS PROTECTION

Our business is subject to a variety of consumer protection laws, including the PRC Consumer Rights and Interests Protection Law (《中華人民共和國消費者權益保護法》), as amended in 2013 and became effective on March 15, 2014, which imposes stringent requirements and obligations on business operators. Failure to comply with these consumer protection laws could subject us to administrative sanctions, such as the issuance of a warning,

REGULATORY OVERVIEW

confiscation of illegal income, imposition of fines, an order to cease business operations, revocation of business licenses, as well as potential civil or criminal liabilities.

REGULATIONS ON PRODUCT LIABILITY

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》), promulgated on February 22, 1993 and latest amended on December 29, 2018, a manufacturer is prohibited from producing or selling products that do not meet applicable standards and requirements for safeguarding human health and ensuring human and property safety. Products must be free from unreasonable dangers threatening human and property safety. Where a defective product causes physical injury to a person or property damage, the aggrieved party may make a claim for compensation from the producer or the seller of the product. Producers and sellers of non-compliant products may be ordered to cease the production or sale of the products and could be subject to confiscation of the products and/or fines. Earnings from sales in contravention of such standards or requirements may also be confiscated, and in severe cases, an offender’s business license may be revoked.

REGULATIONS ON DATA SECURITY, CYBER SECURITY AND DATA PRIVACY PROTECTION

Pursuant to the PRC Civil Code (《中華人民共和國民法典》) promulgated by the NPC on May 28, 2020 and effective from January 1, 2021, the personal information of a natural person shall be protected by the law. An information processor shall not illegally disclose or tamper with any personal information collected or stored thereby; and without the consent of the natural person, no personal information shall be illegally provided to any other person.

The Data Security Law of the PRC (《中華人民共和國數據安全法》), which was promulgated by the SCNPC on June 10, 2021 and took effect on September 1, 2021, provides that entities shall establish a data classification and grading protection system and important data catalogs to enhance the protection of important data. In addition, the Data Security Law of the PRC provides a national security review procedure for those data activities which affect or may affect national security and regulates the outbound transfer of data.

Pursuant to the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the “**Cybersecurity Law**”), which was promulgated by the SCNPC on November 7, 2016, became effective on June 1, 2017, amendment of which was adopted by the SCNPC on October 28, 2025 and took effect on January 1, 2026, network operators must comply with applicable laws and regulations and fulfill their obligations to safeguard cybersecurity in conducting business and providing services. For the construction and operation of the network or the provision of services through the network, technical and other necessary measures shall be taken as required by law and the compulsory requirements of national standards to ensure the safe and stable operation of the network, respond to cybersecurity incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data. Network operators shall not collect personal information irrelevant to their services. In the event of any disclosure, damage or loss of or possible disclosure, damage or loss of collected personal information, network operators shall take immediate remedial measures, notify the users and report the incidents to the relevant authorities in a timely manner.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), effective from November 1, 2021. The Personal

REGULATORY OVERVIEW

Information Protection Law of the PRC requires, among others, that (i) the processing of personal information should have a clear and reasonable purpose which should be directly related to the processing purpose, in a method that has the least impact on personal rights and interests, and (ii) the collection of personal information should be limited to the minimum scope necessary to achieve the processing purpose to avoid the excessive collection of personal information. Different types of personal information and personal information processing will be subject to various rules on consent, transfer, and security. Entities handling personal information shall bear responsibilities for their personal information handling activities, and adopt necessary measures to safeguard the security of the personal information they handle. Otherwise, the entities handling personal information could be ordered to correct, or suspend or terminate the provision of services, and face confiscation of illegal income, fines or other penalties.

On February 6, 2023, the MIIT promulgated the Notice of the MIIT on Further Improving the Service Capabilities of Mobile Internet Applications (工業和信息化部關於進一步提升移動互聯網應用服務能力的通知), which came into effect on February 6, 2023. The Notice on Further Improving the Service Capabilities of Mobile Internet Applications stipulates that users shall be informed of personal information processing rules in a concise, clear and easy-to-understand way, and in case of changes, users shall be informed of the latest development in time. The data processors shall highlight the purpose, method and scope of sensitive personal information processing activities, and establish a list of personal information that has been collected, and do not induce users to agree to personal information processing rules with default check, small prints or lengthy texts.

On December 31, 2021, the CAC issued the Regulations on the Management of Algorithm-Based Recommendations in Internet Information Services (互聯網信息服務算法推薦管理規定), which took effect on March 1, 2022. These regulations explicitly stipulate that providers of algorithm-based recommendation services must comply with laws and regulations, respect public morals and ethics, adhere to business and professional ethics, and follow the principles of fairness, openness, transparency, scientific rationality, and good faith. Providers of algorithmic recommendation services that possess public opinion influence or the capacity for social mobilization shall, within ten working days from the date of service provision, complete the filing procedures by submitting information.

On December 8, 2022, the MIIT promulgated the Measures for Data Security Management in the Industrial and Information Technology Sector (Trial) (《工業和信息化領域數據安全管理辦法(試行)》), which came into effect on January 1, 2023. The Measures for Data Security Management in the Industrial and Information Technology Sector (Trial) makes detailed provisions on classified and tiered data management, data life cycle security management, data security monitoring and early warning and contingency management. It clearly stipulates that the data in the industrial and information fields can be divided into three levels: general data, important data and core data, and stipulates that the data processors in the industrial and information fields have the obligation to file with the relevant authorities their catalogs of important data and core data recognized in accordance with the identification criteria for important data and core data in industrial and information technology sector published by the MIIT.

On December 28, 2021, the CAC and other twelve PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review (2021) (《網絡安全審查辦法(2021)》) (the “**Cybersecurity Review Measures**”), which came into effect on February 15,

REGULATORY OVERVIEW

2022, provides that, among others, (i) a CIIO, purchasing network products and services or a network platform operator that engages in data processing activities that affect or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office, the department which is responsible for the implementation of cybersecurity review under the CAC, (ii) a network platform operator handling personal information of more than one million users which seeks listing in a foreign country is obliged to apply for a cybersecurity review by the Cybersecurity Review Office, and (iii) when numbers of the cybersecurity review mechanism identify network products, services, or data processing activities that affect or may affect national security, the Cybersecurity Review Office shall submit them to the Central Cyberspace Affairs Commission for approval, and then conduct the review in accordance with the provisions of these measures.

On September 24, 2024, the Regulation on the Administration of Cyber Data Security (《網絡數據安全管理條例》) (the “**Cyber Data Security Regulation**”) was promulgated by the State Council and came into effect on January 1, 2025. The Cyber Data Security Regulation reiterate the general regulations for data processing activities and rules of personal information protection, important data security protection, network data cross-border transfer management, and internet platform service providers’ obligations.

Furthermore, on July 7, 2022, the CAC promulgated the Measures on Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》) which became effective on September 1, 2022. Such measures requires that any data processor which transfer data overseas exceeding certain volume threshold under such measures shall apply for security assessment by the CAC before transferring any data abroad, including the following circumstances: (i) important data will be provided overseas by any data processor; (ii) personal information will be provided overseas by any CIIO or any data processor who processes the personal information of more than 1,000,000 individuals; (iii) personal information will be provided overseas by any data processor who has provided the personal information of more than 100,000 individuals in aggregate or has provided the sensitive personal information of more than 10,000 individuals in aggregate since January 1 of last year; and (iv) other circumstances where the security assessment is required as prescribed by the CAC.

The Regulations on the Protection of Security of Computer Information Systems were promulgated by the State Council of the People’s Republic of China on February 18, 1994, and were revised on November 8, 2011. The Regulations provide that computer information systems shall be subject to a security classification protection system. On June 22, 2007, the Measures for the Administration of Security Classification Protection of Information Security were promulgated and became effective, stipulating that the security protection levels of information systems shall be determined based on factors such as the importance of the information system to national security, economic development, and social life, as well as the degree of harm that would be caused to national security, social order, public interests, and the lawful rights and interests of citizens, legal persons, and other organizations in the event that the information system is damaged. The levels are divided into five grades. Entities that operate and use information systems shall protect such systems in accordance with these Measures and relevant technical standards. The relevant state information security regulatory authorities shall supervise and administer the security classification protection work of information systems.

REGULATORY OVERVIEW

On January 08, 2011, the State Council re-promulgated the Administration Measures on the Security Protection of Computer Information Network with International Connections (《計算機信息網絡國際聯網安全保護管理辦法》) which was promulgated on December 16, 1997 and was then amended and became effective on January 8, 2011. The Measures stipulate that entities and individuals engaging in the international networking businesses should accept security supervision, inspection and guidance from public security administrations. They are required to provide accurate information, materials, and documents on data to public security administrations and assist in investigating and handling illegal activities conducted via international computer information networks. Internet service providers, recipients, legal entities, and other organizations utilizing international networking must complete the filing process at the receiving authority designated by the public security organ within 30 days from the formal establishment of network connections.

On March 22, 2024, the CAC promulgated the Regulation on Promoting and Regulating Cross-border Data Flow (《促進和規範數據跨境流動規定》) which became effective on March 22, 2024, further clarify the implementation and coordination of existing data cross-border transfer systems, such as data security assessments for cross-border data transfers, standard contracts for personal information transfer, and personal information protection certifications. Those who provide data overseas should identify and declare important data in accordance with relevant regulations, fulfill data security protection obligations, take technical measures and other necessary measures to ensure the security of cross-border outbound data transfer.

On February 12, 2025, the CAC published the Administrative Measures for the Compliance Audit of Personal Information Protection (《個人信息保護合規審計管理辦法》), which took effect on May 1, 2025. According to the Administrative Measures for the Compliance Audit of Personal Information Protection, the term “compliance audit of personal information protection” refers to the supervision activities that review and evaluate whether the personal information processing activities by personal information processors comply with laws and administrative regulations. And personal information processors that process the personal information of more than 10 million individuals shall carry out the compliance audit of personal information protection at least once every two years.

REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Patents

According to the Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984, and most recently amended on October 17, 2020, the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), promulgated by the State Council on June 15, 2001, last amended on December 11, 2023 and became effective from January 20, 2024 and the Transitional Measures for the Implementation of the Revised Patent Law and its Implementation Rules and Relevant Examination Business Processing (《關於施行修改後的專利法及其實施細則相關審查業務處理的過渡辦法》) issued by the China National Intellectual Property Administration on December 21, 2023 and implemented on January 20, 2024, invention patents are valid for 20 years, utility model patents are valid for 10 years and design patents filed no later than May 31, 2021 are valid for 10 years while design patents filed on or after June 1, 2021 are valid for 15 years, from the date of application. The Chinese patent system adopts a “first come, first file” principle, which means that where more than one person files a patent application for the same invention, utility model or design, a

REGULATORY OVERVIEW

patent will be granted to the person who files the application first. An invention or a utility model must possess novelty, inventiveness and practical applicability to be patentable. Third Parties must obtain consent or a proper license from the patent owner to use the patent. Otherwise, the unauthorized use constitutes an infringement on the patent rights.

Trademarks

According to the Trademark Law of the PRC (《中華人民共和國商標法》), promulgated by the SCNPC on August 23, 1982, amended on February 22, 1993, October 27, 2001, August 30, 2013 and April 23, 2019 and effective from November 1, 2019, the Implementation Regulations of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) which were issued on August 3, 2002 and last amended on April 29, 2014, the period of validity for a registered trademark is 10 years, commencing from the date of registration. Upon expiry of the period of validity, the registrant shall go through the formalities for renewal within twelve months prior to the date of expiry, if intending to continue to use the trademark. Where the registrant fails to do so, a grace period of six months may be granted. The period of validity for each renewal of registration is 10 years, commencing from the day immediately after the expiry of the preceding period of validity for the trademark. In the absence of a renewal upon expiry, the registered trademark shall be canceled. Industrial and commercial administrative authorities have the authority to investigate any behavior in infringement of the exclusive right under a registered trademark in accordance with the law. In the case of a suspected criminal offense, the case shall be timely referred to a judicial authority and decided according to law.

Domain Names

In accordance with the provisions of the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and taking effect on November 1, 2017, to establish domain name root servers and domain name root server operating organizations, domain name registration management organizations and domain registration service organizations within the territory of China, licenses from the MIIT or the telecommunications administration authority of the province, autonomous region or municipality directly under the central government shall be obtained in accordance with the relevant regulations. The domain name registration service shall be conducted following the principle of "apply first, register first". A domain name applicant will become the domain name holder upon completion of the application procedure. The Notice of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names in Internet Information Services (《工業和信息化部關於規範互聯網信息服務使用域名的通知》) promulgated by the MIIT on November 27, 2017 and effective on January 1, 2018 provides for the obligations of internet information service providers and other entities to fight terrorism and maintain network security.

Copyright Registration

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) which was promulgated by the SCNPC on September 7, 1990 and implemented on June 1, 1991, and finally revised on November 11, 2020 and came into effect on June 1, 2021, and the Implementation Regulations of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》) promulgated by the State Council on August 2, 2002 and implemented on September 15, 2002, and finally revised on January 30, 2013 and came into effect on March 1, 2013. Copyright

REGULATORY OVERVIEW

holders enjoy a variety of personal and property rights, including the right of publication, the right of authorship, the right of reproduction, and the right of communication of information on networks.

According to the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002, the Computer Software Protection Regulations (《計算機軟件保護條例》) revised by the State Council on January 30, 2013 taking force on March 1, 2013, the National Copyright Administration is mainly responsible for the registration and management of national software copyright, and the China Copyright Protection Center is recognized as the software registration agency. The China Copyright Protection Center will grant registration certificates to computer software copyright applicants who conform to the Measures for Registration of Computer Software Copyright and the Regulations on Computer Software Protection.

Trade Secrets

According to the PRC Anti-Unfair Competition Law (《中華人民共和國反不正當競爭法》), promulgated by the SCNPC in September 1993, as amended on November 4, 2017 and April 23, 2019 and June 27, 2025 respectively, the term “trade secrets” refers to technical and business information that is unknown to the public, has utility, may create business interests or profits for its legal owners or holders, and is maintained as a secret by its legal owners or holders. Under the PRC Anti-Unfair Competition Law, business persons are prohibited from infringing others’ trade secrets by: (1) obtaining the trade secrets from the legal owners or holders by any unfair methods such as theft, bribery, fraud, coercion, electronic intrusion, or any other illicit means; (2) disclosing, using or permitting others to use the trade secrets obtained illegally under item above; or (3) disclosing, using or permitting others to use the trade secrets, in violation of any contractual agreements or any requirements of the legal owners or holders to keep such trade secrets in confidence; (4) instigate, induce or assist others to violate confidentiality obligation or to violate a rights holder’s requirements on keeping confidentiality of commercial secrets, so as to disclose, use or allow others to use the commercial secrets of the rights holder. If a third party knows or should have known of the above-mentioned illegal conduct but nevertheless obtains, uses or discloses trade secrets of others, the third party may be deemed to have committed a misappropriation of the others’ trade secrets. The parties whose trade secrets are being misappropriated may petition for administrative corrections, and regulatory authorities may stop any illegal activities and fine infringing parties.

REGULATIONS ON FOREIGN EXCHANGE

On January 29, 1996, the State Council promulgated the Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) which became effective on April 1, 1996 and was amended on January 14, 1997 and August 5, 2008. Foreign exchange payments under current account items shall, pursuant to the administrative provisions of the foreign exchange control department of the State Council on payments of foreign currencies and purchase of foreign currencies, be made using self-owned foreign currency or foreign currency purchased from financial institutions engaging in conversion and sale of foreign currencies by presenting the valid document. Domestic entities and domestic individuals making overseas direct investments or engaging in issuance and trading of overseas securities and derivatives shall process registration formalities pursuant to the provisions of the foreign exchange control department of the State Council.

REGULATORY OVERVIEW

On November 19, 2012, the SAFE issued the Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment (《國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知》) (the “**SAFE Circular 59**”), which came into effect on December 17, 2012 and was revised on May 4, 2015, October 10, 2018 and partially abolished on December 30, 2019. The SAFE Circular 59 aims to simplify the foreign exchange procedure and promote the facilitation of investment and trade. According to the SAFE Circular 59, the opening of various special purpose foreign exchange accounts, such as pre-establishment expenses accounts, foreign exchange capital accounts and guarantee accounts, the reinvestment of RMB proceeds derived by foreign investors in the PRC, and remittance of foreign exchange profits and dividends by a foreign-invested enterprise to its foreign shareholders no longer require the approval or verification of SAFE, as well multiple capital accounts for the same entity may be opened in different provinces. Later, the SAFE promulgated the Circular on Further Simplifying and Improving Foreign Exchange Administration Policies in Respect of Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) in February 2015, which was partially abolished in December 2019 and prescribed that the bank instead of SAFE can directly handle the foreign exchange registration and approval under foreign direct investment while SAFE and its branches indirectly supervise the foreign exchange registration and approval under foreign direct investment through the bank.

On May 10, 2013, the SAFE issued the Administrative Provisions on Foreign Exchange in Domestic Direct Investment by Foreign Investors (《外國投資者境內直接投資外匯管理規定》) (the “**SAFE Circular 21**”), which became effective on May 13, 2013, amended on October 10, 2018 and partially abolished on December 30, 2019. The SAFE Circular 21 specifies that the administration by SAFE or its local branches over direct investment by foreign investors in the PRC must be conducted by way of registration and banks must process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches.

On October 23, 2019, SAFE promulgated the Notice on Further Facilitating Cross-Board Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》), and latest amended on December 4, 2023, which, among other things, allows all Foreign Investment Enterprises to use Renminbi converted from foreign currency-denominated capital for equity investments in China, as long as the equity investment is genuine, does not violate applicable laws, and complies with the Negative List on foreign investment. In addition, restrictions on the use of funds for foreign exchange settlement of domestic accounts for the realization of assets have been removed and restrictions on the use and foreign exchange settlement of foreign investors’ security deposits have been relaxed. Eligible enterprises in the pilot area are also allowed to use revenues under capital accounts, such as capital funds, foreign debts and overseas listing revenues for domestic payments without providing materials to the bank in advance for authenticity verification on an item by item basis, while the use of funds should be true, in compliance with applicable rules and conforming to the current capital revenue management regulations.

Labor Protection, Social Security and Housing Provident Funds

According to the PRC Labor Law (《中華人民共和國勞動法》), which was promulgated by the SCNPC on July 5, 1994 and effective from January 1, 1995, and amended on August 27, 2009 and December 29, 2018 respectively, the PRC Labor Contract Law (《中華人民共和國勞動合同法》), which was promulgated by the SCNPC on June 29, 2007 and effective from January

REGULATORY OVERVIEW

1, 2008, and amended on December 28, 2012 and effective from July 1, 2013, and the Implementing Regulations of the Employment Contracts Law of the PRC (《中華人民共和國勞動合同法實施條例》), which was promulgated by the State Council on September 18, 2008, labor contracts in written form shall be executed to establish labor relationships between employers and employees. In addition, wages cannot be lower than the local minimum wage. The employers must establish a system for labor safety and sanitation, strictly abide by State rules and standards, provide education regarding labor safety and sanitation to its employees, provide employees with labor safety and sanitation conditions and necessary protection materials in compliance with State rules, and carry out regular health examinations for employees engaged in work involving occupational hazards.

According to the Social Insurance Law of PRC (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on October 28, 2010 and effective from July 1, 2011, and amended on December 29, 2018, the Interim Regulations on the Collection and Payment of Social Security Funds (《社會保險費徵繳暫行條例》), which was promulgated by the State Council on January 22, 1999 and amended on March 24, 2019, and the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》), which was promulgated by the State Council on April 3, 1999 and amended on March 24, 2002 and March 24, 2019, employers are required to open social insurance account and housing provident fund account within 30 days from the date of establishment, and employers are also required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity insurance and to housing provident funds. Any employer who fails to contribute may be fined and ordered to make good the deficit within a stipulated time limit.

The national medical insurance program was first adopted according to the Decision of the State Council on the Establishment of the Urban Employee Basic Medical Insurance Program (《國務院關於建立城鎮職工基本醫療保險制度的決定》) issued by the State Council on December 14, 1998, under which all employers in urban cities are required to enroll their employees in the basic medical insurance program and the insurance premium is jointly contributed by the employers and employees. On July 10, 2007, the State Council issued the Guiding Opinions of the State Council about the Pilot Urban Resident Basic Medical Insurance (《國務院關於開展城鎮居民基本醫療保險試點的指導意見》), further enlarging the coverage of the basic medical insurance program, under which urban residents of the pilot district, rather than urban employees, may voluntarily join Urban Resident Basic Medical Insurance. In addition, on January 3, 2016, the Opinions on Integrating the Basic Medical Insurance Systems for Urban and Rural Residents (《國務院關於整合城鄉居民基本醫療保險制度的意見》) issued by the State Council required the integration of the urban resident basic medical insurance and the new rural cooperative medical care system and the establishment of a unified basic medical insurance system, which will cover all urban and rural residents other than rural migrant workers and persons in flexible employment arrangements who participate in the basic medical insurance for urban employees. Program participants are eligible for full or partial reimbursement of the cost of medicines included in the medical insurance catalog.

The Notice Regarding the Tentative Measures for the Administration of the Scope of Basic Medical Insurance Coverage for Pharmaceutical Products for Urban Employee (《關於印發城鎮職工基本醫療保險用藥範圍管理暫行辦法的通知》) (the “**Medical Insurance Coverage Notice**”) jointly issued on May 12, 1999 by several authorities including, among others, the Ministry of Labour and Social Security and the Ministry of Finance, provides that a pharmaceutical product

REGULATORY OVERVIEW

listed in the medical insurance catalog must be clinically necessary, safe, effective, reasonably priced, easy to use, available in sufficient quantity, and must meet the following requirements: (1) be set forth in the pharmacopeia of the PRC, (2) satisfy the standards promulgated by the NMPA, and (3) be approved by the NMPA for imported pharmaceutical products.

REGULATIONS ON TAXATION

Enterprise Income Tax (“EIT”)

Under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), promulgated by the NPC on March 16, 2007 which became effective on January 1, 2008 and was last amended and came into effect on December 29, 2018, and the Implementation Regulations for the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), promulgated by the State Council on December 6, 2007, and was last amended on December 6, 2024 and became effective on January 20, 2025, enterprises are classified as resident enterprises and non-resident enterprises. Enterprises which are incorporated in the PRC or incorporated pursuant to foreign laws with their “de facto management bodies” located in the PRC are deemed a “resident enterprise” and subject to an enterprise income tax rate of 25% on their global income. Non-resident enterprises are subject to (i) an enterprise income tax rate of 25% on their income generated by their establishments or places of business in the PRC and their income derived outside the PRC which are effectively connected with their establishments or places of business in the PRC; and (ii) an enterprise income tax rate of 10% on their income derived from the PRC but not connected with their establishments or places of business located in the PRC. Non-resident enterprises without establishment or place of business in the PRC are subject to an enterprise income tax of 10% on their income derived from the PRC. High and new technology enterprises that need the support of the country are entitled to enjoy the reduced enterprise income tax rate of 15%.

Value-Added Tax (“VAT”)

Pursuant to the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》) (the “Value-added Tax Law”) promulgated by the SCNPC on December 25, 2024 and became effective on January 1, 2026, entities and individuals (including individual businesses) engaged in sale of goods, services, intangible assets and immovables and importation of goods within the territory of the PRC are VAT payers and shall pay VAT in accordance with the Value-added Tax Law. A small-scale taxpayer shall be exempted from VAT if it has a taxable transaction and the sales amount does not reach the threshold for levying VAT; if the sales amount has reached the threshold for levying, VAT shall be computed and paid fully pursuant to the provisions of the Value-added Tax Law. The criteria stipulated shall be stipulated by the State Council and filed with the SCNPC for the record.

Regulations on the H Share Full Circulation

“Full circulation” means listing and circulating on the stock exchange of the domestic unlisted shares of an H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, additional unlisted domestic shares issued domestically after overseas listing and unlisted shares held by foreign shareholders. On August 10, 2023, the China Securities Regulatory Commission (the “CSRC”) issued the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-share Listed Companies (2023 Revision) (《H股公司境內未上市股份申請“全流通”業務指引(2023修訂)》) (the “Guidelines for

REGULATORY OVERVIEW

the Full Circulation”). According to the Guidelines for the Full Circulation, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met, and the corresponding H-share company may be entrusted to file with the CSRC. Domestic companies limited by shares that have not been listed may file with the CSRC for the “Full circulation” at the time of their initial public offering and listing overseas.

On December 31, 2019, China Securities Depository and Clearing Corporation Limited (the “**CSDC**”) and the Shenzhen Stock Exchange (the “**SZSE**”) jointly announced the Measures for Implementation of H-share Full Circulation Business (《H股“全流通”業務實施細則》) (the “**Measures for Implementation**”). The businesses in relation to the H-share full circulation business, such as cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc. are subject to the Measures for Implementation.

In order to implement the Several Opinions of the State Council on Strengthening Regulation, Preventing Risks and Promoting the High-Quality Development of the Capital Market, insist on the integration of the high level of systematic liberalization and security of the capital market, and at the same time to tie in with the operational arrangements for maintaining trading in the Hong Kong securities market during inclement weather, CSDC Shenzhen Branch promulgated the Business Guide of the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited to the “Full Circulation” of H-shares (《中國證券登記結算有限責任公司深圳分公司H股“全流通”業務指南》) on September 20, 2024 and came into effect on September 23, 2024, which specifies the business preparation, account arrangement, cross-border share transfer registration and overseas centralized custody, and other relevant matters. In February 2020, China Securities Depository and Clearing (Hong Kong) Limited (the “**CSDC (Hong Kong)**”) also promulgated the Guide of China Securities Depository and Clearing (Hong Kong) Limited to the Program for Full Circulation of H-shares, which was amended on September 20, 2024 and came into effect on September 23, 2024, to specify the relevant escrow, custody, agent service, arrangement for settlement and delivery, risk management measures and other relevant matters.

According to the Measures for Implementation and the Guide to the Program for Full Circulation of H-shares, shareholders who apply for H Share Full Circulation (the “**Participating Shareholders**”) shall complete the cross-border transfer registration for conversion of relevant domestic unlisted shares into H Shares before dealing in the shares, i.e., CSDC as the nominal shareholder, deposits the relevant securities held by Participating Shareholders at CSDC (Hong Kong), and CSDC (Hong Kong) will then deposit the securities at HKSCC in its own name, and exercise the rights to the securities issuer through HKSCC, while HKSCC Nominees as the ultimate nominal shareholder is listed on the register of shareholders of H-share listed companies.

According to the Guide to the Program for Full Circulation of H-shares, H-share listed companies shall be authorized by Participating Shareholders to designate the only domestic securities company (the “**Domestic Securities Company**”) to participate in the transaction of converted H shares. The specific procedure is as follows:

REGULATORY OVERVIEW

Participating Shareholders submit trading orders of the converted H Shares through the Domestic Securities Company, which transmits the orders to the Hong Kong Securities Company designated by the Domestic Securities Company through Shenzhen Securities Communications Co., Ltd.; and Hong Kong Securities Company conducts corresponding securities transactions in the Hong Kong market in accordance with the aforementioned trading orders and the rules of the Hong Kong Stock Exchange.

According to the Guide to the Program for Full Circulation of H-shares, upon the completion of the transaction, settlements between each of the Hong Kong Securities Company and CSDC (Hong Kong), CSDC (Hong Kong) and CSDC, CSDC and the Domestic Securities Company, and the Domestic Securities Company and the Participating Shareholders, will all be conducted separately.

REGULATIONS RELATING TO OVERSEAS SECURITIES OFFERING AND LISTING

On February 17, 2023, the CSRC issued the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Trial Measures**”) which came into force on March 31, 2023. The Trial Measures regulates overseas securities offering and listing activities by domestic companies in direct or indirect form. The Trial Measures provides that (i) Chinese companies that seek to offer and list securities in overseas markets shall fulfill the filing procedures with the CSRC and report relevant information to the CSRC, and the filing shall be submitted within three working days after the application for an initial public offering is submitted, and (ii) in the event that Chinese companies that have directly or indirectly listed securities in overseas markets intend to conduct follow-on offerings in overseas markets, such companies shall fulfill the filing procedures with and report relevant information to the CSRC, and such filing shall be submitted within three business days after such follow-on offering is completed. Moreover, an overseas offering and listing is prohibited if (i) it is prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) it may endanger national security as reviewed and determined by competent PRC authorities under the State Council in accordance with law; (iii) in recent three years, the domestic operating entities or their controlling shareholders or actual controllers have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy; (iv) domestic companies that are suspected of committing crimes or major violations of laws and regulations are under investigation according to law, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the controlling shareholders or by other shareholders that are controlled by the controlling shareholders or actual controllers.

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “**Provision on Confidentiality**”), which became effective on March 31, 2023. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listing subjects, documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing. Domestic

REGULATORY OVERVIEW

enterprises providing accounting archives or copies thereof to entities and individuals concerned such as securities companies, securities service institutions and overseas regulatory authorities shall perform the corresponding procedures pursuant to the relevant provisions of the State. The working papers formed within the territory of the PRC by the securities companies and securities service institutions that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and those that need to leave the PRC shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

HISTORY AND DEVELOPMENT

OVERVIEW

Our Group’s history can be traced back to January 2018 when our Company was established in Shanghai under its original name Shanghai Zhizu Logistics Technology Co., Ltd. (上海智租物流科技有限公司) (which was eventually changed to Zhizu IoT Technology Group Co., Ltd. (智租物聯科技集團股份有限公司) after the Company was converted into a joint stock limited liability company on April 20, 2026). Under the leadership of Mr. Li, our chairman of the Board, executive Director and Chief Executive Officer, we have, over the years’ development, become a leading battery-swapping solutions provider in China, integrating hardware-software operational infrastructure, together with our cloud-based smart IoT, AI and algorithms, and big data analytics, allowing us to contribute to a safe, efficient and controllable battery-swapping ecosystem for stakeholders. Since the inception of our battery-swapping business, our Group has been engaged in the research and development, manufacturing, and sales of battery-swapping solutions and is recognized as a National High-Tech Enterprise.

KEY CORPORATE AND BUSINESS DEVELOPMENT MILESTONES

The following is a summary of our Group’s key corporate and business development milestones:

Year	Milestone
2018	Our Company was established in the PRC.
2019	We were accredited as National High-Tech Enterprise (國家高新技術企業).
2021	We were recognized as China’s Two-Wheel Swapping Operation Leading Brand (中國兩輪換電運營領導品牌) and Best Swapping Brand in the Two-Wheel Swapping Industry (兩輪換電行業最佳換電品牌). We were accredited as the Specialized, Refinement, Differential, and Innovation Enterprises (專精特新企業) in Shanghai.
2022	We were awarded with National Third Prize and Shanghai Second in the 5th China Chuangyi Entrepreneurship and Innovation Competition (中國創翼創業創新大賽) by the Ministry of Human Resources and Social Security (人力資源和社會保障部). We were accredited as Anhui Province 2022 Industrial Internet Scenario Application – Digital Management Demonstration Enterprise (安徽省2022年工業互聯網場景應用－數位化管理示範企業).
2023	We were accredited as Basic-level Intelligent Factory, Ministry of Industry and Information Technology by Anhui Provincial Bureau of Data Resources (工業和信息化部市級智能工廠).
2024	We were among the first companies in the two-wheel swapping industry to obtain National Mandatory Standard Certification.

HISTORY AND DEVELOPMENT

Year	Milestone
	We were accredited as Anhui Province 2024 Typical Demonstration Enterprise for Digital Transformation (安徽省2024年數位化轉型典型示範企業).
	We were accredited as Anhui Enterprise Technology Center (安徽省企業技術中心).
	We were accredited as Anhui Big Data Enterprise (安徽省大數據企業).
	We were accredited as Digital Transformation Typical Demonstration (數位化轉型典型).
2025	Our manufacturing base were accredited as National Little Giant Enterprise (國家級專精特新小巨人企業).
	We started live streaming on Douyin in the battery-swapping industry in June 2023, and ranked among the industry leaders in the annual e-commerce rankings for the battery-swapping sector in terms of sales for 2025.
2026	We commenced operation of our overseas battery-swapping self-operated business in Indonesia.

For further details of the major awards, recognitions and accreditations received by our Group, please refer to “Business – Awards and recognitions” in this document.

SHAREHOLDING CHANGES OF OUR COMPANY

Establishment of our Company

On January 18, 2018, our Company was established in the PRC as a limited liability company with an initial registered capital of RMB50,000,000. At the time of our establishment, we were owned by Ms. Wang Juan (王娟), Mr. Zhou, Ms. Zhang Ling (張玲), Ms. Lu Jie (鹿潔), Jieshou Nandu Huayu Power Co., Ltd. (界首市南都華宇電源有限公司) (“**Jieshou Nandu Huayu**”) and Shenma Internet Finance Information Service (Shanghai) Co., Ltd. (什馬互聯網金融資訊服務(上海)有限公司) (“**Shenma Internet Finance**”) as to 38%, 9%, 8%, 15%, 15%, and 15%, respectively.

Equity Transfers in July 2018 and May 2019

Members of our Single Largest Shareholders Group, namely, Mr. Li, Shanghai Xingchi and Shanghai Zhizu, have become the holders of controlling interests in the Company after a series of equity transfers in July 2018 and May 2019, details of which are set out below:

On July 9, 2018, (1) Mr. Li acquired 38% equity interests in the Company from Ms. Wang Juan (who is the spouse of Mr. Li), 15% equity interests in the Company from Ms. Lu Jie and 5.00% equity interests in the Company from Shenma Internet Finance; (2) Mr. Zhou acquired 1.00% equity interests in the Company from Jieshou Nandu Huayu; (3) Mr. Du acquired 4.00% and 8.00% equity interests in the Company from Jieshou Nandu Huayu and Ms. Zhang Ling, respectively; and (4) each of Mr. Ning Hongtao (寧洪濤) and Gongqing Cheng De Lu

HISTORY AND DEVELOPMENT

Investment Center (Limited Partnership) (共青城德陸投資中心(有限合夥)) (“**Gongqing Cheng De Lu**”) acquired 5% equity interests in the Company from Shenma Internet Finance.

As the registered capital corresponding to the above equity interests were unpaid at the time of the transfers, no consideration was being paid and the injection obligations of the subject registered capital have been novated to the respective transferees as a result of the transfers. After the above equity transfers, our Company was owned by Mr. Li, Mr. Du, Mr. Zhou, Jieshou Nandu Huayu, Mr. Ning Hongtao and Gongqing Cheng De Lu as to 58%, 12%, 10%, 10%, 5% and 5%, respectively.

On May 24, 2019, (1) upon negotiation, Mr. Li transferred 2% equity interests in the Company (together with the novation of the injection obligation of the corresponding registered capital) to Mr. Du; (2) as Jieshou Nandu Huayu decided to completely exit from the investment in our Company, it transferred its remaining 10% equity interests in the Company to Shanghai Xingchi for a total consideration of RMB4,800,000 (which was determined based on arm’s length negotiation with reference to the registered capital paid by Jieshou Nandu Huayu and was fully settled on May 31, 2019); (3) Shanghai Xingchi acquired 5% and 0.5% equity interests in the Company from Gongqing Cheng De Lu and Mr. Li, respectively (together with the novation of the injection obligation of the corresponding registered capital); and (4) Mr. Ning Hongtao transferred 5% equity interests in the Company (together with the novation of the injection obligation of the corresponding registered capital) to Shanghai Zhizu.

The table below sets forth our shareholding structure immediately after completion of the above equity transfers:

Shareholders	Registered capital held RMB	Approximate percentage of equity interests held %
Mr. Li	27,750,000	55.50
Shanghai Xingchi	7,750,000	15.50
Shanghai Zhizu	2,500,000	5.00
Mr. Du	7,000,000	14.00
Mr. Zhou	5,000,000	10.00
Total	50,000,000	100.00

Investments in Our Company by the Pre-[REDACTED] Investors

(1) Acquisition of Equity Interests by Shanghai Zimi Investment Development Co., Ltd. (上海子米投資發展有限公司) (“*Shanghai Zimi*”)

Pursuant to an equity interest transfer agreement dated May 31, 2019, Shanghai Zimi agreed to acquire 3.00% equity interests in our Company from Shanghai Xingchi at a cash consideration of RMB2,400,000, which was fully settled on August 22, 2019.

HISTORY AND DEVELOPMENT

(2) Acquisition of Equity Interests and Subscription of Registered Capital by Jiaxing Huayi Investment Partnership (Limited Partnership) (嘉興華熠投資合夥企業(有限合夥)) (“Jiaxing Huayi”)

On June 28, 2019, Jiaxing Huayi entered into an equity transfer agreement with Shanghai Xingchi, pursuant to which Jiaxing Huayi agreed to acquire from Shanghai Xingchi a 1.42% equity interests in the Company. Subsequently, on August 1, 2019, Jiaxing Huayi and Beijing Liandong Tianyi Technology Co. Ltd. (“**Liandong Tianyi**”) entered into a capital increase agreement with the Company, pursuant to which the Company’s registered capital was increased from RMB50,000,000 to RMB64,325,843, with Jiaxing Huayi and Liandong Tianyi subscribing for RMB5,617,978 and RMB8,707,865 of the newly increased registered capital, respectively.

The total aggregate consideration for the above transactions between Jiaxing Huayi and the Company amounted to RMB20,000,000. Upon completion of such transactions, Jiaxing Huayi held a 9.84% equity interests in the Company.

On October 29, 2021, Liandong Tianyi entered into an equity transfer agreement with Shanghai Xingchi, pursuant to which Liandong Tianyi transferred its equity interests in the Company to Shanghai Xingchi for a total consideration of RMB31,000,000. The consideration was determined based on arm’s length negotiation with reference to the registered capital paid by Liandong Tianyi and was fully settled on December 21, 2021. As a result, Liandong Tianyi has ceased to be a shareholder of the Company.

(3) Acquisition of Equity Interests by Shanghai Yesheng Electric Co., Ltd. (上海葉盛電氣有限公司) (“Shanghai Yesheng”)

Pursuant to an equity interest transfer agreement dated December 17, 2021, Shanghai Yesheng agreed to acquire 1.00% equity interests in our Company from Shanghai Xingchi at a cash consideration of RMB3 million. Such transfer was completed on December 23, 2021 and the said consideration was fully settled on December 17, 2021.

(4) Subscription of Registered Capital by Xuzhou Runhui Enterprise Management Center (Limited Partnership) (徐州潤匯企業管理中心(有限合夥)) (“Xuzhou Runhui”)

On September 24, 2020, Xuzhou Runhui subscribed for additional registered capital in the Company of RMB4,948,142 at a subscription price of RMB20 million which was determined based on the profitability, market share, and development prospects of our Company and fully settled in cash on August 10, 2020.

On January 18, 2022, Xuzhou Runhui subscribed for additional registered capital in the Company of RMB4,051,110 at a subscription price of RMB25 million, which was fully paid in cash on September 30, 2021.

(5) Subscription of Registered Capital by Zhejiang Qianjiang Motorcycle Co., Ltd. (浙江錢江摩托股份有限公司) (“Qianjiang Motorcycle”)

On December 23, 2021, Qianjiang Motorcycle subscribed for additional registered capital in the Company of RMB7,697,109 at a subscription price of RMB45 million, which was fully paid in cash on September 14, 2021.

HISTORY AND DEVELOPMENT

(6) Subscription of Registered Capital by Four Additional Pre-[REDACTED] Investors in September 2023

On September 28, 2023, the following entities were introduced as new shareholders of our Company, subscribing for additional registered capital in the Company at the subscription prices as specified below:

- (i) Anhui Jintong New Energy Vehicle Phase II Fund Partnership (Limited Partnership) (安徽金通新能源汽車二期基金合夥企業(有限合夥)) (“**Jintong Phase II Fund**”) subscribed for additional registered capital of RMB2,893,650 at a subscription price of RMB50,000,000;
- (ii) Anqing New Energy Investment Development Co., Ltd. (安慶新能源投資發展有限公司) (“**Anqing New Energy**”) subscribed for additional registered capital in the Company of RMB2,893,650 at a subscription price of RMB50,000,000;
- (iii) Hubei Tongying Phase II Equity Investment Fund Partnership (Limited Partnership) (湖北通瀛二期股權投資基金合夥企業(有限合夥)) (“**Tongying Phase II**”), subscribed for additional registered capital in the Company of RMB1,446,825 at a subscription price of RMB25,000,000; and
- (iv) Xuancheng Western Advantage Science and Technology Innovation Industry Fund Partnership (Limited Partnership) (宣城西部優勢科創產業基金合夥企業(有限合夥)) (“**Xuancheng Western**”) subscribed for additional registered capital in the Company of RMB1,157,460 at a subscription price of RMB20,000,000.

The above total subscription prices amounted to RMB145,000,000, which were fully settled in cash on December 27, 2023.

(7) Subscription of Registered Capital by Three Additional Pre-[REDACTED] Investors in February 2024

On February 21, 2024, the following entities were introduced as new shareholders of our Company, subscribing for additional registered capital of our Company at the subscription prices as specified below:

- (i) Jingdezhen Fengchao Lingxuan New Energy Industry Investment Center (Limited Partnership) (景德鎮蜂巢鈴軒新能源產業投資中心(有限合夥)) (“**Fengchao New Energy**”) subscribed for additional registered capital in the Company of RMB1,736,190 at a subscription price of RMB30,000,000;
- (ii) Wuxi Shenqi Haohui Venture Capital Partnership (Limited Partnership) (無錫神騏好匯創業投資合夥企業(有限合夥)) (“**Wuxi Shenqi**”) subscribed for additional registered capital in the Company of RMB2,893,650 at a subscription price of RMB50,000,000;

HISTORY AND DEVELOPMENT

- (iii) Huaining Xizheng Innovation Growth Equity Investment Fund Partnership (Limited Partnership) (懷寧西證創新成長股權投資基金合夥企業(有限合夥)) (“**Xizheng Innovation**”) subscribed for additional registered capital in the Company of RMB1,157,460 at a subscription price of RMB20,000,000.

The above total subscription prices amounted to RMB100,000,000, which were fully settled in cash on June 28, 2024.

(8) Subscription of Registered Capital by Two Additional Pre-[REDACTED] Investors and An Existing Pre-[REDACTED] Investor in June 2024

On June 7, 2024 the following entities subscribed for additional registered capital in our Company at the subscription prices as specified below:

- (i) Anqing Economic Development Zone Jintong New Energy Vehicle Industry Fund Partnership (Limited Partnership) (安慶經開區金通新能源汽車產業基金合夥企業(有限合夥)) (“**Anqing Economic Development Zone Fund**”) subscribed for additional registered capital in the Company of RMB2,893,650 at a subscription price of RMB50,000,000;
- (ii) Guoyuan Innovation Investment Co., Ltd. (國元創新投資有限公司) (“**Guoyuan Innovation Investment**”) subscribed for additional registered capital in the Company of RMB1,157,460 at a subscription price of RMB20,000,000; and
- (iii) Tongying Phase II subscribed for additional registered capital in the Company of RMB578,730 at a subscription price of RMB10,000,000.

The above total subscription prices amounted to RMB80,000,000, which were fully settled in cash on May 22, 2024.

Conversion into joint stock limited liability company on April 20, 2026

On April 20, 2026, our Company was converted into a joint stock limited liability company. Upon completion of the conversion, the share capital of our Company was RMB99,830,929 divided into 99,830,929 Shares with a nominal value of RMB1.00 each, which were subscribed by all of the then existing Shareholders in proportion to their respective equity interests in our Company before the conversion.

HISTORY AND DEVELOPMENT

The following table sets out the shareholding structure of our Company immediately upon completion of our conversion into a joint stock limited liability company:

Shareholders	Number of Shares	Approximate Percentage of shareholding %
Mr. Li	27,750,000	27.80
Shanghai Xingchi	13,553,989	13.58
Shanghai Zhizu	2,500,000	2.50
Mr. Du	7,000,000	7.01
Mr. Zhou	5,000,000	5.01
Xuzhou Runhui	8,999,252	9.01
Qianjiang Motorcycle	7,697,109	7.71
Jiaxing Huayi	6,329,114	6.34
Anqing Economic Development Zone Fund	2,893,650	2.90
Wuxi Shenqi	2,893,650	2.90
Anqing New Energy	2,893,650	2.90
Jintong Phase II Fund	2,893,650	2.90
Tongying Phase II	2,025,555	2.03
Fengchao New Energy	1,736,190	1.74
Shanghai Zimi	1,500,000	1.50
Xuancheng Western	1,157,460	1.16
Xizheng Innovation	1,157,460	1.16
Guoyuan Innovation Investment	1,157,460	1.16
Shanghai Yesheng	692,740	0.69
Total	99,830,929	100.00

Further Investments by Pre-[REDACTED] Investors

(1) Subscription of additional Shares by Xuzhou Runhui in May 2026

Xuzhou Runhui subscribed for 302,528 Shares in the Company at a total consideration of RMB5,757,777.78. The said consideration was determined through arm’s length negotiation based on the development prospects of our Company and was fully settled in cash on May 28, 2026.

(2) Share Transfers to Three Additional Pre-[REDACTED] Investors in May 2026

Pursuant to share transfer agreements dated May 26, 2026:

- (i) Mr. Jia Guangqing (賈光慶) agreed to acquire 2,876,969 Shares from Shanghai Xingchi at a cash consideration of RMB50,000,000;
- (ii) Mr. Yang Jin (楊進) agreed to acquire 1,150,787 Shares from Shanghai Xingchi at a cash consideration of RMB20,000,000; and

HISTORY AND DEVELOPMENT

- (iii) Ms. Zha Hongxia (查紅霞) agreed to acquire 575,393 Shares from Shanghai Xingchi at a cash consideration of RMB10,000,000.

The above transfers were completed on May 26, 2026 and the considerations were determined through arm’s length negotiation and were fully settled on May 26, 2026.

The following table sets out the shareholding structure of our Company immediately after completion of the above Share subscription and Share transfers:

Shareholders	Number of Shares	Approximate Percentage of shareholding %
Mr. Li	27,750,000	27.71
Shanghai Xingchi	8,950,840	8.94
Shanghai Zhizu	2,500,000	2.50
Mr. Du	7,000,000	6.99
Mr. Zhou	5,000,000	4.99
Xuzhou Runhui	9,301,780	9.29
Qianjiang Motorcycle	7,697,109	7.69
Jiaxing Huayi	6,329,114	6.32
Anqing Economic Development Zone Fund	2,893,650	2.89
Wuxi Shenqi	2,893,650	2.89
Anqing New Energy	2,893,650	2.89
Jintong Phase II Fund	2,893,650	2.89
Tongying Phase II	2,025,555	2.02
Fengchao New Energy	1,736,190	1.73
Shanghai Zimi	1,500,000	1.50
Xuancheng Western	1,157,460	1.16
Xizheng Innovation	1,157,460	1.16
Guoyuan Innovation Investment	1,157,460	1.16
Shanghai Yesheng	692,740	0.69
Mr. Jia Guangqing	2,876,969	2.87
Mr. Yang Jin	1,150,787	1.15
Ms. Zha Hongxia	575,393	0.57
Total	100,133,457	100.00

HISTORY AND DEVELOPMENT

OUR MAJOR SUBSIDIARIES

The principal business activities and date of establishment of each of our major subsidiaries, which have made material contribution to our results of operation and/or have strategic importance to our development, are shown below:

Name of Major Subsidiary	Date and Place of Establishment	Equity Interest Attributable to Our Group	Principal business activities
Zhizu Chuangneng	November 1, 2017, PRC	100%	Lithium battery and battery swapping cabinets fixed assets holding
Zhixing Xinneng	July 28, 2020, PRC	73.33%	Lithium battery and battery swapping cabinets manufacturing base
Xuzhou Zhizu	August 26, 2020, PRC	80%	Lithium Battery Manufacturing
Zhizu Xinneng	November 13, 2023, PRC	73.33%	Battery-swapping
Zhitong Energy	November 19, 2020, PRC	51%	Land and Factory holding

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

We had not carried out any major acquisitions, disposals or mergers during the Track Record Period and up to the Latest Practicable Date.

PRE-[REDACTED] INVESTMENTS

Our Company obtained a series of investments from the Pre-[REDACTED] Investors through equity transfers and subscriptions for registered capital of our Company. For further details, please refer to “Shareholding Changes of our Company” in this section above.

The following table sets forth a summary of details of the Pre-[REDACTED] Investments:

– 122 –

HISTORY AND DEVELOPMENT

Name of the Pre-[REDACTED] Investor(s):	Shanghai Zimi (Series Angel) (Acquisition of registered capital)	Jiaxing Huayi (Series Pre-A) (Acquisition and subscription of registered capital)	Xuzhou Runhui (Series Pre-A+) (By subscription of registered capital)	Qianjiang Motorcycle (Series A) (By subscription of registered capital)	Shanghai Yesheng (Series A+) (By acquisition of registered capital)	Xuzhou Runhui (Series A+) (By subscription of registered capital)	Xuancheng Western (Series B) (By subscription of registered capital)	Fengchao New Energy, Wuxi Shengji, Xizheng Innovation (Series B) (By subscription of registered capital)	II, Guoyuan Innovation Investment (Series B) (By subscription of registered capital)	Anqing Economic Development Zone Fund, Tongying Phase II, Guoyuan

Use of Proceeds	We utilized the proceeds from the Pre-[REDACTED] Investments for purchasing raw materials, marketing and operational expense. As of the Latest Practicable Date, 98.71% of the net proceeds from the Pre-[REDACTED] Investments had been utilized.									
Strategic Benefits	The Pre-[REDACTED] Investments not only fueled our research and development, but also demonstrated the investors' confidence in our growth prospects. Our Group could benefit from the business resources and potential business opportunities that may be provided by the Pre-[REDACTED] Investors from time to time. Some of Pre-[REDACTED] Investors are professional investment entities, and they can bring us valuable industrial strengths, experience in market expansion and their insight on business strategies, and they can also provide us with advice on our corporate governance, financial reporting and internal control.									
Lock-Up Periods	Pursuant to the applicable PRC law, all existing Shareholders (including our Pre-[REDACTED] Investors) are prohibited from disposing of any of the Shares held by them within the 12 months following the [REDACTED].									
Notes:										
(1)	The post-money valuation is determined by dividing the aggregate consideration of the equity interest/shares subscriptions made in the relevant Pre-[REDACTED] Investment round by the proportion of the newly subscribed equity interest/shares to the Company's total registered capital/ registered share capital as of the relevant time.									
(2)	The cost per Share presented in the table was calculated based on the amount of investment made by the relevant Pre-[REDACTED] Investors and number of Shares held by them immediately before the completion of the [REDACTED].									
(3)	The discount to the [REDACTED] is calculated based on the assumption that the [REDACTED] is HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range).									
(4)	As the self-operated battery swapping business model gradually matured, the Company's overall user scale and revenue level increased significantly between 2021 and 2023. As a result, the valuation experienced a substantial increase.									

HISTORY AND DEVELOPMENT

Special Rights of the Pre-[REDACTED] Investors

Pursuant to the respective agreements of the Pre-[REDACTED] Investments (and as supplemented by the relevant shareholders agreements thereafter) entered into among, inter alia, the Pre-[REDACTED] Investors, the Company and the then Shareholders, the Pre-[REDACTED] Investors were granted customary special rights including, but not limited to, information rights, director nomination and appointment rights, anti-dilution rights, right of first refusal and tag-along rights, liquidation preferences and redemption rights.

In preparation for the [REDACTED] and in compliance with paragraph 13 of Chapter 4.2 of the Guide for New Listing Applicants, our Company and the abovementioned Pre-[REDACTED] Investors entered into termination agreement dated May 28, 2026 (the “Termination Agreement”). According to the Termination Agreement, our Company and the abovementioned Pre-[REDACTED] Investors agreed that: (i) the redemption rights granted to the Pre-[REDACTED] Investors shall be terminated one day prior to our Company’s submission of first [REDACTED] application to the Stock Exchange, provided that such rights may, subject to the terms of the Termination Agreement, be automatically restored upon the earliest of (a) the withdrawal of the [REDACTED] by our Company or the lapse of our [REDACTED] submitted to the relevant stock exchange (including but not limited to the Stock Exchange) and no [REDACTED] has been made by our Company within 6 months after the lapse of [REDACTED]; (b) the [REDACTED] of our Company being ultimately rejected, denied, or its vetting being terminated by the CSRC or the relevant stock exchange (including but not limited to the Stock Exchange); (c) our Company fails to complete qualified [REDACTED] by December 31, 2027; or (d) the Company fails to complete the [REDACTED] within the prescribed time period after [REDACTED]; and (ii) all the other special rights granted to the Pre-[REDACTED] Investors shall be terminated one day before the [REDACTED].

Sole Sponsor’s Confirmation

On the basis that (i) the consideration for the Pre-[REDACTED] Investments have been settled no less than 120 clear days before the [REDACTED], and (ii) all special rights of the Pre-[REDACTED] Investors shall be terminated upon [REDACTED] as disclosed in “Special Rights of the Pre-[REDACTED] Investors” above, the Sole Sponsor has confirmed that the Pre-[REDACTED] Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

Background of our Pre-[REDACTED] Investors

Set out below is the background of our Pre-[REDACTED] Investors. To the best knowledge of our Directors, each of the Pre-[REDACTED] Investors and their respective beneficial owners is an Independent Third Party.

Shanghai Zimi

Shanghai Zimi is a limited liability company established under the laws of PRC and is principally engaged in investment management and asset management. As of the Latest Practicable Date, Shanghai Zimi was held as to approximately 54.55% by Mr. Cong Jian (叢健), 27.27% by Mr. Tang Yuan (湯元), 9.09% by Shanghai Zimi Zhongneng Enterprise Management Partnership (Limited Partnership) (上海子米眾能企業管理合夥企業(有限合夥)), 6.36% by Mr. Tu Xinchun (塗新春) and 2.73% by Mr. Zeng Guowei (曾國偉). To the best knowledge of our Directors, each of the shareholders of Shanghai Zimi is an Independent Third Party.

HISTORY AND DEVELOPMENT

Jiaxing Huayi

Jiaxing Huayi is a limited liability partnership established under the laws of PRC and is principally engaged in industrial investment, investment management and investment consultancy. Its general partner is Guangji Huida Investment Management (Tianjin) Co., Ltd. (廣濟惠達投資管理(天津)有限公司) (“**Guangji Huida**”), which holds an approximately 1.96% partnership interest in Jiaxing Huayi. Guangji Huida is owned as to 71% by Mr. Su Xinyi (蘇新義), who is its ultimate controller and an Independent Third Party. As of the Latest Practicable Date, Jiaxing Huayi was held by 5 limited partners, namely Beijing Linkage Technology Co., Ltd. (北京聯動天翼科技股份有限公司), Beijing Yonyou Technology Co., Ltd. (北京用友科技有限公司), Panasonic Corporation of China Co., Ltd. (松下電器(中國)有限公司), Ningbo Aijing Investment Partnership (Limited Partnership) (寧波艾景投資合夥企業(有限合夥)) and Beijing Guanglian Dachuangyuan Investment Center (Limited Partnership) (北京廣聯達創元投資中心(有限合夥)), each holding approximately 19.61% partnership interest therein. To the best knowledge of our Directors, each of the partners of Jiaxing Huayi and their respective ultimate beneficial owners is an Independent Third Party, and no single limited partner holds 30% or more partnership interest in Jiaxing Huayi.

Xuzhou Runhui

Xuzhou Runhui is a limited liability partnership established under the laws of PRC and is principally engaged in enterprise management and information consultancy services. Its general partner is Jiangsu Tongli Venture Capital Co., Ltd. (江蘇同力創業投資有限公司) (“**Jiangsu Tongli**”), which holds a 1.0% partnership interest in Xuzhou Runhui. As of the Latest Practicable Date, the limited partner of Xuzhou Runhui was Jiangsu Runshang Industrial Co., Ltd. (江蘇潤商實業有限公司) (“**Jiangsu Runshang**”), which held a 99.0% partnership interest therein. Both Jiangsu Tongli and Jiangsu Runshang are ultimately controlled by Suining County People’s Government (authorized by Suining County State-owned Assets Management Service Center (睢寧縣國有資產管理服務中心)). To the best of our Directors’ knowledge, each of Xuzhou Runhui and its partners is an Independent Third Party.

Shanghai Yesheng

Shanghai Yesheng is a limited liability company established under the laws of PRC and is principally engaged in the research, development, production, processing and sales of low-voltage complete sets of electrical equipment, auto and motorcycle parts, automation equipment, testing equipment, electronic products and electric vehicle parts. As of the Latest Practicable Date, Shanghai Yesheng was owned as to 64% by Zhejiang Yulong Vehicle Industry Co., Ltd. (浙江玉龍車業有限公司) (“**Zhejiang Yulong**”), 17% by Mr. Tian Haizhang (田海讓), 11% by Mr. Ye Yulong (葉玉龍) and 8% by Mr. Zeng Ke (曾科). Zhejiang Yulong was owned as to approximately 68.18% by Mr. Ye Yulong and 31.82% by Mr. Wang Lingfei (王靈飛). To the best of our Directors’ knowledge, Shanghai Yesheng is ultimately controlled by Mr. Ye Yulong, and all of its ultimate beneficial owners are Independent Third Parties.

Qianjiang Motorcycle

Qianjiang Motorcycle (Stock Code: 000913.SZ) is a joint stock company established under the laws of PRC, the shares of which are listed on the Shenzhen Stock Exchange. It is principally engaged in the research, development, design manufacturing, sale and full-life cycle services of motorcycles and motorcycle core components. As of the Latest Practicable Date, Qianjiang Motorcycle was owned as to approximately 36.66% by Geely Technology Group Co., Ltd. (吉利科技集團有限公司) (“**Geely Technology**”), and was ultimately controlled by Mr. Li Shufu (李書福). To the best of our Directors’ knowledge, each of Qianjiang Motorcycle and its ultimate beneficial owners is an Independent Third Party.

HISTORY AND DEVELOPMENT

Jintong Phase II Fund

Jintong Phase II Fund is a limited liability partnership established under the laws of PRC and is principally engaged in equity investment. Its general partner is Anhui Jintong New Energy Phase II Investment Management Partnership (Limited Partnership) (安徽金通新能源二期投資管理合夥企業(有限合夥)), which holds an approximately 1.00% partnership interest. As of the Latest Practicable Date, the largest limited partner of Jintong Phase II Fund was Anhui Sanzhong Yichuang Industry Development Fund Co., Ltd. (安徽省三重一創產業發展基金有限公司) (“**Anhui Sanzhong Yichuang**”), which held an approximately 38.57% partnership interest and was ultimately controlled by the State-owned Assets Supervision and Administration Commission of the People’s Government of Anhui Province (安徽省人民政府國有資產監督管理委員會). The remaining partnership interests in Jintong Phase II Fund were held by 9 other limited partners, all of which are ultimately controlled by various local government authorities in the PRC (including but not limited to the Finance Bureau of Anqing City, the State-owned Assets Supervision and Administration Commission of Chuzhou Municipal People’s Government, the Management Committee of China-Singapore Suzhou Chuzhou High-tech Industrial Development Zone and the State-owned Assets Supervision and Administration Commission of Huaibei Municipal People’s Government). To the best of our Directors’ knowledge, each of Jintong Phase II Fund and its partners is an Independent Third Party.

Anqing New Energy

Anqing New Energy is a limited liability company established under the laws of PRC and is principally engaged in investment activities with own funds, asset management and corporate consultancy services. As of the Latest Practicable Date, Anqing New Energy was owned as to approximately 71.21% by Anqing Economic and Technological Development Zone Management Committee (安慶經濟技術開發區管理委員會), and the remaining equity interests were held by Anqing Tongqing Industrial Investment Co., Ltd. (安慶市同慶產業投資有限公司), Anqing Economic and Technological Development Zone Construction Investment Group Co., Ltd. (安慶經濟技術開發區建設投資集團有限公司), Anqing Wanjiang High-tech Investment Development Co., Ltd. (安慶皖江高科技投資發展有限公司) and Anqing Development Zone Economic and Technological Development General Company (安慶市開發區經濟技術發展總公司) as to approximately 14.54%, 5.34%, 5.34% and 3.56%, respectively. All shareholders of Anqing New Energy are ultimately controlled by local government authorities of Anqing City (including Anqing Economic and Technological Development Zone Management Committee, Anqing State-owned Assets Management Department and the Finance Bureau of Anqing City). To the best of our Directors’ knowledge, each of Anqing New Energy and its shareholders is an Independent Third Party.

Tongying Phase II

Tongying Phase II is a limited liability partnership established under the laws of the PRC and is principally engaged in equity investment and investment management. Its general partner is Hubei Tongying Enterprise Management Consulting Co., Ltd. (湖北通瀛企業管理諮詢有限公司) (“**Hubei Tongying Enterprise**”), which holds a 0.1996% partnership interest in Tongying Phase II. The single largest shareholder of Hubei Tongying Enterprise is Hubei Heyuan Rongtong Enterprise Management Partnership (Limited Partnership) (湖北和圓融通企業管理合夥企業(有限合夥)) (“**Hubei Heyuan**”), which holds 40% shareholding in Hubei Tongying Enterprise, and is ultimately controlled by Mr. Chen Shi (陳實). As of the Latest Practicable

HISTORY AND DEVELOPMENT

Date, Tongying Phase II was held by three limited partners, with Daiwa Corporate Investment Co., Ltd. (大和企業投資株式會社), and Jointown Pharmaceutical Group Co., Ltd. (九州通醫藥集團股份有限公司) holding approximately 39.92% and 39.92% partnership interest, respectively. To the best of our Directors’ knowledge, each of Tongying Phase II and its partners is an Independent Third Party.

Xuancheng Western

Xuancheng Western is a limited liability partnership established under the laws of the PRC and is principally engaged in equity investment and investment management. Its general partner is Western Advantage Capital Investment Co., Ltd. (西部優勢資本投資有限公司) (“**Western Advantage**”), which holds a 50% partnership interest in Xuancheng Western, and is a wholly-owned subsidiary of Western Securities Co., Ltd. (西部證券股份有限公司), a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 002673.SZ). The single largest shareholder of Western Securities Co., Ltd. is Shaanxi Investment Group Co., Ltd. (陝西投資集團有限公司), which holds 35.65% shareholding in Western Securities Co., Ltd., and is a state-owned enterprise ultimately controlled by the State-owned Assets Supervision and Administration Commission of Shaanxi Provincial People’s Government (陝西省人民政府國有資產監督管理委員會). As of the Latest Practicable Date, Xuancheng Western was held by one limited partners, with Xuancheng Wanling Sci-Tech Construction Investment Co., Ltd. (宣城宛陵科創建設投資有限公司) holding a 50% partnership interest. To the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, each of Xuancheng Western and its partners is an Independent Third Party.

Fengchao New Energy

Fengchao New Energy is a limited liability partnership established under the laws of the PRC and is principally engaged in equity investment and investment management. Its general partner is Shanghai Fengyun Private Equity Fund Management Co., Ltd. (上海蜂雲私募基金管理有限公司) (“**Shanghai Fengyun**”), which holds a 0.50% partnership interest in Fengchao New Energy, and is ultimately controlled by Mr. Wei Jianjun (魏建軍). The fund also has a co-general partner, Jingdezhen Lingxuan Dingyu Industrial Investment Partnership (Limited Partnership) (景德鎮鈴軒鼎煜產業投資合夥企業(有限合夥)) (“**Lingxuan Capital**”), which holds a 0.50% partnership interest in the Fund. Lingxuan Capital is a limited liability partnership, and is ultimately controlled by Ms. Hong Xiaoli (洪曉麗). As of the Latest Practicable Date, Fengchao New Energy is held by a number of limited partners, among which Jiangxi Jingdezhen Guokong Industry Investment Fund Partnership (Limited Partnership) holds a 40% partnership interest in Fengchao New Energy. To the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, each of Fengchao New Energy and its partners is an Independent Third Party.

Wuxi Shenqi

Wuxi Shenqi is a limited liability partnership established under the laws of the PRC and is principally engaged in venture capital investment. Its general partner is Wuxi Shenqiyongcheng Private Equity Fund Management Partnership (Limited Partnership) (無錫神騏永誠私募基金管理合夥企業(有限合夥)) (“**Wuxi Shenqiyongcheng**”), which holds a 0.3% partnership interest in Wuxi Shenqi, and is ultimately controlled by Mr. Yang Ning (楊寧). As of the Latest Practicable Date, Wuxi Shenqi was held by two limited partners, with Chongqing Wuba Xinfu Information Technology Co., Ltd. (重慶五八新服資訊技術有限公司) holding a 52.7% partnership interest,

HISTORY AND DEVELOPMENT

and Wuxi Huikai Zhengyuan Venture Capital Partnership (Limited Partnership) (無錫惠開正源創業投資合夥企業(有限合夥)) holding a 47% partnership interest. To the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, each of Wuxi Shenqi and its partners is an Independent Third Party.

Xizheng Innovation

Xizheng Innovation is a limited liability partnership established under the laws of the PRC and is principally engaged in equity investment and investment management. Its general partner is Western Advantage, whose shareholding has please refer to *Xuancheng Western*. As of the Latest Practicable Date, Xizheng Innovation was held by one limited partner, with Huaining County Transportation Construction Development Co., Ltd. (懷甯縣交通建設發展有限責任公司) holding a 50% partnership interest. To the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, each of Xizheng Innovation and its partners is an Independent Third Party.

Guoyuan Innovation Investment

Guoyuan Innovation Investment is a limited liability company established under the laws of the PRC and is principally engaged in equity investment. Its sole shareholder is Guoyuan Securities Co., Ltd. (國元證券股份有限公司), which holds a 100% shareholding in Guoyuan Innovation Investment. Guoyuan Securities Co., Ltd. is a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 000728.SZ, and is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Anhui Provincial People’s Government (安徽省人民政府國有資產監督管理委員會). To the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, each of Guoyuan Innovation Investment Co., Ltd. and its shareholders is an Independent Third Party.

Anqing Economic Development Zone Fund

Anqing Economic Development Zone Fund is a limited liability partnership established under the laws of PRC and is principally engaged in equity investment and venture capital. Its general partner is Anhui Jintong Zhihui Private Fund Management Co., Ltd. (安徽金通智匯私募基金管理有限公司), which holds an approximately 0.89% partnership interest in Anqing Economic Development Zone Fund and is ultimately controlled by Mr. Li Zhe (李哲), an Independent Third Party. As of the Latest Practicable Date, the limited partner of Anqing Economic Development Zone Fund was Anqing Wanjiang High-tech Investment Development Co., Ltd. (安慶皖江高科技投資發展有限公司), which held an approximately 99.11% partnership interest therein and was ultimately controlled by Anqing Economic and Technological Development Zone Management Committee (安慶經濟技術開發區管理委員會). To the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, each of Anqing Economic Development Zone Fund and its partners is an Independent Third Party.

Mr. Jia Guangqing

Mr. Jia Guangqing is a PRC natural person and an Independent Third Party.

Mr. Yang Jin

Mr. Yang Jin is a PRC natural person and an Independent Third Party.

HISTORY AND DEVELOPMENT

Ms. Zha Hongxia

Ms. Zha Hongxia is a PRC natural person and an Independent Third Party.

[REDACTED]

Pursuant to Rule 19A.13A(1) of the Listing Rules, assuming that the [REDACTED] is not exercised, based on an [REDACTED] range between HK\$[REDACTED] per [REDACTED] (being the low end of the indicative [REDACTED] range) and HK\$[REDACTED] per [REDACTED] (being the top end of the indicative [REDACTED] range), our expected market capitalization upon the [REDACTED] is approximately between HK\$[REDACTED] billion to HK\$[REDACTED] billion, and therefore the minimum prescribed [REDACTED] percentage applicable to our Shares is [REDACTED]% across the [REDACTED] range.

Our Company has applied for H-share full circulation, and the CSRC issued notice of filing on [●] for the conversion of [REDACTED] Unlisted Shares [(being all the Unlisted Shares)] into H Shares upon [REDACTED]. Except for the [39,200,840] H Shares held or controlled by our Single Largest Shareholders Group, and the 7,000,000 H Shares and 5,000,000 H Shares held by Mr. Du and Mr. Zhou, respectively, representing in aggregate approximately [REDACTED]% of our total issued Shares upon completion of the [REDACTED] and conversion of the Unlisted Shares into H Shares (assuming that the [REDACTED] is not exercised), all the other H Shares will be counted towards the [REDACTED] for the purpose of Rule 8.08 of the Listing Rules.

Upon completion of the [REDACTED], assuming that (i) [REDACTED] H Shares being issued in the [REDACTED]; (ii) the [REDACTED] is not exercised, [REDACTED] Shares, representing approximately [REDACTED]% of the total issued Shares, will be counted towards the [REDACTED] and is in compliance with the requirement under Rule 19A.13A(1) of the Listing Rules.

FREE FLOAT

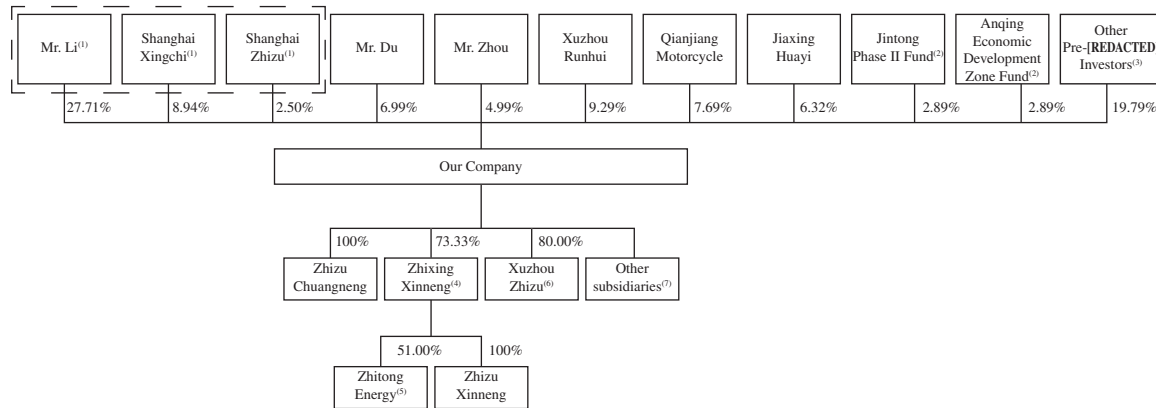
Based on a minimum [REDACTED] of HK\$[REDACTED] per H Share and that [REDACTED] H Shares to be issued pursuant to the [REDACTED] (assuming the [REDACTED] is not exercised), the Company is expected to satisfy the free float requirement under Rules 19A.13C(1)(a) and (b) of the Listing Rules.

HISTORY AND DEVELOPMENT

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Shareholding and Corporate structure immediately before the [REDACTED]

The following chart sets forth the corporate structure of our Group immediately before the completion of the [REDACTED]:



[-----] Single Largest Shareholders Group

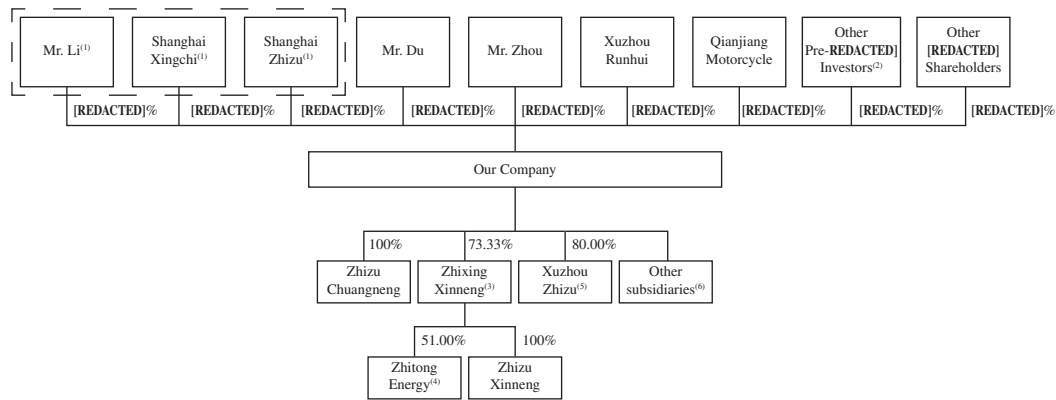
Notes:

- (1) Mr. Li, Shanghai Xingchi and Shanghai Zhizu are members of our Single Largest Shareholders Group. See “Relationship with our Single Largest Shareholders Group” for further details.
- (2) Jintong Phase II Fund and Anqing Economic Development Zone Fund are both controlled by Anhui Jintong Zhihui Private Fund Management Co., Ltd. (安徽金通智匯私募基金管理有限公司), an Independent Third Party.
- (3) The other Pre-[REDACTED] Investors include Anqing New Energy, Wuxi Shenqi, Tongying Phase II, Fengchao New Energy, Shanghai Zimi, Xuancheng Western, Xizheng Innovation, Guoyuan Innovation Investment, Shanghai Yesheng, Mr. Jia Guangqing, Mr. Yang Jin and Ms. Zha Hongxia. None of such Shareholders held more than 5% equity interests in our Company as of the Latest Practicable Date.
- (4) The remaining 26.67% equity interests in Zhixing Xinneng is held by Anqing Economic Development Zone Fund, one of our Shareholders.
- (5) The remaining 49% equity interests in Zhitong Energy held by Administrative Committee of Anqing Economic and Technological Development Area (安慶經濟技術開發區管理委員會).
- (6) The remaining 20% equity interests in Xuzhou Zhizu IoT Technology Co., Ltd. is held by Xuzhou Runhui, one of our Shareholders.
- (7) The other subsidiaries include Anqing Zhizu, Beijing Zhizu IoT Technology Co., Ltd. (北京智租物聯科技有限公司), Shanghai Xiaozhi Changpao Technology Co., Ltd. (上海小智暢跑科技有限責任公司), Shanghai Xiyi Car Rental Co., Ltd. (上海曦旖汽車租賃有限公司), Shenzhen Zhizu IoT Technology Co., Ltd. (深圳智租物聯科技有限公司), Anhui Zhixing Advanced Battery Manufacturing Co., Ltd. (安徽智星先進電池製造有限公司), PT Eazibatt Energi Indonesia (印度尼西亞易百電能源有限責任公司) and EAZIBATT ENERGY INTERNATIONAL PTE. LTD. (易百電能源國際私人有限責任公司).

HISTORY AND DEVELOPMENT

Shareholding and Corporate structure immediately following the [REDACTED]

The following chart sets forth the corporate structure of our Group immediately after the completion of the [REDACTED] (assuming the [REDACTED] is not exercised):



[REDACTED] Single Largest Shareholders Group

Notes:

- (1) Mr. Li, Shanghai Xingchi and Shanghai Zhizu are members of our Single Largest Shareholders Group. See “Relationship with our Single Largest Shareholders Group” for further details.
- (2) The other Pre-[REDACTED] Investors include Jiaying Huayi, Jingtong Phase II Fund, Anqing Economic Development Zone Fund, Anqing New Energy, Wuxi Shenqi, Tongying Phase II, Fengchao New Energy, Shanghai Zimi, Xuancheng Western, Xizheng Innovation, Guoyuan Innovation Investment, Shanghai Yesheng, Mr. Jia Guangqing, Mr. Yang Jin and Ms. Zha Hongxia. None of such Shareholders held more than 5% equity interests in our Company as of the Latest Practicable Date.
- (3) The remaining 26.67% equity interests in Zhixing Xinneng Technology (Anhui) Co., Ltd. is held by Anqing Economic Development Zone Fund, one of our Shareholders.
- (4) The remaining 49% equity interests in Zhitong Energy (Anhui) Co., Ltd. is held by Administrative Committee of Anqing Economic and Technological Development Area (安慶經濟技術開發區管理委員會).
- (5) The remaining 20% equity interests in Xuzhou Zhizu IoT Technology Co., Ltd. is held by Xuzhou Runhui, one of our Shareholders.
- (6) The other subsidiaries include Anqing Zhizu, Beijing Zhizu IoT Technology Co., Ltd. (北京智租物聯科技有限公司), Shanghai Xiaozhi Changpao Technology Co., Ltd. (上海小智暢跑科技有限責任公司), Shanghai Xiyi Car Rental Co., Ltd. (上海曦旖汽車租賃有限公司), Shenzhen Zhizu IoT Technology Co., Ltd. (深圳智租物聯科技有限公司), Anhui Zhixing Advanced Battery Manufacturing Co., Ltd. (安徽智星先進電池製造有限公司), PT Eazibatt Energi Indonesia (印度尼西亞易百電能源有限責任公司) and EAZIBATT ENERGY INTERNATIONAL PTE. LTD. (易百電能源國際私人有限責任公司).

BUSINESS

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

BUSINESS

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.

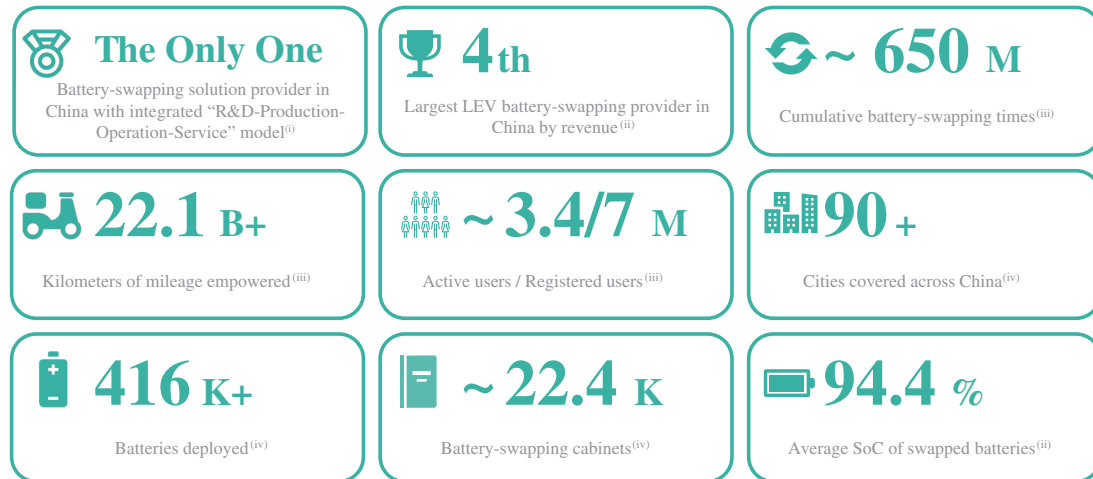
- **Safety.** Traditional battery charging has three major safety issues: (i) the quality of batteries and chargers is uneven and lacks unified certification; (ii) high-risk charging behaviors such as home charging and unauthorized, illegal external wiring charging are difficult to regulate; and (iii) 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.

BUSINESS

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

BUSINESS

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

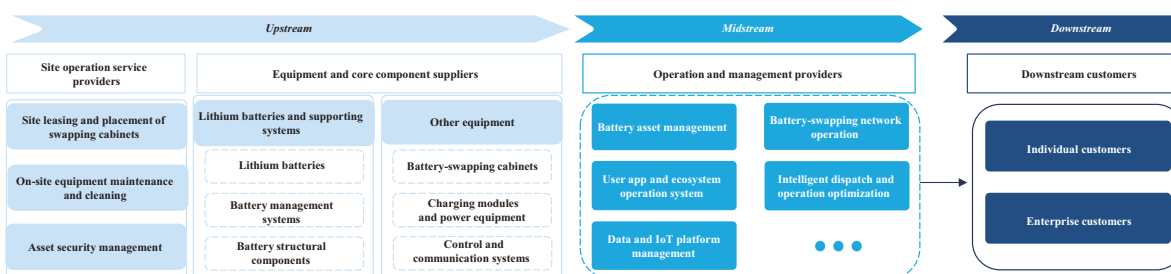
BUSINESS

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.

BUSINESS

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

BUSINESS

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,

BUSINESS

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

BUSINESS

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.

BUSINESS

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.

BUSINESS

- 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.

BUSINESS

	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%.

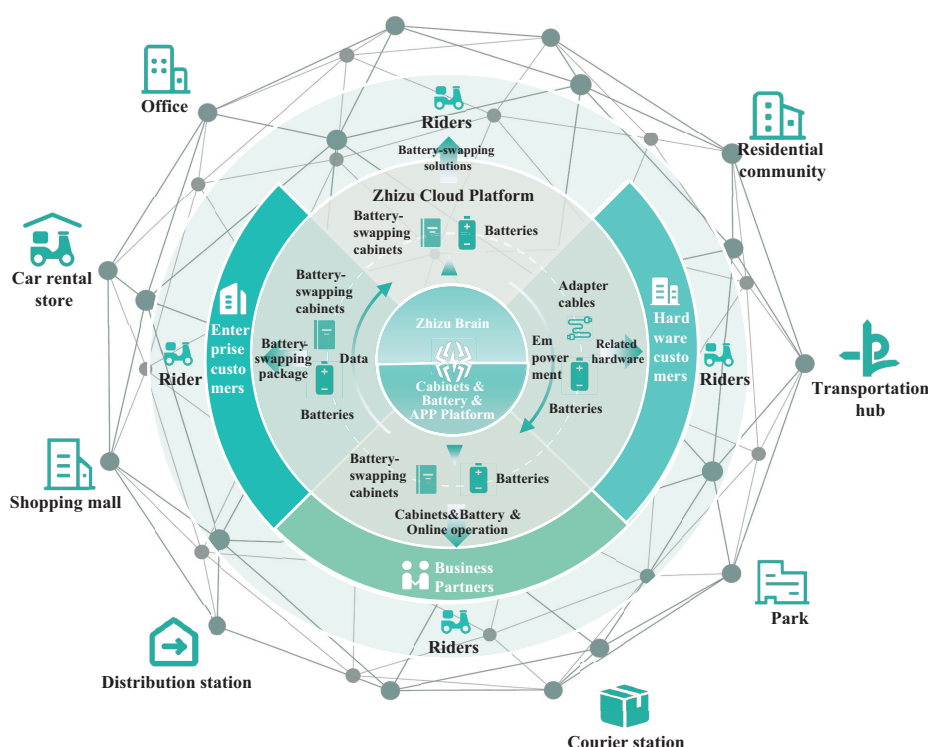
See “Financial Information – Consolidated Statements of Profits or Loss and Other Comprehensive Income – Revenue” for detailed discussion of our revenue fluctuations during the Track Record Period.

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.

BUSINESS

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.

BUSINESS

- **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.

BUSINESS

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.

BUSINESS

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.

BUSINESS

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.

BUSINESS

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.

BUSINESS

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

BUSINESS

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.

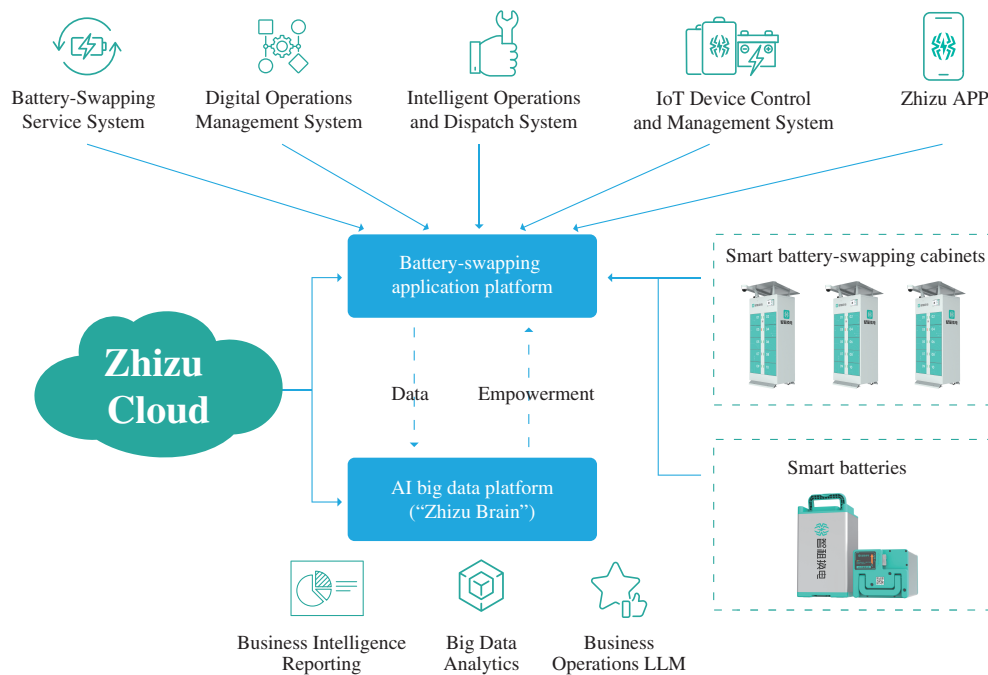
Our smart battery-swapping cabinets possess multiple functions, including (i) fast QR-code-based swap, completing without staff assistance in approximately ten seconds; (ii) simultaneous charging of batteries in multiple slots of the battery-swapping cabinets, dynamically adjusting power delivery to 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.

BUSINESS

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.

BUSINESS

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.

BUSINESS



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.

BUSINESS

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.

BUSINESS

- **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.

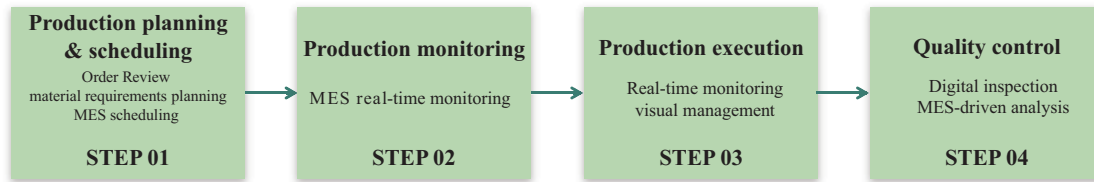
OUR PRODUCTION

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.

BUSINESS

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.

BUSINESS

- **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

BUSINESS

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.

BUSINESS

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.

BUSINESS

- **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.

BUSINESS

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.

BUSINESS

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

BUSINESS

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

BUSINESS

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

BUSINESS

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

BUSINESS

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.

BUSINESS

- **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

BUSINESS

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.

BUSINESS

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

BUSINESS

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

BUSINESS

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

BUSINESS

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.”

BUSINESS

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.

BUSINESS

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

BUSINESS

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

BUSINESS

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%.

BUSINESS

	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

BUSINESS

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

BUSINESS

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

BUSINESS

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.

BUSINESS

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

BUSINESS

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

BUSINESS

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.

BUSINESS

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

BUSINESS

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

BUSINESS

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

BUSINESS

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

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS GROUP

OUR SINGLE LARGEST SHAREHOLDERS GROUP

As of the Latest Practicable Date, Mr. Li was a direct beneficial owner of 27,750,000 Shares and controlled 8,950,840 Shares and 2,500,000 Shares through Shanghai Xingchi and Shanghai Zhizu, respectively, in light of his capacity as their general partner. Therefore, the Single Largest Shareholders Group, comprising Mr. Li, Shanghai Xingchi and Shanghai Zhizu, was collectively interested in approximately 39.15% of the issued share capital of our Company. See “History and Corporate Structure” in this document for details.

Immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the Single Largest Shareholders Group will continue to control in aggregate approximately [REDACTED]% of our total issued share capital. Assuming the [REDACTED] is exercised in full, the Single Largest Shareholders Group will be entitled to control in aggregate approximately [REDACTED]% of our total issued share capital. Therefore, they will remain as our Single Largest Shareholders Group upon [REDACTED].

Mr. Li is our chairman of the Board, executive Director and Chief Executive Officer. See “Directors and Senior Management – Directors” in this document for more details.

INDEPENDENCE FROM OUR SINGLE LARGEST SHAREHOLDERS GROUP

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently of our Single Largest Shareholders Group and their respective close associates after [REDACTED].

Management Independence

Our management and operational decisions are made by our Board and our senior management. Our Board comprises three executive Directors, one non-executive Director and three independent non-executive Directors. While one of our executive Directors, namely Mr. Li, is also a member of our Single Largest Shareholders Group and one of our executive Directors, namely Mr. Li Ziang, is the son of Mr. Li, all of our other Directors and senior management team members possess relevant management and/or industry-related experience to act as Directors or senior management of the Company and to make management decisions independent from our Single Largest Shareholders Group. Further details are set forth in “Directors and Senior Management” in this document.

Our Directors consider that our Board and senior management are able to perform the management role in our Group independent of our Single Largest Shareholders Group for the following reasons:

- (a) each Director is aware of his/her fiduciary duties as a Director which require, amongst others, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;
- (b) in the event that any Director or any of his/her close associates has a material interest in any transaction or arrangement or there is an actual or potential conflict of interest arising out of any transaction or arrangement to be entered into between our Group and any of our Directors or their respective associates, such Director(s) shall fully disclose such matters to our Board and abstain from voting at the relevant meeting of

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS GROUP

our Board in respect of such transactions and shall not be counted in the quorum. Our Group has also adopted certain corporate governance measures for situations involving conflict of interests, details of which are set out in the paragraph headed “Corporate Governance Measures” in this section;

- (c) three out of seven Directors are independent non-executive Directors with extensive experience in various professions. They are appointed pursuant to the requirements of the Listing Rules, who will bring independent judgment to the decision-making process of our Board;
- (d) connected transactions between our Group and our Single Largest Shareholders Group will be subject to the rules and regulations under the Listing Rules including the rules relating to annual reporting, review, announcement, circular and independent shareholders’ approval (where applicable); and
- (e) our Board’s main functions include the approval of our Group’s overall business plans and strategies, monitoring the implementation of such business plans, strategies and policies, and the management of our Company. Our Board acts collectively by majority decisions in accordance with the Articles and the applicable laws, and no single Director is supposed to have any decision-making power unless otherwise authorised by our Board.

Operational Independence

We have established our own organisational structure consisting of individual departments with different functions for, among others, sales, operations, marketing and after-sales services. Each department is assigned specific areas of responsibility. We have implemented a set of internal control mechanisms to enhance the efficiency of our business operations. In addition to our sufficient assets, capital and employees, we have obtained and possess all relevant licenses, permits, approvals and intellectual properties required to conduct our business independently. Furthermore, we have independent access to our suppliers and customers.

Based on the above, our Directors are of the view that our Group can operate independently of our Single Largest Shareholders Group and their respective close associates upon [REDACTED].

Financial Independence

Our financial management department is responsible for handling the major finance operations of our Group and is capable of making financial decisions independently according to our own business needs. We manage our bank accounts independently, and do not share any bank accounts with our Single Largest Shareholders Group or their respective close associates. In addition, we have sufficient capital to operate our business independently and have adequate internal resources to support our daily operations.

Mr. Li has provided guarantees for certain of our bank borrowings and it is expected that all such guarantees will be released prior to [REDACTED].

Based on the above, our Directors believe that we are capable of carrying on our business independently of, and do not place undue reliance on our Single Largest Shareholders Group and their respective close associates upon [REDACTED].

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS GROUP

RULE 8.10 OF THE LISTING RULES

Our Single Largest Shareholders Group, our Directors and their respective close associates confirm that they do not have any interest in a business apart from our Group's business which competes or is likely to compete, directly or indirectly, with our Group's business and would require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance. We recognise the importance of good corporate governance in the protection of our Shareholders' interests. We have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Single Largest Shareholders Group:

- (a) where a Shareholders' meeting is to be held for considering proposed transactions in which our Single Largest Shareholders Group or any of their associates has a material interest, our Single Largest Shareholders Group will not vote on the resolutions and shall not be counted towards the quorum in the voting;
- (b) our Group has established internal control mechanisms to identify connected transactions. Our Company will comply with the requirements in relation to connected transactions under the Listing Rules upon [REDACTED];
- (c) we are committed that our Board should include a balanced composition of executive and independent non-executive Directors. We have appointed three independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business and/or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial and external opinion to protect the interests of our public Shareholders. For details of our independent non-executive Directors, please see "Directors and Senior Management – Our Directors" in this document;
- (d) our Board will operate in accordance with the Articles which require the interested Director not to vote (nor be counted in the quorum) on any resolution of our Board approving any contract or arrangement or other proposal in which he/she or any of his/her close associates is materially interested except as permitted by the Articles;
- (e) where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company's expenses; and
- (f) we have appointed Red Solar Capital Limited as our compliance adviser, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including various requirements relating to directors' duties and internal controls.

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

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board consists of seven Directors, including three executive Directors, one non-executive Director and three independent non-executive Directors. Our Board is responsible and has general powers for the management and conduct of our business. The table below sets out certain information in respect of the members of the Board as of the Latest Practicable Date.

Name	Age	Position	Date of appointment as Director	Date of joining our Company	Role and responsibilities	Relationship with other Directors and senior management
<i>Executive Directors</i>						
Mr. Li Xuejun (李學軍)	56	Chairman of the Board and Executive Director	June 11, 2018	June 11, 2018	Overseeing the overall strategic planning, corporate governance and management oversight of our Group, and the development of organisational capabilities and corporate culture	Father of Mr. Li Ziang
Mr. Du Yan (杜岩)	58	Executive Director	June 11, 2018	February 20, 2018	Overseeing the production and manufacturing operations at the Anqing base, including production management, quality control, operational execution and site management	None
Mr. Li Ziang (李子昂)	29	Executive Director	March 28, 2024	March 28, 2024	Overseeing the daily operations of our Company, the implementation of business plans, the execution of operational strategies, and operational management across the Group	Son of Mr. Li Xuejun

Non-executive Director

Mr. Zhou Hongbin (周宏斌)	58	Non-Executive Director	January 18, 2018 (Redesignated as a non-executive Director on May 28, 2026).	January 18, 2018	Responsible for providing recommendations on the strategic development of our Group	None

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position	Date of appointment as Director	Date of joining our Company	Role and responsibilities	Relationship with other Directors and senior management
<i>Independent-non executive Directors</i>						
Mr. Ding Zhongming (丁忠明)	64	Independent non-executive Director	May 28, 2026	May 28, 2026	Supervising our Board and providing independent opinion to our Board	None
Mr. Ng Chi Pan (吳志斌)	58	Independent non-executive Director	May 28, 2026	May 28, 2026	Supervising our Board and providing independent opinion to our Board	None
Ms. Wu Yushan (吳瑜珊)	36	Independent non-executive Director	May 28, 2026	May 28, 2026	Supervising our Board and providing independent opinion to our Board	None

Executive Directors

Mr. Li Xuejun (李學軍), aged 56, is our chairman of the Board, executive Director and Chief Executive Officer. He is primarily responsible for overseeing the overall strategic planning, corporate governance and management oversight of our Group, and the development of organisational capabilities and corporate culture.

Mr. Li has substantial experience in the vehicle manufacturing industry. From August 2015 to early 2018, he served as the president of Jiangsu Zongshen Vehicle Industry Co., Ltd. (江蘇宗申車業有限公司), primarily responsible for overseeing the overall operations and management of the relevant businesses.

Mr. Li has been serving as a director and Chief Executive Officer of our Company since June 2018. From July 2020 to April 2026, he also served as the chairman of Zhixing Xinneng, one of our subsidiaries, where he was responsible for its overall management and business strategy.

Mr. Li obtained his bachelor’s degree in finance from Anhui University of Finance and Economics (安徽財經大學) in July 1994. He was awarded the honorary title of Outstanding Private Entrepreneur of Anhui Province (安徽省優秀民營企業家) by the People’s Government of Anhui Province (安徽省人民政府) in February 2024.

Mr. Du Yan (杜岩), aged 58, is an executive Director and has been serving as the vice chairman of our Board since April 2026. He is primarily responsible for overseeing the production and manufacturing operations at the Anqing base, including production management, quality control, operational execution and site management.

Mr. Du has over 30 years of experience in the vehicle manufacturing and research and development industry. From March 1996 to February 2001, he served at Shanghai Sundiro Motorcycle Co., Ltd. (上海新大洲摩托車有限公司), where he successively served as chief

DIRECTORS AND SENIOR MANAGEMENT

designer of the research institute and head of the quality assurance department. From February 2001 to October 2015, he served at Sundiro Honda Motorcycle Co., Ltd. (新大洲本田摩托車有限公司), where he successively served as deputy manager and manager of the Shanghai branch, assistant to general manager and chief deputy general manager. From November 2015 to February 2018, he served as the executive vice president of Yadea Technology Group Co., Ltd. (雅迪科技集團有限公司).

From February 2018 to July 2020, Mr. Du served as the head of the hardware research and development department of our Company, primarily responsible for the design and manufacturing of two-wheeled electric bicycles and intelligent battery swapping cabinets. He also serves as the president of Zhixing Xinneng and has been serving as the chairman of Zhixing Xinneng Technology (Anhui) Co., Ltd. (智行新能(安徽)科技有限公司) since April 2026, where he is primarily responsible for the formulation and execution of annual business plans, daily operational management, and team and organizational development.

Mr. Du obtained his bachelor’s degree in forging and pressing in July 1990 and his master’s degree in metal plastic forming in May 1993 from Huazhong University of Science and Technology (華中科技大學) in the PRC. He obtained the qualification of metal processing engineer accredited by Wuhan Municipal Personnel Bureau (武漢市人事局) in October 1996.

Mr. Du previously served as a director of Boying Group Co., Limited (博贏集團發展有限公司), a company incorporated in Hong Kong principally engaged in investment holding, which was dissolved by striking off pursuant to section 746 of the Companies Ordinance on July 21, 2023 due to cessation of business operations.

Mr. Du confirmed that (i) the above company was solvent at the time of its dissolution; (ii) to the best of his knowledge and belief, there had been no fraud, dishonesty, material misconduct or material non-compliance in connection with such dissolution; and (iii) he is not aware of any actual or potential claim which has been or will be made against him as a result of such dissolution.

Mr. Li Ziang (李子昂), aged 29, is our executive Director and executive officer. He is primarily responsible for overseeing the daily operations of our Company, the implementation of business plans, the execution of operational strategies, and operational management across the Group.

Mr. Li has experience in sales and project management. From January 2024 to May 2025, he was employed by Shanghai Trina Distributed Energy Co., Ltd. (上海天合富家能源有限公司).

Mr. Li obtained his bachelor’s degree in management from the University of Manchester in June 2019 and his master’s degree from the University of Sydney in August 2022.

Non-executive Director

Mr. Zhou Hongbin (周宏斌), aged 58, is a non-executive Director. He is currently responsible for providing recommendations on the strategic development of our Company.

Mr. Zhou has extensive experience in business management. From January 2018 to September 2020, he served as the operating director of our Group.

DIRECTORS AND SENIOR MANAGEMENT

Since 2020, he has been serving as the chairman of Qiling Jianzhen (Yangzhou) Cultural Media Co., Ltd. (棲靈鑒真(揚州)文化傳媒有限公司).

Mr. Zhou previously served as a director or senior management member of the following companies which had their business licences revoked. Such companies included: (i) Dongtai Anbang Power Technology Co., Ltd. (東台市安邦電源科技有限公司), a PRC company principally engaged in the sales of batteries and electric vehicle controllers, which the business licence was revoked on October 9, 2023 due to prolonged inactivity; (ii) Jiangsu Fuan Cocoon Silk Group Corporation Wu County Branch (江蘇富安繭絲綢集團公司吳縣市分公司), a PRC company principally engaged in textile, garment and related products businesses, which the business licence was revoked on July 15, 1997 due to prolonged inactivity.

Mr. Zhou confirmed that (i) the above companies were solvent at the time of their respective revocation; (ii) to the best of his knowledge and belief, there had been no fraud, dishonesty, material misconduct or material non-compliance in connection with such revocation; and (iii) he is not aware of any actual or potential claim which has been or will be made against him as a result of such revocation.

Independent Non-executive Directors

Mr. Ding Zhongming (丁忠明), aged 64, was appointed as an independent non-executive Director on May 28, 2026. He is responsible for supervising and providing independent opinions and advice to our Board.

Mr. Ding has over 40 years of experience in education management and public administration. From July 1984 to April 2004, he served at Anhui Institute of Finance and Trade (安徽財貿學院), where he successively served as clerk, section chief, division chief and vice president. From May 2004 to May 2009, he served as the vice president of Anhui University of Finance and Economics (安徽財經大學). From June 2009 to May 2022, he served as the party secretary and president of Anhui University of Finance and Economics (安徽財經大學). From May 2022 to June 2025, he served as the deputy director of the Economic Commission of Hefei, Anhui Province (安徽省合肥市經濟委員會).

Mr. Ding obtained his bachelor's degree in economics from Anhui Institute of Finance and Trade (安徽財貿學院) in July 1984, and his doctoral degree in management from Hefei University of Technology (合肥工業大學) in June 2009. Mr. Ding was awarded the first prize of Anhui Provincial Social Science, Literature, Art and Publication Awards (Social Sciences Category) (安徽省社會科學文學藝術出版獎(社科類)一等獎) by the People's Government of Anhui Province (安徽省人民政府) in July 2014, and the second prize of National Teaching Achievement Award (國家級教學成果獎二等獎) by the Ministry of Education of the PRC (中華人民共和國教育部) in July 2023.

Mr. Ng Chi Pan (吳志斌), aged 58, was appointed as an independent non-executive Director on May 28, 2026. He is responsible for supervising and providing independent opinions and advice to our Board.

Mr. Ng has over 35 years of experience in business management and public service. Since September 1988, he has been serving as the managing director and chairman of the board of Chevalier A&P Group Limited (香港長嘉集團有限公司). From April 2012 to March 2016, he served as a director of the board of Yan Chai Hospital (香港仁濟醫院), from April 2016 to

DIRECTORS AND SENIOR MANAGEMENT

March 2021, he served as an advisor to the board of Yan Chai Hospital, and from April 2021 to March 2023, he served as an honorary director of the board of Yan Chai Hospital. He is currently serving as a member of the Anhui Provincial Committee of the Chinese People’s Political Consultative Conference (中國人民政治協商會議安徽省委員會). Since March 2018, he has been serving as the deputy director of the Hong Kong, Macao, Taiwan and Overseas Chinese Affairs Committee of the Anhui Provincial Committee of the Chinese People’s Political Consultative Conference (中國人民政治協商會議安徽省委員會港澳臺僑和外事委員會). He is currently serving as a member of the 11th All-China Federation of Returned Overseas Chinese (第十一屆中華全國歸國華僑聯合會). Since June 2020, he has been serving as a vice chairman of Anhui Federation of Returned Overseas Chinese (安徽省歸國華僑聯合會).

Ms. Wu Yushan (吳瑜珊), aged 36, was appointed as an independent non-executive Director on May 28, 2026. She is responsible for supervising and providing independent opinions and advice to our Board.

Ms. Wu has over 15 years of experience in accounting and finance. From August 2011 to February 2017, she was employed by Grant Thornton (Xiamen Branch) (致同會計師事務所廈門分所). From March 2017 to July 2018, she was employed by Industrial Securities Co., Ltd. Xiamen Branch (興業證券股份有限公司廈門分公司). From August 2018 to October 2025, she served as the chief financial officer of Anyue Environmental Technology Co., Ltd. (安越環境科技股份有限公司).

Since February 2024, she has been serving as an independent non-executive director of Shanghai Zhida Technology Development Co., Ltd. (上海摯達科技發展股份有限公司), a company listed on the Stock Exchange (stock code: 2650), and is a member of its audit committee.

Ms. Wu obtained her master’s degree in business administration from Xiamen University (廈門大學) in June 2024. Ms. Wu obtained the qualification of Certified Public Accountant (non-practising member) accredited by the Fujian Institute of Certified Public Accountants (福建省註冊會計師協會) in July 2018, and obtained the qualification certificate of board secretary of listed companies accredited by Shenzhen Stock Exchange (深圳證券交易所) in May 2019.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The following table sets forth the key information about our senior management as of the Latest Practicable Date.

Name	Age	Position	Date of joining our Company	Role and responsibilities	Relationship with other Directors and senior management
Mr. Li Xuejun (李學軍)	56	Chief Executive Officer	June 11, 2018	Overseeing the overall strategic planning, corporate governance and management oversight of our Group, and the development of organisational capabilities and corporate culture	Father of Mr. Li Ziang

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position	Date of joining our Company	Role and responsibilities	Relationship with other Directors and senior management
Mr. Li Ziang (李子昂)	29	Executive Officer	March 28, 2024	Overseeing the daily operations of our Company, the implementation of business plans, the execution of operational strategies, and operational management across the Group	Son of Mr. Li Xuejun
Mr. Du Yan (杜岩)	58	Deputy General Manager	February 20, 2018	Overseeing the production and manufacturing operations at the Anqing base, including production management, quality control, operational execution and site management	None
Mr. Li Ji (李驥)	36	Chief Marketing Officer	December 13, 2021	Overseeing the overall battery swapping business, including market development, channel partnerships, maintenance and dispatch, and city operations management	None
Mr. Tian Wei (田威)	39	Chief Financial Officer and Board Secretary	April 17, 2025	Overseeing the overall financial management of our Group, coordinating and managing the Group’s financing activities, supervising financial reporting and internal control functions, and overseeing the Company’s board secretarial affairs and ensuring compliance with applicable laws and regulatory requirements	None
Mr. Zhu Aijun (朱愛軍)	39	Vice president of Software Research and Development	May 15, 2020	Overseeing the technology strategy and implementation of the Company’s software systems, software research and development, technical team management, and the establishment of the Company’s technology framework	None

For the biographical details of Mr. Li, Mr. Li Ziang and Mr. Du, see “– Board of Directors – Executive Directors.”

Senior Management

Mr. Li Ji (李驥), aged 36, joined our Group in December 2021 and has been serving as the chief marketing officer of our Group since then. He is primarily responsible for overseeing the overall battery swapping business, including market development, channel partnerships, maintenance and dispatch operations, and the management of city-level operations teams.

Mr. Li has over 14 years of experience in marketing strategy and operations. From July 2012 to December 2018, he served at Hanhai Information Technology (Shanghai) Co., Ltd. (漢海信息技術(上海)有限公司). From November 2018 to December 2021, he co-founded Zuodashi

DIRECTORS AND SENIOR MANAGEMENT

Food (Shanghai) Co., Ltd. (佐大獅食品(上海)有限公司), where he was primarily responsible for the operation and management of offline market business and end-to-end management of online retail operations.

Mr. Li obtained his bachelor’s degree in business administration in July 2010 and his master’s degree in enterprise management in June 2012 from University of Science and Technology Beijing (北京科技大學).

Mr. Tian Wei (田威), aged 39, joined our Group in April 2025 and has been serving as the chief financial officer of our Group since then. He is primarily responsible for overseeing the overall financial management of our Group, coordinating and managing the Group’s financing activities, supervising financial reporting and internal control functions, and overseeing the Company’s board secretarial affairs and ensuring compliance with applicable laws and regulatory requirements.

Mr. Tian has over 17 years of experience in the financial and capital markets. From September 2009 to June 2012, he served at Deloitte Touche Tohmatsu Certified Public Accountants LLP (德勤華永會計師事務所(特殊普通合夥)). From June 2012 to March 2019, he served at Sinolink Securities Co., Ltd. (國金證券股份有限公司), where he successively served as project manager, senior manager and business director in the investment banking department. From April 2019 to December 2019, he served as the director of investment and financing of Sanwen Home Furnishing Co., Ltd. (三問家居股份有限公司). From January 2020 to June 2023, he served as the chief financial officer and board secretary of Hangzhou Huasu Technology Co., Ltd. (杭州華塑科技股份有限公司). From July 2023 to January 2024, he served as the chief financial officer of ALIT Biotech (Shanghai) Co., Ltd. (艾力特生物科技(上海)有限公司).

Mr. Tian obtained his bachelor’s degree in human resources management from Shanghai University of Finance and Economics (上海財經大學) in June 2009. He obtained the qualification of Certified Public Accountant (non-practicing member) accredited by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in March 2013, and obtained the qualification certificate of board secretary of listed companies accredited by Shenzhen Stock Exchange (深圳證券交易所) in May 2021.

Mr. Zhu Aijun (朱愛軍), aged 39, joined our Group in May 2020 and has been serving as the vice president of software research and development of our Group since then. He is primarily responsible for overseeing the technology strategy and implementation of the Company’s software systems, software research and development, technical team management, and the establishment of the Company’s technology framework.

Mr. Zhu has over 17 years of experience in software technology research and development. He previously served as an overseas software development engineer at Shanghai Hi-Soft Technology Co., Ltd. (上海海隆軟件股份有限公司). From December 2012 to October 2014, he was employed by NS Solutions Software (Shanghai) Co., Ltd. (新日鐵住金軟件(上海)有限公司). From April 2016 to November 2018, he was employed by Ping An Healthcare and Technology Company Limited Shanghai Branch (平安健康互聯網股份有限公司上海分公司). From December 2019 to March 2020, he served as a risk control system architect at Aoran Information Technology (Shanghai) Co., Ltd. (傲冉信息技術(上海)有限公司).

Mr. Zhu obtained his bachelor’s degree in information management and information systems from Hohai University (河海大學) in June 2009 and his master’s degree in engineering

DIRECTORS AND SENIOR MANAGEMENT

management from East China University of Science and Technology (華東理工大學) in January 2019, both in the PRC. He obtained the Intermediate Qualification of Software Designer accredited in the PRC in November 2017.

GENERAL

As of the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries,

- i. save as disclosed above, none of the Directors or senior management has held any directorship in any public company the securities of which are listed on any securities market in Hong Kong or overseas during the three years immediately preceding the date of this document;
- ii. save as disclosed above, none of the Directors or members of the senior management of our Company was related to any other Directors and members of the senior management;
- iii. save as disclosed in “Substantial Shareholders” and “Appendix IV – Statutory and General Information – Further Information about Our Directors and Substantial Shareholders” in this document, none of the Directors or chief executive of our Company held any interest in the Shares which would be required to be disclosed pursuant to Part XV of the Securities and Futures Ordinance; and
- iv. there was no additional matter with respect to the appointment of the Directors that needs to be brought to the attention of the Shareholders, and there was no additional information relating to the Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

CONFIRMATIONS FROM OUR DIRECTORS

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on April 27, 2026, and (ii) understands his or her obligations as a director of a [REDACTED] under the Listing Rules.

Rule 3.13 of the Listing Rules

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

Rule 8.10 of the Listing Rules

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

DIRECTORS AND SENIOR MANAGEMENT

JOINT COMPANY SECRETARIES

Mr. Tian Wei (田威), aged 39, was appointed as the chief financial officer of our Group and will be one of our joint company secretaries with effect upon [REDACTED]. For details of his biography, see “– Senior Management”.

Ms. Liu Shengyun (柳聖云), aged 33, was appointed as one of our joint company secretaries with effect upon [REDACTED]. Ms Liu has approximately 4 years of experience in the company secretarial and corporate governance fields. She is currently with Computershare Hong Kong Investor Services Limited.

Ms. Liu obtained a Master’s degree in Corporate Governance from Saint Francis University in October 2024. She is also an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom since July 2024.

BOARD COMMITTEES

Our Company has established three committees under the Board in accordance with the relevant laws and regulations in mainland China, the Articles of Association and the code of corporate governance practices under the Listing Rules, including the Audit Committee, the Remuneration Committee and the Nomination Committee.

Audit Committee

The Audit Committee comprises three members, namely Ms. Wu Yushan, Mr. Ding Zhongming and Mr. Ng Chi Pan, with Ms. Wu Yushan serving as the chairperson, who possesses the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The primary duties of the audit committee are to assist and advise our Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of our Company, overseeing the audit process, review and approve connected transactions and performing other duties and responsibilities as assigned by our Board.

Remuneration Committee

The Remuneration Committee comprises three members, namely Mr. Ng Chi Pan, Mr. Ding Zhongming and Mr. Li, with Mr. Ng Chi Pan serving as the chairperson.

The primary duties of the Remuneration Committee include, without limitation, the following: (i) making recommendations to our Board on our policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration; (ii) determining the specific remuneration packages of all Directors and senior management; and (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Board from time to time.

DIRECTORS AND SENIOR MANAGEMENT

Nomination Committee

The Nomination Committee comprises three members, namely Mr. Li, Mr. Ding Zhongming and Mr. Ng Chi Pan, with Mr. Li serving as the chairperson.

The primary duties of the Nomination Committee include, without limitation, reviewing the structure, size and composition of our Board, assessing the independence of independent non-executive Directors and making recommendations to our Board on matters relating to the appointment of Directors.

CORPORATE GOVERNANCE CODE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the [REDACTED].

Pursuant to code provision C.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. Mr. Li currently serves as both our chairman of the Board and Chief Executive Officer of our Company. While this will constitute a deviation from Code Provision C.2.1 of the Corporate Governance Code, our Board believes that this structure will not impair the balance of power and authority between our Board and the management of our Company, given that (i) our Board comprises three independent non-executive Directors, and we believe there is sufficient check and balance in our Board to protect the interests of our Company and the Shareholders; (ii) Mr. Li is a member of our Single Largest Shareholders Group, our Directors are of the view that vesting both roles on him helps to maintain the continuity of the policies and the stability of the operations of our Company; and (iii) Mr. Li has assumed the role of Chief Executive Officer of our Company since July 2018. He has extensive experience in the business operations and management of our Company. Our Board believes that, in view of his experience, personal profile and his roles in our Company as mentioned above, Mr. Li is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as our Chief Executive Officer.

The Board also believes that vesting the roles of both chairman of the Board and chief executive officer in the same person has the benefit of (i) ensuring consistent leadership within us, (ii) enabling more effective and efficient overall strategic planning and execution of strategic initiatives of the Board, and (iii) facilitating the flow of information between the management and the Board for us. The Board considers that the balance of power and authority for the present arrangement will not be impaired, and this arrangement will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of us as a whole.

Save as disclosed above, our Directors consider that upon [REDACTED], we will comply with all applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

BOARD DIVERSITY

We have adopted a board diversity policy (the “**Board Diversity Policy**”) to enhance the effectiveness of our Board and to maintain a high standard of corporate governance. Pursuant to the Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a Director, the nomination committee of our Company will consider a range of diversity perspectives with reference to our Company’s business model and specific needs, including but not limited to gender, age, language, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience and/or length of service.

Our Directors have a balanced mix of knowledge and skills, including but not limited to finance, forging and pressing, research and development, and management. They obtained degrees in various majors including finance, forging and pressing and management. Furthermore, our Board has a relatively wide range of ages, ranging from 29 years old to 64 years old and consists of six male members and one female member. The Board is of the view that our Board satisfies the Board Diversity Policy.

The Nomination Committee of our Company is responsible for reviewing the diversity of the Board, reviewing the Board Diversity Policy from time to time, developing and reviewing measurable objectives for implementing the Board Diversity Policy, and monitoring the progress on achieving these measurable objectives in order to ensure that the policy remains effective. Our Company will (i) disclose the biographical details of each Director and (ii) report on the implementation of the Board Diversity Policy (including whether we have achieved board diversity) in its annual corporate governance report. Our Company also intends to promote gender diversity when recruiting staff at the mid to senior level so that our Company will have a pipeline of female senior management and potential successors to the Board. We believe that such merit-based selection process with reference to our diversity policy and the nature of our business will be in the best interests of our Company and our Shareholders as a whole.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management receive compensation in the form of salaries and other benefits, retirement benefits scheme contribution, discretionary bonus and share-based payments. Our Directors’ remuneration is determined with reference to the relevant Director’s experience and qualifications, level of responsibility, performance and the time devoted to our business, and the prevailing market conditions.

The aggregate amount of remuneration of our Directors (including director fee, salaries and other benefits, discretionary bonuses, retirement benefit scheme contributions and share-based payments) which was recorded for the years ended December 31, 2023, 2024 and 2025 were approximately RMB1.55 million, RMB1.04 million and RMB1.31 million, respectively.

The five highest paid or payable employees during the years ended December 31, 2023, 2024 and 2025 included three, two and two Directors, respectively, and the aggregate amount of remuneration (including salaries and other benefits, retirement benefits scheme contribution, discretionary bonus and share-based payments) which were paid or payable by our Company to the five highest paid employees who are neither a director nor chief executive of our Company were approximately RMB1.29 million, RMB2.33 million and RMB2.17 million, respectively.

DIRECTORS AND SENIOR MANAGEMENT

It is estimated that the remuneration and benefits in kind equivalent to approximately RMB1.50 million in aggregate will be paid and granted to our Directors by us in respect of the twelve months ending December 31, 2026 under arrangement in force at the date of this document.

During the Track Record Period, (i) no remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining our Company, (ii) no compensation was paid to, or receivable by, our Directors, past Directors, past supervisors, or the five highest paid individuals for the loss of office as director of any member of our Company or any other office in connection with the management of the affairs of any member of our Company, and (iii) there was no arrangement under which a Director has waived or agreed to waive any emoluments.

Except as disclosed above, no other payments have been paid, or are payable, by our Company to our Directors or the five highest paid individuals of our Company during the Track Record Period.

For additional information on Directors’ remuneration during the Track Record Period as well as information on the highest paid individuals, see Note 3 to the Accountants’ Report set out in Appendix I to this document.

COMPLIANCE ADVISOR

We have appointed Red Solar Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. The compliance advisor will provide us with guidance and advice as to compliance with the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, our compliance advisor will advise our Company in certain circumstances including:

- (a) before the publication of any regulatory announcement, circular, or financial report;
- (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (c) where we propose to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this document or where the business activities, development or results of our Company deviate from any forecast, estimate or other information in this document; and
- (d) where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of its [REDACTED] or any other matters in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the compliance advisor will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The compliance advisor will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the applicable requirements under the Listing Rules and laws and regulations.

The term of appointment of our compliance advisor shall commence on the [REDACTED] and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED].

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] and Conversion of [REDACTED] Shares into H Shares (without taking into account any H Shares which may be issued pursuant to the exercise of the [REDACTED]), the following persons will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of Interests ⁽²⁾	Description of Shares	As of the Latest Practicable Date ⁽¹⁾		Shares held immediately following the completion of the [REDACTED] and Conversion of [REDACTED] Shares into H Shares (assuming the [REDACTED] is not exercised) ⁽²⁾	
			Number of Shares	Approximate percentage of shareholding in the total share capital of our Company	Number of Shares ⁽³⁾	Approximate percentage of shareholding in the share capital of our Company
Mr. Li ⁽⁴⁾	Beneficial owner	Unlisted Shares	27,750,000(L)	27.71%	[REDACTED]	[REDACTED]
		H shares	/	/	[REDACTED]	[REDACTED]%
	Interest in controlled corporation ⁽⁴⁾	Unlisted Shares	11,450,840(L)	11.44%	[REDACTED]	[REDACTED]
		H shares	/	/	[REDACTED]	[REDACTED]%
Ms. Wang Juan ⁽⁵⁾	Interest of spouse	Unlisted Shares	39,200,840(L)	39.15%	[REDACTED]	[REDACTED]
		H shares	/	/	[REDACTED]	[REDACTED]%
Shanghai Xingchi ⁽⁴⁾	Beneficial owner	Unlisted Shares	8,950,840(L)	8.94%	[REDACTED]	[REDACTED]
		H shares	/	/	[REDACTED]	[REDACTED]%
Shanghai Zhizu ⁽⁴⁾	Beneficial owner	Unlisted Shares	2,500,000(L)	2.50%	[REDACTED]	[REDACTED]
		H shares	/	/	[REDACTED]	[REDACTED]%
Xuzhou Runhui	Beneficial owner	Unlisted Shares	9,301,780(L)	9.29%	[REDACTED]	[REDACTED]
		H shares	/	/	[REDACTED]	[REDACTED]%

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Nature of Interests ⁽²⁾	Description of Shares	As of the Latest Practicable Date ⁽¹⁾		Shares held immediately following the completion of the [REDACTED] and Conversion of [REDACTED] Shares into H Shares (assuming the [REDACTED] is not exercised) ⁽²⁾	
			Number of Shares	Approximate percentage of shareholding in the total share capital of our Company	Number of Shares ⁽³⁾	Approximate percentage of shareholding in the share capital of our Company
Qianjiang Motorcycle	Beneficial owner	Unlisted Shares	7,697,109(L)	7.69%	[REDACTED]	[REDACTED]
		H shares	/	/	[REDACTED]	[REDACTED]%
Mr. Du	Beneficial owner	Unlisted Shares	7,000,000(L)	6.99%	[REDACTED]	[REDACTED]
		H shares	/	/	[REDACTED]	[REDACTED]%
Ms. Zhang Ling ⁽⁶⁾	Interest of spouse	Unlisted Shares	7,000,000(L)	6.99%	[REDACTED]	[REDACTED]
		H shares	/	/	[REDACTED]	[REDACTED]%

Notes:

- (1) As of the Latest Practicable Date, the total issued share capital of our Company was 100,133,457 Unlisted Shares.
- (2) The letter “L” denotes a person’s “long position” (as defined within part XV of the SFO) in such Shares.
- (3) The calculation is based on the total number of [REDACTED] H Shares in issue immediately following the completion of the [REDACTED] and the conversion of Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised).
- (4) Mr. Li is the general partner of Shanghai Xingchi and Shanghai Zhizu. Therefore, under the SFO, Mr. Li is deemed to be interested in the 8,950,840 H Shares held by Shanghai Xingchi and 2,500,000 H Shares held by Shanghai Zhizu.
- (5) Ms. Wang Juan is the spouse of Mr. Li. Therefore, under the SFO, Ms. Wang is deemed to be interested in the same number of Shares in which Mr. Li is interested.
- (6) Ms. Zhang Ling is the spouse of Mr. Du. Therefore, under the SFO, Ms. Zhang is deemed to be interested in the same number of Shares in which Mr. Du is interested.

Save as disclosed herein, our Directors are not aware of any persons who will, immediately following completion of the [REDACTED] and Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised), have interests or short positions in Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

SHARE CAPITAL

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

IMMEDIATELY BEFORE THE [REDACTED]

As at the Latest Practicable Date, the share capital of our Company was RMB[100,133,457] comprising [100,133,457] Unlisted Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

Immediately upon completion of the [REDACTED] and Conversion of Unlisted Shares into H Shares, assuming the [REDACTED] is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total issued share capital (%)
Unlisted Shares in issue	[REDACTED]	[REDACTED]
H Shares to be converted from Unlisted Shares ⁽¹⁾	[REDACTED]	[REDACTED]
H Shares to be issued pursuant to the [REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]</u>
Total	<u>[REDACTED]</u>	<u>[REDACTED]</u>

Note:

(1) Please see “Conversion of our [REDACTED] Shares into H Shares” in this section for further details.

Immediately upon completion of the [REDACTED] and Conversion of Unlisted Shares into H Shares, assuming the [REDACTED] is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total issued share capital (%)
Unlisted Shares in issue	[REDACTED]	[REDACTED]
H Shares to be converted from Unlisted Shares ⁽¹⁾	[REDACTED]	[REDACTED]
H Shares to be issued pursuant to the [REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]</u>
Total	<u>[REDACTED]</u>	<u>[REDACTED]</u>

Note:

(1) Please see “Conversion of our Unlisted Shares into H Shares” in this section for further details.

SHARE CAPITAL

OUR SHARES

Upon completion of the [REDACTED] and conversion of [REDACTED] Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised), our Company would have [REDACTED] H Shares. All H Shares are ordinary shares in the share capital of our Company and are regarded as the same classes of Shares. Apart from certain qualified domestic institutional investors in the PRC, certain qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed by or traded among legal and natural persons of the PRC.

H Shares will rank pari passu with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars or in the form of H Shares.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

The Company has filed for application for a “full circulation” of all the [REDACTED] Unlisted Shares, and submitted the application reports, authorization documents of the shareholders of Unlisted Shares for which an H-share “full circulation” are applied, explanation about the compliance of share acquisition and other documents in accordance with the requirements of the CSRC. The relevant filings process of the conversion of [REDACTED] Unlisted Shares held by all the existing Shareholders into H Shares on a one-for-one basis have been completed on [●] and [REDACTED] has been made to the Listing Committee for such H Shares to be [REDACTED] on the Stock Exchange. Details of the relevant Shareholders and the number of Unlisted Shares to be converted into H Shares upon completion of the [REDACTED] are set out below:

Shareholder	Number of Unlisted Shares to be converted to H Shares	Upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised)		
		H Shares	Unlisted Shares	Approximate percentage to total issued Shares
Mr. Li	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Shanghai Xingchi	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Shanghai Zhizu	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Mr. Du	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Mr. Zhou	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Xuzhou Runhui	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Qianjiang				
Motorcycle	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Jiaying Huayi	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%

SHARE CAPITAL

Shareholder	Upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised)			
	Number of Unlisted Shares to be converted to H Shares	H Shares	Unlisted Shares	Approximate percentage to total issued Shares
Anqing Economic Development Zone Fund	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Wuxi Shenqi	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Anqing New Energy Jintong Phase II Fund	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Tongying Phase II Fengchao New Energy	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Shanghai Zimi	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Xuancheng Western	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Xizheng Innovation	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Guoyuan Innovation Investment	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Shanghai Yesheng	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Mr. Jia Guangqing	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Mr. Yang Jin	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Ms. Zha Hongxia	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%

TRANSFER OF SHARES ISSUED PRIOR TO [REDACTED]

Pursuant to the PRC Company Law, our Shares issued prior to the [REDACTED] shall not be transferred within 12 months from the [REDACTED].

REGISTRATION OF SHARES NOT LISTED ON THE OVERSEAS STOCK EXCHANGE

According to the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-Share Listed Companies (《H股公司境內未上市股份申請“全流通”業務指引》) announced by the CSRC, the domestic shareholders of Domestic Unlisted Shares shall handle share transfer registration business in accordance with the relevant business rules of the China Securities Depository and Clearing Corporation Limited. Further, H-share companies should submit the relevant status reports to the CSRC within 15 days after the transfer registration with the China Securities Depository and Clearing Corporation Limited of the Domestic Unlisted Shares involved in the application is completed.

SHARE CAPITAL

CIRCUMSTANCES UNDER WHICH GENERAL MEETING ARE REQUIRED

For details of circumstances under which our Shareholders’ general meeting are required, please see “Summary of Articles of Association” in Appendix III to this document.

GENERAL MANDATE TO ISSUE SHARES, SELL AND/OR TRANSFER TREASURY SHARES AND REPURCHASE MANDATE

Subject to the [REDACTED] becoming unconditional, our Directors have been granted a general mandate to issue Shares, or sell and/or transfer Shares out of treasury that are held as treasury Shares and repurchase our Shares, and sell and/or transfer H Shares out of treasury that are held by treasury shares. Please see “Statutory and General Information – Further Information about Our Group – 4. Resolutions of our Shareholders” in Appendix IV to this document for details.

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our consolidated financial information at December 31 2023, 2024 and 2025 included in the Accountants’ Report set out in Appendix I to this document, together with the accompanying notes. Our consolidated financial information has been prepared in accordance with IFRS.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. In evaluating our business, you should carefully consider the information provided in the section headed “Risk Factors” in this document.

OVERVIEW

We are a leading battery-swapping solutions provider in China, focusing on providing safe, efficient, convenient, green and smart battery-swapping solutions for LEV riders. 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 business partners, being local companies that desire to enter the LEV battery-swapping industry, 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.

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.

BASIS OF PRESENTATION

Our Historical Financial Information (as defined in Appendix I to this document) has been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards as issued by the International Accounting Standards Board. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, our Historical Financial Information include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance.

Our Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

FINANCIAL INFORMATION

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of our Group are eliminated in full on consolidation.

See note 3 to the Accountants’ Report in Appendix I to this document for details.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe that the major factors affecting our results of operations and financial condition include the following:

Industry Growth and Competitive Landscape

Our business is closely tied to the growth and development of China’s energy replenishment industry, in particular, the LEV battery-swapping industry. The increasing acceptance of battery-swapping among LEVs, significantly expanded the addressable market for battery-swapping infrastructure. According to Frost & Sullivan, the proportion of the LEV battery-swapping market size in the overall energy replenishment market increased from 4.5% in 2021 to 12.3% in 2025, and is expected to reach 26.5% in 2030. Over the same period, the number of battery-swapping cabinets grew from 0.1 million in 2021 to 0.5 million in 2025, and is expected to reach 2.4 million in 2030, at a CAGR of 26.8% from 2026 to 2030, according to the same source.

The LEV battery-swapping industry remains in a formative stage and is subject to evolving market structures, technological standards, and competitive dynamics. Our business performance is also directly influenced by the speed of adoption of battery-swapping solutions across different LEV types and use cases. Any deceleration in the growth of the LEV battery-swapping industry, intensified competition from existing market players or new entrants, or a shift in industry preferences toward fast-charging or other energy replenishment models, could adversely affect our ability to maintain growth.

Scale Our Business and Expand Overseas Market

The expansion of our customer base is a key driver of our business growth. Currently, our solutions are used primarily by B-end riders from delivery and logistics companies. According to Frost & Sullivan, the C-end market contains enormous development potential. The size of China’s C-end household charging market by expenditure reached RMB45.5 billion in 2025, according to the same source. Therefore, our ability to acquire more C-end riders is a key driver for our further growth. On one hand, we expect to acquire more C-end riders in China by building additional self-operated stations and leveraging our business partners local resources. On the other hand, we will continue to expand into more C-end rider scenarios, including residents, daily commuters, campus users and short-distance leisure travelers, among others.

In addition, we plan to strategically grow our retail business by selling more self-developed lithium batteries to further grow our business operations and diversify our revenue streams. Further, we have witnessed emerging overseas opportunities for LEV battery-swapping industry in recent years. For example, according to Frost & Sullivan, the LEV battery-swapping market in Southeast Asia is expected to increase from RMB0.5 billion in 2026 to RMB2.1 billion in 2030 at a CAGR of 42.4%. In light of that, we have been strategically expanding our international footprint starting from Southeast Asia. However, our competitors in the global market might benefit from their local advantages, and the expansion of overseas markets might cause

FINANCIAL INFORMATION

increased operating costs for, among other things, sales and marketing activities and localized services, which could also affect our financial performance and results of operations.

Our Ability to Attract Business Partners

We expect to evolve our business model by adding a scalable, service-based model on top of a self-owned, asset-heavy model. Specifically, instead of relying primarily on the operation of self-owned battery-swapping stations, which entail substantial upfront capital expenditure and high depreciation, we expect to attract more business partners to expand our revenue base by selling battery-swapping cabinets and batteries and sharing revenue with them. This transformation will allow us to unlock recurring service revenue, enhance capital efficiency and reduce fixed-cost burden, all of which are critical for improving margins and supporting future expansion. Our future results of operations will therefore increasingly depend on our ability to attract more business partners, which is ultimately influenced by our ability to continuously update and iterate our hardware products and software system to deliver quality products and smooth operations for our business partners.

Cost Control and Operational Efficiency

Our results are affected by our ability to maintain stable and cost-effective production and operational capabilities. We incurred cost of sales of RMB597.9 million, RMB535.9 million and RMB542.5 million in 2023, 2024 and 2025, respectively, accounting for 85.9%, 73.0% and 73.4% of our total revenue in the same years, respectively. Specifically, site service costs constituted the largest cost component of our cost of sales, accounting for 40.5%, 50.2% and 44.4% of our total costs of sales in 2023, 2024 and 2025, respectively. Going forward, we expect to achieve further cost optimization through more in-house production of batteries and cabinets and introduction of more qualified suppliers, which will allow us to reduce per-unit production costs.

In addition, operational efficiency also affects our profitability and future growth. We have implemented various measures to enhance our operational efficiency, including digitizing the management of our battery-swapping and after-sales network and adoption of more internal marketing efforts instead of external marketing efforts. We incurred operating expenses, comprising selling and marketing expenses, administrative expenses, and research and development expenses, of RMB165.6 million, RMB166.8 million and RMB146.3 million in 2023, 2024 and 2025, respectively, accounting for 23.8%, 22.7% and 19.8% of our total revenue in the same years, respectively.

We believe that our ability to efficiently manage our manufacturing and operations is critical to sustaining the scale of our business, driving the continued growth of our profitability and margins, and maintaining our competitiveness in our industry.

Seasonality

Our financial performance is subject to seasonal fluctuations, primarily driven by the cyclical nature of the delivery services. In China, the instant delivery industry typically experiences a peak in the summer months, leading to an increase in active riders due to the influx of summer workers, while the demand typically drops during the winter and the Chinese New Year holiday period as many delivery riders return to their hometowns, according to Frost & Sullivan. Consequently, the demand for our solutions is higher in the third quarter of the year and lower

FINANCIAL INFORMATION

in the first quarter of the year. This seasonal effect significantly heightens the demand for our battery-swapping services. If circumstances arise during these periods that impede the need for automobile services, our revenue for the year would be disproportionately adversely affected. In addition, comparisons of sales and operating results between different periods within a single fiscal year, or between the same periods in different fiscal years, may not be meaningful and should not be relied upon as indicators of our performance.

Investment in R&D and Advance in Technology

Our business growth is largely attributable to strong in-house R&D capabilities. Staying at the forefront of innovation is critical to maintaining our competitiveness and meeting evolving market demands. During the Track Record Period, we have dedicated to investing in technology development and innovation. Our research and development expenses amounted to RMB44.9 million, RMB30.2 million and RMB29.9 million in 2023, 2024 and 2025, respectively, accounting for 6.5%, 4.1% and 4.0% of our total revenue in the same years, respectively. We have built in-depth industry knowledge and technical know-how of power equipment industry throughout the years. Our investment in R&D activities yielded 86 issued patents as of the Latest Practicable Date.

Our investment in R&D enabled us to build our market leadership, expand product offerings and is expected to yield long-term results. While exploring new technological frontiers in the LEV battery-swapping industry, we also continued to optimize the performance of our existing products and services through our R&D efforts. As the market evolves and our user base expands, our ability to develop more advanced technologies and design innovative products tailored to customers’ changing requirements has been and will continue to be critical to our ability to maintain our competitive edge and excel in the market. We will continue to invest in proprietary technology development and innovation to grow our competitive strengths and to enhance our market position. Therefore, the outcome and effectiveness of our research efforts could affect our profitability and future results of operations.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our Historical Financial Information. These policies involve subjective assumptions, estimates and complex judgments. Such estimates are continuously reviewed and are based on historical experience and reasonable expectations of future events. We have not made material changes to our assumptions or estimates during the Track Record Period and do not expect significant changes under current circumstances. When reviewing our Historical Financial Information, you should consider our material accounting policies, the judgments involved and the sensitivity of reported results to changes in assumptions and conditions. Our material accounting policies and critical accounting judgments and estimates, which are important for an understanding of our financial position and results of operations, are set forth in detail in Notes 3 and 4 to the Accountants’ Report set out in Appendix I to this document.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENTS OF PROFITS OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue	695,846	734,587	738,639
Cost of sales	(597,859)	(535,892)	(542,456)
Gross profit	97,987	198,695	196,183
Other income	26,127	26,088	21,735
Other gains and losses	10,273	(5,136)	(5,353)
Selling and marketing expenses	(78,276)	(94,410)	(80,364)
Administrative expenses	(42,421)	(42,150)	(36,006)
Research and development expenses	(44,936)	(30,198)	(29,885)
Impairment losses under expected credit loss model, net of reversal	69	(124)	(827)
Finance costs	(41,750)	(44,230)	(49,748)
Share of results of joint ventures	(418)	(612)	(551)
(Loss) profit before tax	(73,345)	7,923	15,184
Income tax credit (expense)	28,733	(1,996)	(7,029)
(Loss) profit for the year	(44,612)	5,927	8,155
Total comprehensive (expense) income for the year	(44,612)	5,927	8,155

Non-IFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use EBITDA, EBITDA margin, adjusted net (loss) profit and adjusted net (loss) profit margin (all are non-IFRS measures), as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe these non-IFRS measures facilitate comparisons of operating performance from period to period by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance.

We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of EBITDA, EBITDA margin, adjusted net (loss) profit and adjusted net (loss) profit margin (all are non-IFRS measures) may not be

FINANCIAL INFORMATION

comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS. In addition, the non-IFRS measures may be defined differently from similar terms used by other companies.

We define (i) EBITDA (non-IFRS measure) as (loss) profit for the year adjusted by adding back finance costs (less bank interest income), income tax credit (expense), depreciation expenses; (ii) EBITDA margin (non-IFRS measure) as dividing EBITDA (non-IFRS measure) by revenue in the same year; (iii) adjusted net (loss) profit (non-IFRS measure) as (loss) profit for the year adjusted by adding back interest on redemption liabilities; and (iv) adjusted net (loss) profit margin (non-IFRS measure) as dividing adjusted net (loss) profit (non-IFRS measure) by revenue in the same year. The adjustments were consistently made during the Track Record Period.

The following table sets forth the reconciliations of our EBITDA, EBITDA margin, adjusted net (loss) profit and adjusted net (loss) profit margin (all are non-IFRS measures) in 2023, 2024 and 2025 presented to the most directly comparable financial measure calculated and presented in accordance with IFRS, which is our (loss) profit for the year:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Reconciliation of the (loss) profit for the year to EBITDA (non-IFRS measure)			
(Loss) profit for the year	(44,612)	5,927	8,155
Add:			
– Finance costs	41,750	44,230	49,748
– Income tax credit (expense)	(28,733)	1,996	7,029
– Depreciation of property, plant and equipment	198,762	194,219	242,883
– Depreciation of right-of-use assets	4,297	3,578	1,891
Less:			
– Bank interest income	412	3,214	1,936
EBITDA	171,052	246,736	307,770
EBITDA margin	24.6%	33.6%	41.7%

FINANCIAL INFORMATION

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Reconciliation of the (loss) profit for the year to adjusted net profit (non-IFRS measure)			
(Loss) profit for the year	(44,612)	5,927	8,155
Add:			
– Interest on redemption liabilities	3,475	22,767	26,000
Adjusted net (loss) profit	(41,137)	28,694	34,155
Adjusted net (loss) profit margin	(5.9%)	3.9%	4.6%

Revenue

During the Track Record Period, we derived all of our revenue within Chinese mainland. The following table sets forth the breakdown of our revenue by business lines in absolute amounts and as percentages of our total revenue for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	% of total	RMB'000	% of total	RMB'000	% of total
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%.

FINANCIAL INFORMATION

During the Track Record Period, battery-swapping solutions constituted our single largest revenue contributor, accounting for 99.9%, 100.0% and 99.8% of our total revenue in 2023, 2024 and 2025, respectively. In particular, almost all of revenue was generated from our self-operated battery-swapping stations during the Track Record Period, accounting for 99.6%, 99.8% and 96.9% of our total revenue in the same years, respectively.

Our revenue increased from 2023 to 2024, reflecting our continuous efforts to expand our self-operated battery-swapping business. Our revenue increased from 2024 to 2025, reflecting our strategic efforts to (i) expand our business partner network that led to more asset-light business of battery-swapping solutions through partnership and (ii) diversify our revenue streams that led to increased hardware retail sales.

The following table sets forth the number of paying users and the average revenue per paying user (“ARPU”) of our self-operated battery-swapping stations for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	<i>Number</i>	<i>ARPU</i>	<i>Number</i>	<i>ARPU</i>	<i>Number</i>	<i>ARPU</i>
	<i>of paying</i>	<i>(RMB)</i>	<i>of paying</i>	<i>(RMB)</i>	<i>of paying</i>	<i>(RMB)</i>
	<i>users</i>		<i>users</i>		<i>users</i>	
Battery-swapping solutions through self-operated stations	930,405	744.5	1,333,585	549.5	1,989,991	359.5

The number of paying users increased during the Track Record Period, reflecting our continuous efforts to expand our businesses of battery-swapping solutions through self-operated stations. The ARPU decreased during the Track Record Period, primarily as a result of (i) the intensified market competition, in line with the industry trend; and (ii) our strategic adjustment in and diversification of our service packages to attract new riders. Despite the decreasing trend in our ARPU during the Track Record Period, our ARPU maintained among the highest positions in the industry according to Frost & Sullivan.

Cost of Sales

Our cost of sales consisted primarily of (i) site service costs, comprising primarily charging fees for our cabinets and batteries and site usage fees, (ii) depreciation of our operating assets, (iii) impairment losses on batteries, and (iv) employee benefits expenses, primarily in connection with the operations of our self-owned battery-swapping stations. The following table sets forth the breakdown of our cost of sales by nature for the periods indicated.

FINANCIAL INFORMATION

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>
Site service costs	242,116	40.5	269,251	50.2	240,807	44.4
Depreciation expenses	195,131	32.6	191,293	35.7	240,118	44.3
Impairment losses	110,422	18.5	30,375	5.7	-	-
Employee benefits expenses	17,665	3.0	16,432	3.1	18,439	3.4
Others ⁽ⁱ⁾	32,525	5.4	28,541	5.3	43,092	7.9
Total	597,859	100.0%	535,892	100.0%	542,456	100.0%

Note:

- (i) Included primarily costs incurred in connection with our sales of hardwares to our business partners and maintenance costs for our stations.

During the Track Record Period, site service costs and depreciation expenses were the two largest cost components of our business. Specifically, site service costs accounted for 40.5%, 50.2% and 44.4% of our total cost of sales in 2023, 2024 and 2025, respectively, while depreciation expenses accounted for 32.6%, 35.7% and 44.3% of our total cost of sales in the same years, respectively.

Our impairment losses in 2023 and 2024 were a one-off thing and were primarily due to certain batteries we purchased from an independent third party supplier which were subsequently found to have quality issues. See ” Business – Legal Proceedings and Compliance – Legal Proceedings” for the details regarding our litigation with such supplier. The overall increasing trend of our cost of sales during the Track Record Period was commensurate with that of our revenue in the same periods.

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales. Our gross profit margin represents our gross profit divided by our revenue, expressed as a percentage. The following table sets forth the breakdown of our gross profit and gross profit margin by business lines for the periods indicated.

FINANCIAL INFORMATION

	Year ended December 31,					
	2023		2024		2025	
	<i>Gross profit</i>	<i>Gross profit margin</i>	<i>Gross profit</i>	<i>Gross profit margin</i>	<i>Gross profit</i>	<i>Gross profit margin</i>
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Battery-swapping solutions						
Battery-swapping solutions through self-operated stations	96,315	13.9	197,985	27.0	191,080	26.7
Battery-swapping solutions through business partners	<u>1,581</u>	68.4	<u>676</u>	57.5	<u>4,991</u>	23.6
Sub-total	97,896	14.1	198,661	27.1	196,071	26.6
Hardware retail sales⁽ⁱ⁾	<u>91</u>	11.2	<u>34</u>	5.5	<u>112</u>	5.5
Total	<u>97,987</u>	14.1%	<u>198,695</u>	27.0%	<u>196,183</u>	26.6%

Note:

(i) Included sales of battery-swapping related hardware, such as adapter cables and chargers.

During the Track Record Period, almost all of our overall gross profit were contributed by gross profit generated from our battery-swapping solutions business, which was most affected by the gross profit generated from our battery-swapping solutions through self-operated stations. As a result, our gross profit margin during the Track Record Period was also determined by the gross profit margin of our battery-swapping solutions through self-operated stations in the same periods.

We recorded low gross profit and gross profit margin for our overall business and battery-swapping solutions through self-operated stations in 2023, primarily due to the impairment losses on certain batteries we purchased from an independent third party supplier with quality issues.

Other Income

Our other income comprised primarily (i) interest on amount due from a supplier, (ii) rental income, net of outgoings, (iii) government grants, (iv) extra deduction of VAT, and (v) interest on amount due from an independent third party; and (vi) bank interest income. The following table sets forth the breakdown of our other income for the periods indicated.

FINANCIAL INFORMATION

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on amount due from a supplier	7,221	6,296	4,844
Rental income, net of outgoings ⁽ⁱ⁾	9,064	5,153	3,100
Government grants ⁽ⁱⁱ⁾	3,254	4,602	5,240
Extra deduction of value-added tax (“VAT”) ⁽ⁱⁱⁱ⁾	2,553	3,677	2,254
Interest on amount due from an independent third party	1,000	1,000	1,000
Bank interest income	412	3,214	1,936
Others	2,623	2,146	3,361
Total	26,127	26,088	21,735

Notes:

- (i) We leased out a portion of area within certain manufacturing plants and our electric three-wheelers. All the leases during the Track Record Period were operating leases with fixed lease payments. The outgoings arising from the rental RMB3.7 million, RMB1.3 million and RMB1.1 million in 2023, 2024 and 2025, respectively.
- (ii) We received certain government grants as incentive for investing in land-use rights and operating equipment. Our other government grants were mainly related to enterprise development support. These grants are unconditional and accounted for as immediate financial support with neither future related costs expected to be incurred nor related to any assets of us during the Track Record Period.
- (iii) According to the State Taxation Administration of the PRC, one of our subsidiaries, Zhixing Xinneng, is allowed to deduct an additional 5% of the deductible input tax from the VAT payable as an advanced manufacturing enterprise from January 1, 2023 to December 31, 2027.

Other Gains and Losses

Our other gains and losses consisted primarily of gains (losses) on disposal of property, plant and equipment in relation to the disposal of scrapped batteries. The following table sets forth the breakdown of our other gains and losses for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
	RMB '000	RMB '000	RMB '000
Gains (losses) on disposal of property, plant and equipment	8,647	(5,699)	(5,595)
Fair value changes of financial assets at FVTPL	224	158	—
Gain on early termination of lease	—	317	—
Others ⁽ⁱ⁾	1,402	88	242
Total	10,273	(5,136)	(5,353)

FINANCIAL INFORMATION

Note:

- (i) Included primarily compensation received from customers for lost batteries.

Selling and Marketing Expenses

Our selling and marketing expenses consisted primarily of (i) employee benefits expenses, comprising salaries, bonus, commission, and social insurance premiums and housing provident fund contributions for our sales force, (ii) marketing fees to service providers for the promotion of our solutions and products, (iii) outsourced customer service fees, and (iv) platform service fees to e-commerce platforms to promote our solutions and products. The following table sets forth the breakdown of our selling and marketing expenses for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Employee benefits expenses	21,760	27.8	30,978	32.8	43,693	54.4
Marketing fees	48,794	62.3	53,266	56.4	23,030	28.7
Outsourced customer service fees	1,207	1.5	2,653	2.8	6,840	8.5
E-commerce platform service fees	2,636	3.4	3,188	3.4	3,105	3.9
Others ⁽ⁱ⁾	3,879	5.0	4,325	4.6	3,696	4.5
Total	78,276	100.0	94,410	100.0	80,364	100.0

Note:

- (i) Included primarily travel and communication expenses.

Administrative Expenses

Our administrative expenses consisted primarily of (i) employee benefits expenses, comprising salaries, bonus, commission, and social insurance premiums and housing provident fund contributions for our management and administrative staff, (ii) depreciation of our leases, (iii) payment processing fees to online payment platform for handling our transactions, (iv) tax and surcharges in relation to taxes other than VAT, (v) professional service fees in relation to legal, auditing, consulting and other professional services, (vi) travel and business entertainment expenses, and (vii) office expenses. The following table sets forth a breakdown of the components of our administrative expenses for the periods indicated.

FINANCIAL INFORMATION

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Employee benefits expenses	16,769	39.5	17,129	40.6	16,229	45.1
Depreciation expenses	6,394	15.1	6,085	14.4	4,561	12.7
Payment processing fees	7,146	16.8	3,060	7.3	2,467	6.9
Tax and surcharges	1,568	3.7	3,571	8.5	2,980	8.3
Professional service fees	4,038	9.5	3,540	8.4	1,839	5.1
Travel and business entertainment expenses	2,253	5.3	2,488	5.9	3,117	8.7
Office expenses	1,993	4.7	3,010	7.1	1,355	3.8
Others ⁽ⁱ⁾	2,260	5.4	3,267	7.8	3,458	9.4
Total	42,421	100.0%	42,150	100.0%	36,006	100.0%

Note:

- (i) Included primarily insurance fees, staff training fees, labor service fees, delivery fees, and communication fees.

Research and Development Expenses

Our research and development expenses consisted primarily of (i) employee benefits expenses, comprising salaries, bonus, commission, and social insurance premiums and housing provident fund contributions for our R&D staff, and (ii) service fees for purchase of cloud services. The following table sets forth the breakdown of our research and development expenses for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Employee benefits expenses	37,846	84.2	25,122	83.2	23,460	78.5
Service fees	5,390	12.0	4,469	14.8	5,500	18.4
Others ⁽ⁱ⁾	1,700	3.8	607	2.0	925	3.1
Total	44,936	100.0	30,198	100.0	29,885	100.0

Note:

- (i) Included primarily travel expenses.

FINANCIAL INFORMATION

Impairment Losses under ECL Model, Net of Reversal

Our impairment losses under expected credit loss (“ECL”) model, net of reversal, related to the ECL of our trade and other receivables, taking into account of the aging profile and credit risk characteristics of the receivables. We use ECL rate determined by our management to measure the loss allowance of our trade and bill receivables. We recorded net impairment gains under ECL model of RMB69,000 in 2023, while net impairment losses under ECL model of RMB0.1 million and RMB0.8 million in 2024 and 2025, respectively.

Finance Costs

Our finance costs consisted primarily of (i) interest on borrowings, (ii) interest on redemption liabilities in relation to the redemption right granted to our investors, and (iii) interest on other long-term liabilities in relation to investments by local governments into our two subsidiaries. The following table sets forth the breakdown of our finance costs for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on borrowings	27,743	13,700	16,206
Interest on redemption liabilities ⁽ⁱ⁾	3,475	22,767	26,000
Interest on other long term liabilities	9,921	7,393	7,400
Interest on lease liabilities	611	370	142
Total	41,750	44,230	49,748

Note:

- (i) See note 29 to the Accountants’ Report set out in Appendix I to this document.

Share of Results of Joint Ventures

Our share of results of joint ventures represented (i) a joint venture with a local government investment platform and (ii) a joint venture with an independent third party. We recorded losses on share of results of joint ventures of RMB0.4 million, RMB0.6 million and RMB0.6 million in 2023, 2024 and 2025, respectively.

Income Tax Credit (Expense)

We are subject to income tax on an entity basis in the jurisdictions where our subsidiaries are domiciled and operate. Under the *Enterprise Income Tax Law of the PRC* (《中華人民共和國企業所得稅法》) and the respective regulations (“EIT Law”), the applicable statutory tax rate of our PRC subsidiaries is 25% unless those subject to tax exemption set out below. We and a subsidiary were qualified as High and New Technology Enterprises (“HNTE”) during the Track Record Period, and were therefore entitled to a preferential EIT rate of 15% during the same period. Such qualification is subject to review by the relevant tax authority in the PRC for every

FINANCIAL INFORMATION

three years. In addition, we and one of our subsidiaries enjoyed the super deduction allowance for qualified research and development expenses, where enterprises engaging in research and development activities are entitled to claim 200% of their research and development expenses incurred as tax-deductible expenses when determining their assessable profits.

Our income tax expense (credit) consisted of current income tax and deferred tax. The following table sets forth the breakdown of our income tax expense for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current income tax			
PRC Enterprise Income Tax	11,019	704	548
Deferred tax			
Current year	(39,752)	1,292	6,481
	<u>(28,733)</u>	<u>1,996</u>	<u>7,029</u>

During the Track Record Period and up to the Latest Practicable Date, we had paid all income tax expenses that were due and applicable to us and had no material disputes or unresolved tax issues with relevant tax authorities.

For more details, see note 10 to the Accountants’ Report in Appendix I to this document.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

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

Revenue

Our revenue increased slightly by 0.6% from RMB734.6 million in 2024 to RMB738.6 million in 2025, primarily due to an increase of RMB2.7 million in our battery-swapping solutions business.

Our revenue from battery-swapping solutions business increased from RMB734.0 million in 2024 to RMB736.6 million in 2025, primarily due to an increase of RMB20.0 million in battery-swapping solutions through business partners as a result of an increase in the number of our business partners, reflecting our strategic efforts to expand our business partner network that led to more asset-light business of battery-swapping solutions through partnership, offset by a decrease of RMB17.3 million in battery-swapping solutions through self-operated stations.

Cost of sales

Our cost of sales increased by 1.2% from RMB535.9 million in 2024 to RMB542.5 million in 2025, primarily due to (i) an increase of RMB48.8 million in depreciation expenses as a result of our deployment of more self-developed new batteries and (ii) an increase of RMB14.6 million in others as a result of the increased costs incurred by the more hardware sales, offset by (i) a decrease of RMB28.4 million in site service costs as we obtained more favorable commercial terms from site service providers and (ii) a decrease of RMB30.4 million in impairment losses

FINANCIAL INFORMATION

primarily because we recognized all the impairment in relation to the batteries with quality issues in 2023 and 2024.

Gross Profit and Gross Profit Margins

Our gross profit remained relatively stable at RMB198.7 million in 2024 and RMB196.2 million in 2025, respectively. Our gross profit margin remained relatively stable at 27.0% in 2024 and 26.6% in 2025, respectively.

Other Income

Our other income decreased by 16.7% from RMB26.1 million in 2024 to RMB21.7 million in 2025, primarily due to (i) a decrease of RMB1.5 million in interest on amount due from a supplier as a result of the partial repayment by such supplier and (ii) a decrease of RMB2.1 million in rental income, net of outgoings as a result of our repossession of certain warehouse leased to an auto parts supplier for our own use.

Other Gains and Losses

We recorded net losses in other gains and losses, which remained relatively stable at RMB5.1 million and RMB5.4 million in 2024 and 2025, respectively.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 14.9% from RMB94.4 million in 2024 to RMB80.4 million in 2025, primarily due to a decrease of RMB30.2 million in marketing fees as we engaged more internal marketing efforts instead of external marketing services, partially offset by an increase of RMB12.7 million in employee benefits expenses as we engaged more internal marketing efforts instead of external marketing efforts.

Administrative Expenses

Our administrative expenses decreased by 14.6% from RMB42.2 million in 2024 to RMB36.0 million in 2025, primarily due to (i) a decrease of RMB1.5 million in depreciation expenses as a result of our relocation to a new leased premise at a lower price, (ii) a decrease of RMB1.7 million in professional service fees as a result of fewer patent fees, and (iii) a decrease of RMB1.7 million in office expenses as a result of our relocation of office premise which incurred one-off expenses for office renovation in 2024.

Research and Development Expenses

Our research and development expenses remained relatively stable at RMB29.9 million in 2025, as compared to RMB30.2 million in 2024.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

Our net impairment losses increased from RMB0.1 million in 2024 to RMB0.8 million in 2025, primarily due to (i) increased unrecovered site service deposits and (ii) increased unrecoverable trade receivables from our business partners, which was in line with the expansion of our business partner network.

FINANCIAL INFORMATION

Finance Costs

Our finance costs increased by 12.5% from RMB44.2 million in 2024 to RMB49.7 million in 2025, primarily due to (i) an increase of RMB3.2 million in interest on redemption liabilities in connection with the redemption rights we granted to our investors and (ii) an increase of RMB2.5 million in interest on borrowings as a result of more bank borrowings.

Share of Results of Joint Ventures

We recorded losses on share of results of joint ventures of RMB0.6 million in 2024 and 2025, respectively, as a result of the loss-making positions of our joint ventures.

Income Tax Expenses

Our income tax expenses increased from RMB2.0 million in 2024 to RMB7.0 million in 2025, primarily due to our increased profit before tax.

Profit for the Year

Our profit for the year increased from RMB5.9 million in 2024 to RMB8.2 million in 2025, and our net profit margin increased from 0.8% to 1.1%. The increases in both our net profit and net profit margin were primarily due to (i) our improved operational efficiency as a result of our proactive operation optimization initiatives, such as the engagement of our internal marketing efforts instead of external marketing services and (ii) the disappeared effect of impairment losses on batteries with quality issues which had been fully recognized in 2023 and 2024.

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

Revenue

Our revenue increased by 5.6% from RMB695.8 million in 2023 to RMB734.6 million in 2024, primarily due to an increase of RMB38.9 million in our battery-swapping solutions business.

Our revenue from battery-swapping solutions business increased from RMB695.0 million in 2023 to RMB734.0 million in 2024, primarily due to an increase of RMB40.1 million in our battery-swapping solutions through self-operated stations, as a result of the increases in the number of our self-operated cabinets and paying users, reflecting our continuous efforts to expand our business, in particular the network of our self-operated stations.

Cost of Sales

Our cost of sales decreased by 10.4% from RMB597.9 million in 2023 to RMB535.9 million in 2024, primarily due to a decrease of RMB80.0 million in impairment losses in relation to batteries with quality issues, as partially offset by an increase of RMB27.1 million in site service costs, in line with the expansion of our business and revenue growth.

Gross Profit and Gross Profit Margin

Our gross profit increased by 102.8% from RMB98.0 million in 2023 to RMB198.7 million in 2024, and our gross profit margin increased from 14.1% in 2023 to 27.0% in 2024. The increases in both our gross profit and gross profit margin were primarily due to the increases in the gross profit and gross profit margin of our battery-swapping solutions business.

FINANCIAL INFORMATION

Our gross profit of battery-swapping solutions business increased from RMB97.9 million in 2023 to RMB198.7 million in 2024, and our gross profit margin of battery-swapping solutions business increased from 14.1% in 2023 to 27.1% in 2024. The increases in both our gross profit and gross profit margin of our battery-swapping solutions business were primarily as a result of the combined effects of (i) the significantly decreased impairment losses in relation to the batteries with quality issues, most of which had been recognized in 2023 and (ii) our increased revenue.

Other Income

Our other income remained relatively stable at RMB26.1 million in 2023 and 2024, respectively.

Other Gains and Losses

We recorded other gains of RMB10.3 million in 2023, primarily due to net gains of RMB8.6 million on disposal of outdated batteries, while other losses of RMB5.1 million in 2024, primarily due to net losses of RMB5.7 million on disposal of outdated batteries.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 20.6% from RMB78.3 million in 2023 to RMB94.4 million in 2024, primarily due to (i) an increase of RMB9.2 million in employee benefits expenses as a result of more performance bonuses paid to our expanded sales force and (ii) an increase of RMB4.5 million in marketing fees, both of which were generally in line with our business expansion and revenue growth.

Administrative Expenses

Our administrative expenses remained relatively stable at RMB42.2 million in 2024, as compared to RMB42.4 million in 2023.

Research and Development Expenses

Our research and development expenses decreased by 32.8% from RMB44.9 million in 2023 to RMB30.2 million in 2024, primarily due to a decrease of RMB12.7 million in employee benefits expenses as a result of the optimization of our corporate structure and human resources.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

We recorded net impairment gains of RMB69,000 in 2023 as a result of the settlement with a customer, while net impairment losses of RMB124,000 in 2024.

Finance Costs

Our finance costs increased by 5.9% from RMB41.8 million in 2023 to RMB44.2 million in 2024, primarily due to an increase of RMB19.3 million in interest on redemption liabilities as a result of additional capital injection in connection with the financing which granted the investors redemption right, partially offset by a decrease of RMB14.0 million in interest on borrowings as a result of the decrease in borrowings and the corresponding interest rates.

FINANCIAL INFORMATION

Share of Results of Joint Ventures

We recorded losses on share of results of joint ventures of RMB0.4 million in 2023 and RMB0.6 million in 2024, respectively, due to the loss-making position of our joint ventures.

Income Tax Credit (Expense)

We recorded income tax credit of RMB28.7 million in 2023, as a result of our loss-making position and the temporary differences arising from a one-off impairment losses in batteries, while income tax expense of RMB2.0 million in 2024, as a result of our increased profit before tax.

(Loss) Profit for the year

We recorded loss for the year of RMB44.6 million in 2023, while profit for the year of RMB5.9 million in 2024. This was primarily due to (i) our increased gross profit as a result of our business expansion and (ii) the decrease in impairment losses on batteries with quality issues most of which was recognized in 2023.

DISCUSSION OF CERTAIN KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment	752,065	749,050	778,098
Right-of-use assets	86,947	78,047	76,518
Interests in joint ventures	2,472	1,860	1,309
Deferred tax assets	80,809	78,040	70,863
Prepayment for acquisition of property, plant and equipment	7,137	10,207	14,846
	<u>929,430</u>	<u>917,204</u>	<u>941,634</u>
Current assets			
Inventories	6,060	7,131	10,408
Financial assets at fair value through profit or loss (“FVTPL”)	103	—	—
Trade and bill receivables	918	460	3,166
Prepayments and other receivables	238,979	189,981	160,005
Restricted bank deposits	161,742	127,138	110,661
Time deposits	—	—	30,000
Cash and cash equivalents	77,793	28,442	97,015
	<u>485,595</u>	<u>353,152</u>	<u>411,255</u>

FINANCIAL INFORMATION

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current liabilities			
Trade, bills and other payables	542,894	368,827	407,531
Tax liabilities	11,019	11,581	6,515
Contract liabilities	44,721	42,878	46,305
Borrowings	276,568	211,783	245,131
Lease liabilities	3,445	596	1,301
Deferred income	3,913	2,898	1,478
Redemption liabilities	173,475	351,242	377,242
Other long-term liabilities due within one year	196,726	146,797	27,087
	<u>1,252,761</u>	<u>1,136,602</u>	<u>1,112,590</u>
Net current liabilities	<u>(767,166)</u>	<u>(783,450)</u>	<u>(701,335)</u>
Total assets less current liabilities	<u>162,264</u>	<u>133,754</u>	<u>240,299</u>
Non-current liabilities			
Deferred tax liabilities	2,173	696	–
Borrowings	187,438	156,605	130,486
Lease liabilities	7,492	1,783	1,356
Deferred income	56,368	53,470	51,992
Other long-term liabilities	–	–	127,110
	<u>253,471</u>	<u>212,554</u>	<u>310,944</u>
Net Liabilities	<u>(91,207)</u>	<u>(78,800)</u>	<u>(70,645)</u>
Capital and Reserves			
Paid-in capital	79,481	99,831	99,831
Reserves	<u>(173,932)</u>	<u>(178,631)</u>	<u>(170,476)</u>
Equity attributable to Owners of the Company	(94,451)	(78,800)	(70,645)
Non-controlling interests	<u>3,244</u>	<u>–</u>	<u>–</u>
Total deficit	<u>(91,207)</u>	<u>(78,800)</u>	<u>(70,645)</u>

FINANCIAL INFORMATION

Property, Plant and Equipment

Our property, plant and equipment consisted of (i) operating equipment; (ii) buildings and plants; (iii) machinery; (iv) leasehold improvement and others, and (v) construction in progress.

Our property, plant and equipment remained relatively stable at RMB749.1 million as of December 31, 2024, as compared to RMB752.1 million as of December 31, 2023. Our property, plant and equipment increased to RMB778.1 million as of December 31, 2025, primarily due to our increased construction in progress as a result of the establishment of more self-operated stations.

Right-of-use Assets

Our right-of-use assets represented leased land for our production facilities and leased properties for our office premises. The following table sets forth the carrying amount of our right-of-use assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Right-of-use assets:			
Leasehold lands	77,297	75,663	74,028
Leased properties	9,650	2,384	2,490
	<u>86,947</u>	<u>78,047</u>	<u>76,518</u>

Our right-of-use assets decreased from RMB86.9 million as of December 31, 2023 to RMB78.0 million as of December 31, 2024, primarily due to a decrease of RMB7.3 million in leased properties as a result of the relocation to our new leased office premise at a lower-price. Our right-of-use assets remained relatively stable at RMB76.5 million as of December 31, 2025.

Deferred Tax Assets

Our deferred tax assets arose primarily from unrealized profits from intercompany transactions, impairment losses on assets, and loss carryover. See note 25 to the Accountants' Report included in Appendix I to this document for details regarding the components of our deferred tax assets. Our deferred tax assets remained relatively stable at RMB78.0 million as of December 31, 2024, as compared to RMB80.8 million as of December 31, 2023. Our deferred tax assets decreased to RMB70.9 million as of December 31, 2025, primarily due to an one-off tax liability recognized in relation to asset purchases.

FINANCIAL INFORMATION

Inventories

Our inventories consisted of spare parts used for the repair and maintenance of our battery-swapping cabinets. The following table sets forth the carrying value of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Spare parts	6,060	7,131	10,408

The carrying value of our inventories increased from RMB6.1 million as of December 31, 2023 to RMB7.1 million as of December 31, 2024, and further to RMB10.4 million as of December 31, 2025, in line with the increases in the number of our cabinets and batteries.

The following table sets forth the aging analysis of our inventory as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within in one year	4,489	5,410	8,979
Over one year	1,571	1,721	1,429

Due to the nature of our business model – provision of battery-swapping solutions – we maintained a low level of inventories during the Track Record Period. We have implemented a strict inventory management system at our headquarters level to monitor the procurement, storage and distribution of inventories. We typically conduct monthly reviews on inventories to check the raw materials, goods and packaging materials on hand against the records in operating systems. We periodically assess the impairment on our inventories. In particular, we review our inventories as of the end of each accounting period and record impairment losses on inventories if we estimate the relevant inventories could not be utilized before the end of their validity period.

The following table sets forth the number of our inventory turnover days for the years indicated.

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Inventory turnover days ⁽ⁱ⁾	N/A	4.5	5.9

Note:

- (i) Inventory turnover days were calculated based on the average of opening and closing inventory balance divided by cost of sales for the relevant year, and multiplied by the number of days in the relevant year, being 365 days for the years ended December 31, 2023, 2024 and 2025.

FINANCIAL INFORMATION

Our inventory turnover days increased from 4.5 days in 2024 to 5.9 days in 2025, in line with the increased balances of our inventories as of December 31, 2025.

As of March 31, 2026, approximately RMB3.7 million, or 35.5% of our inventories as of December 31, 2025, had been subsequently consumed or sold.

Trade and Bill Receivables

Our trade and bill receivables represented primarily receivables due from our business partners for the purchase of our battery-swapping hardware. The following table sets forth our trade and bill receivables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	1,883	1,704	4,929
Bills receivables	300	145	22
	<u>2,183</u>	<u>1,849</u>	<u>4,951</u>
Less: Allowance for credit losses	<u>(1,265)</u>	<u>(1,389)</u>	<u>(1,785)</u>
Total trade and bill receivables	<u>918</u>	<u>460</u>	<u>3,166</u>

Due to the nature of our business model, riders and other customers typically prepay for our solutions. As a result, we maintain a low level of trade and bill receivables, with RMB0.9 million as of December 31, 2023, RMB0.5 million as of December 31, 2024, and RMB3.2 million as of December 31, 2025.

We recorded allowance for credit losses of RMB1.3 million, RMB1.4 million and RMB1.8 million as of December 31, 2023, 2024 and 2025, respectively, primarily as a result of the delayed payment from independent third parties. We applied the simplified approach in IFRS 9 to measure the impairment loss allowance at lifetime ECL. We determined the ECL on these items on an individual basis for customers which are credit-impaired and the remaining is estimated collectively by using a provision matrix, estimated based on debtors' aging because these customers consist of a large number of customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

The bills receivables are determined to have low credit risk at the end of each reporting period. The credit risk on bills receivables is limited because the counterparties are reputable financial institutions, the risk of inability to pay or redeem at the due date is low.

FINANCIAL INFORMATION

Our trade receivables are typically settled within 60 days since their due dates. For trade receivables with aging exceeding 365 days, we have recognized a full provision for expected credit losses. The following table sets forth the aging analysis of our trade receivables net of allowance for expected credited losses, based on the date of revenue recognition, as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
0–60 days	543	262	2,313
61–120 days	14	15	236
121–180 days	61	38	124
181–365 days	—	—	471
	<u>618</u>	<u>315</u>	<u>3,144</u>

We typically require prepayment from our customers. To a less extent, for business partner purchasing a large amount of products, we may grant credit terms of up to six months. The following table sets forth the number of our trade and bill receivables turnover days for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
Trade and bill receivables turnover days ⁽ⁱ⁾	N/A	0.3	0.9

Note:

- (i) Trade and bill receivables turnover days were calculated based on the average of opening and closing balance of trade and bill receivables divided by revenue for the relevant period, and multiplied by the number of days in the relevant period, being 365 days for the years ended December 31, 2023, 2024 and 2025.

Our trade and bill receivables turnover days were 0.3 days in 2024 and 0.9 days in 2025, respectively.

As of the March 31, 2026, approximately RMB3.0 million, or 60.6% of our trade and bill receivables as of December 31, 2025 had been subsequently settled.

FINANCIAL INFORMATION

Prepayments and Other Receivables

Our prepayments and other receivables comprised primarily of (i) prepayments to suppliers in relation primarily to the purchases of electricity, (ii) deductible VAT, (iii) deposits in relation to site services, (iv) amount due from shareholders; (v) amount due from a supplier; and (vi) amount due from an independent third party. The following table sets forth the balances of our prepayments and other receivables as of the dates indicated:

	As of December, 31		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments to suppliers	20,022	18,275	16,791
Deductible VAT	46,293	15,049	9,228
Deposits	3,524	3,557	3,037
Amount due from shareholders ⁽ⁱ⁾	27,270	27,272	27,272
Amount due from a supplier ⁽ⁱⁱ⁾	120,799	101,086	83,307
Amount due from an independent third party ⁽ⁱⁱⁱ⁾	20,000	20,000	20,000
Others ^(iv)	1,071	4,742	801
Less: Allowance for credit losses	—	—	(431)
Total prepayments and other receivables	238,979	189,981	160,005

Notes:

- (i) Such balance was settled in full in March 2026. For details, see note 21 to the Accountants' Report set out in Appendix I to this document.
- (ii) See note 21 to the Accountants' Report set out in Appendix I to this document.
- (iii) Such balance was settled in full in April 2026. For details, see note 21 to the Accountants' Report set out in Appendix I to this document.
- (iv) Included primarily petty cash, social security withholding receivables, and receivables in relation to disposal of batteries.

Our prepayments and other receivables decreased from RMB239.0 million as of December 31, 2023 to RMB190.0 million as of December 31, 2024, primarily due to (i) a decrease of RMB31.2 million in deductible VAT arising from our purchase of a amount of cabinets and batteries in 2023 and (ii) a decrease of RMB19.7 million in receivables as a result of repayment from a supplier. Our prepayments and other receivables further decreased to RMB160.0 million as of December 31, 2025, primarily due to (i) a decrease of RMB17.8 million in receivables as a result of repayment from a supplier and (ii) a decrease of RMB5.8 million in deductible VAT.

Our other receivables represent (i) amount due from shareholders, (ii) deposits, (iii) amount due from a supplier, (iv) amount due from an independent third party, (v) amount due from subsidiaries and others. Taking into account counterparties' historical settlements records and credit quality, we consider that our other receivables are expected to be recoverable and the ECL on other receivables are insignificant, except for the loss of certain deposits with gross carrying amounts of RMB0.4 million as of December 31, 2025.

FINANCIAL INFORMATION

As of March 31, 2026, approximately RMB35.0 million, or 21.8% of our prepayments and other receivables as of December 31, 2025, had been settled.

Restricted Bank Deposits, Time Deposits and Cash and Cash Equivalent

The following table sets out the balance of our restricted bank deposits, time deposits, and cash and cash equivalents as of the dates indicated:

	As of December 31,		
	2023	2024	2025
Restricted bank deposits ⁽ⁱ⁾	161,742	127,138	110,661
Time deposits	–	–	30,000
Cash and cash in bank	77,793	28,442	97,015
Total	239,535	155,580	237,676

Note:

(i) Represented deposits pledged to banks to secure the issuance of bill payables.

Our restricted bank deposits, time deposits, and cash and cash equivalents decreased from RMB239.5 million as of December 31, 2023 to RMB155.6 million as of December 31, 2024, primarily due to the settlement of our purchases of operational assets, such as cabinets and batteries, in 2024. Our restricted bank deposits, time deposits, and cash and cash equivalents increased to RMB237.7 million as of December 31, 2025, primarily due to (i) our improved operating cash inflow as a result of our improved profitability and (ii) our less capital expenditure in 2025.

For details regarding our restricted bank deposits, time deposits, and cash and cash equivalents, see note 22 to the Accountants’ Report included in Appendix I to this document.

Trade, Bills and Other Payables

Our trade, bills and other payables consisted of (i) trade payables representing amounts due to suppliers for site services, (ii) bills payables for acquisition of property, plant and equipment in relation to the purchase of our batteries, battery cells, and cabinets, (iii) payables for acquisition of property, plant and equipment primarily in relation to the purchase of battery cells and construction of production lines, (iv) accrued payroll and welfare in relation to employee compensation payables, (v) other tax payable in relation to VAT, and (vi) deposits received from customers for securing our batteries. The following table set forth our trade, bills and other payables as of the dates indicated.

FINANCIAL INFORMATION

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	25,494	30,276	29,684
Bills payables	161,381	117,767	139,370
Sub-total	186,875	148,043	169,054
Payables for acquisition of property, plant and equipment	307,082	185,704	183,930
Payroll and welfare payables	6,392	6,004	8,606
Other tax payable	9,204	4,578	18,145
Amount due to a related party ⁽ⁱ⁾	9,800	—	—
Deposits	19,850	18,354	22,928
Others ⁽ⁱⁱ⁾	3,691	6,144	4,868
Total trade, bills and other payables	542,894	368,827	407,531

Note:

- (i) Such balance was settled in September 2024. For details, see note 23 to the Accountants' Report set out in Appendix I to this document.
- (ii) Related primarily to payables for selling and marketing expenses and administrative expenses.

Our trade, bills and other payables decreased from RMB542.9 million as of December 31, 2023 to RMB368.8 million as of December 31, 2024, primarily due to (i) a decrease of RMB43.6 million in bills payables as a result of our purchase of operational assets, such as cabinets and batteries, (ii) a decrease of RMB121.4 million in payables for acquisition of property, plant and equipment, as a result of our in-house production of cabinets and batteries instead of purchases, and (iii) a decrease of RMB9.8 million in amount due to a related party as a result of full settlement. Our trade, bills and other payables increased to RMB407.5 million as of December 31, 2025, primarily due to (i) an increase of RMB21.6 million in bills payables because we used more bills in settlement with suppliers, and (ii) an increase of RMB13.6 million in other tax payable primarily because we used most of the deductible input VAT in 2024.

Our suppliers typically grant a credit period ranging from 0 to 90 days to us. The following table sets forth an aging analysis of our trade payables, based on the invoice date, as of the dates indicated.

FINANCIAL INFORMATION

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
0–60 days	23,682	28,871	29,670
61–120 days	24	14	–
121–180 days	–	8	4
181–365 days	1,782	1,383	4
Over 365 days	6	–	6
	<u>25,494</u>	<u>30,276</u>	<u>29,684</u>
Total	25,494	30,276	29,684

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

	Year ended December 31,		
	2023	2024	2025
Trade payables turnover days ⁽ⁱ⁾	N/A	19.0	20.2

Note:

- (i) Trade payables days were calculated based on the average of opening and closing trade payables balance divided by cost of sales for the relevant period, and multiplied by the number of days in the relevant period, being 365 days for the years ended December 31, 2023, 2024 and 2025.

Our trade payables turnover days remained relatively stable at 19.0 days in 2024 and 20.2 days in 2025, respectively.

As of March 31, 2026, approximately RMB278.7 million, or 68.4% of our trade, bills and other payables as of December 31, 2025, had been subsequently settled.

Our Directors confirm that we had no material defaults in our trade, bills and other payables during the Track Record Period and up to the Latest Practicable Date.

Contract liabilities

Our contract liabilities represented prepayment by our customers for our solutions that have not been provided. Our contract liabilities remained relatively stable at RMB44.7 million, RMB42.9 million and RMB46.3 million as of December 31, 2023, 2024 and 2025, respectively.

Redemption Liabilities

Our redemption liabilities related to the redemption right granted to our investors increased from RMB173.5 million as of December 31, 2023 to RMB351.2 million as of December 31, 2024, and further to RMB377.2 million as of December 31, 2025, in line with the payment timeline of the capital injection in 2023 and/or 2024. The redemption liabilities will be waived prior to the [REDACTED], and all accumulated interest expenses will be reclassified to equity. For more details, see note 29 to the Accountants’ Report set out in Appendix I to this document.

FINANCIAL INFORMATION

NET CURRENT LIABILITIES

	As of December 31,			As of
	2023	2024	2025	March 31,
	RMB'000	RMB'000	RMB'000	2026
Current assets				
Inventories	6,060	7,131	10,408	14,511
Financial assets at FVTPL	103	–	–	–
Trade and bill receivables	918	460	3,166	18,647
Prepayments and other receivables	238,979	189,981	160,005	154,240
Restricted bank deposits	161,742	127,138	110,661	97,037
Time deposits	–	–	30,000	–
Cash and cash equivalents	77,793	28,442	97,015	75,060
Total current assets	485,595	353,152	411,255	359,495
Current liabilities				
Trade, bills and other payables	542,894	368,827	407,531	402,614
Tax liabilities	11,019	11,581	6,515	6,413
Contract liabilities	44,721	42,878	46,305	42,355
Borrowings	276,568	211,783	245,131	248,020
Lease liabilities	3,445	596	1,301	1,662
Deferred income	3,913	2,898	1,478	1,478
Redemption liabilities	173,475	351,242	377,242	383,742
Other long-term liabilities due within one year	196,726	146,797	27,087	–
Total current liabilities	1,252,761	1,136,602	1,112,590	1,086,284
Net current liabilities	(767,166)	(783,450)	(701,335)	(726,789)

We recorded net current liabilities of RMB726.8 million as of March 31, 2026, consisting of total current liabilities of RMB1086.3 million and total current assets of RMB359.5 million, representing a decrease of RMB25.5 million from our net current liabilities of RMB701.3 million as of December 31, 2025, primarily due to a decrease of RMB65.6 million in restricted bank deposits, time deposits and cash and cash equivalent as a result of the purchases of battery cells and other materials for the manufacturing of batteries and cabinets, partially offset by (i) a decrease of RMB27.1 million in other long-term liabilities due within one year and (ii) an increase of RMB15.5 million in trade and bill receivables.

FINANCIAL INFORMATION

We recorded net current liabilities of RMB701.3 million as of December 31, 2025, consisting of total current liabilities of RMB1,112.6 million and total current assets of RMB411.3 million, representing a further increase of RMB82.1 million from our net current liabilities of RMB783.5 million as of December 31, 2024, primarily due to (i) an increase of RMB82.1 million in restricted bank deposits, time deposits and cash and cash equivalents; and (ii) a decrease of RMB119.7 million in other long-term liabilities due within one year. This was partially offset by (i) an increase of RMB38.7 million in trade, bills and other payables; (ii) a decrease of RMB30.0 million in prepayments and other receivables; (iii) an increase of RMB26.0 million in redemption liabilities; and (iv) an increase of RMB33.3 million in borrowings.

We recorded net current liabilities of RMB783.5 million as of December 31, 2024, consisting of total current liabilities of RMB1,136.6 million and total current assets of RMB353.2 million, representing a further decrease of RMB16.3 million from our net current liabilities of RMB767.2 million as of December 31, 2023, primarily due to (i) a decrease of RMB49.0 million in prepayments and other receivables; (ii) an increase of RMB177.8 million in redemption liabilities; (iii) a decrease of RMB84.0 million in restricted bank deposits, time deposits and cash and cash equivalents; and (iv) a decrease of RMB0.5 million in trade and bill receivables. This was partially offset by (i) a decrease of RMB174.1 million of trade, bills and other payables; (ii) a decrease of RMB64.8 million in borrowings; and (iii) a decrease of RMB49.9 million in other long-term liabilities due within one year; and (iv) a decrease of RMB1.8 million in contract liabilities.

We recorded net current liabilities of RMB767.2 million as of December 31, 2023, consisting of total current liabilities of RMB1,252.8 million and total current assets of RMB485.6 million.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital Sufficiency

During the Track Record Period, we met our working capital requirements primarily from cash generated from operating activities, bank borrowings, as well as capital contributions from our shareholders.

Taking into account our available financial resources, including our expected cash flows from operating activities and the estimated net [REDACTED] from the [REDACTED], our Directors are of the view that we have sufficient working capital to satisfy our present operational needs as well as our anticipated capital requirements for the next 12 months from the date of this document.

FINANCIAL INFORMATION

Cash Flows

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

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net cash flows from operating activities	273,208	302,996	323,609
Net cash flows used in investing activities	(437,534)	(333,907)	(245,019)
Net cash from (used in) financing activities	186,725	(18,440)	(10,017)
Net increase (decrease) in cash and cash equivalents	22,399	(49,351)	68,573
Cash and cash equivalents at January 1	55,394	77,793	28,442
Total cash and cash equivalents at December 31	77,793	28,442	97,015

Operating Activities

Cash flows from our operating activities are derived from loss/profit before tax, adjusted for non-cash or non-operating related items, including primarily finance costs, interest income, gains/losses on disposal of property, plant and equipment, and depreciation of property, plant and equipment.

Our net cash inflow from operating activities was RMB323.6 million in 2025. This net cash inflow was primarily due to (i) profit before tax of RMB15.2 million, as adjusted to reflect non-cash or non-operating items, primarily comprising finance costs of RMB49.7 million, depreciation of property, plant and equipment of RMB242.9 million, losses on disposal of property, plant and equipment of RMB5.6 million, and interest income of RMB7.8 million, (ii) an increase of RMB18.9 million in trade, bills and other payables, and (iii) a decrease of RMB7.3 million in prepayments and other receivables, partially offset by (i) an increase of RMB3.3 million in inventories and (ii) a decrease of RMB2.9 million in deferred income and (iii) income taxes paid of RMB5.6 million. For the reasons regarding the fluctuations in the balances of the relevant balance sheet items, see “– Discussion of Certain Key Items of Consolidated Statements of Financial Position.”

Our net cash inflow from operating activities was RMB303.0 million in 2024. This net cash inflow was primarily due to (i) profit before tax of RMB7.9 million, as adjusted to reflect non-cash or non-operating items, primarily comprising finance costs of RMB44.2 million, depreciation of property, plant and equipment of RMB194.2 million, impairment loss on property, plant and equipment of RMB30.4 million, interest income of RMB10.5 million, and losses on disposal of property, plant and equipment of RMB5.7 million, (ii) a decrease of

FINANCIAL INFORMATION

RMB33.1 million in prepayments and other receivables, as partially offset by (i) a decrease of RMB0.3 million in trade and bills receivables, (ii) a decrease of RMB3.9 million in deferred income. For the reasons regarding the fluctuations in the balances of the relevant balance sheet items, see “– Discussion of Certain Key Items of Consolidated Statements of Financial Position.”

Our net cash inflow from operating activities was RMB273.2 million in 2023. This net cash inflow was primarily due to (i) loss before tax of RMB73.3 million, as adjusted to reflect non-cash or non-operating items, primarily comprising finance costs of RMB41.8 million, depreciation of property, plant and equipment of RMB198.8 million, impairment loss on property, plant and equipment of RMB110.4 million, gains on disposal of property, plant and equipment of RMB8.6 million, and interest income of RMB8.6 million, (ii) an increase of RMB28.1 million in trade, bills and other payables, (iii) a decrease of RMB16.9 million in trade and bills receivables, and (iv) an increase of RMB16.4 million in contract liabilities, partially offset by (i) an increase of RMB51.3 million in prepayments and other receivables and (ii) a decrease of RMB3.1 million in deferred income. For the reasons regarding the fluctuations in the balances of the relevant balance sheet items, see “– Discussion of Certain Key Items of Consolidated Statements of Financial Position.”

Investing Activities

Our net cash used in investing activities primarily reflected our capital expenditures for the purchase and disposal of property, plant and equipment, purchase and disposal of financial assets at FVTPL, and deposit and withdrawal of restricted bank deposits and time deposits.

Our net cash outflow used in investing activities was RMB245.0 million in 2025, primarily due to (i) purchases of property, plant and equipment of RMB261.9 million; (ii) placement of restricted bank deposits and time deposits of RMB228.7 million, as partially offset by (i) withdrawal of restricted bank deposits and time deposits of RMB215.2 million and (ii) receipt of repayment from a supplier of RMB17.8 million.

Our net cash outflow used in investing activities was RMB333.9 million in 2024 primarily due to (i) purchases of property, plant and equipment of RMB399.6 million; (ii) placement of restricted bank deposits and time deposits of RMB476.2 million, and (iii) purchase of financial assets at FVTPL of RMB16.0 million, as partially offset by (i) withdrawal of restricted bank deposits and time deposits of RMB510.8 million, (ii) receipt of repayment from a supplier of RMB19.7 million, (iii) proceeds from disposal of financial assets at FVTPL of RMB16.3 million, and (iv) interest received of RMB10.5 million.

Our net cash outflow used in investing activities was RMB437.5 million in 2023 primarily due to (i) purchases of property, plant and equipment of RMB322.7 million; (ii) placement of restricted bank deposits and time deposits of RMB164.8 million, and (iii) purchase of financial assets at FVTPL of RMB58.0 million, as partially offset by (i) withdrawal of restricted bank deposits and time deposits of RMB11.1 million, (ii) proceeds from disposal of property, plant and equipment of RMB10.1 million, (iii) receipt of repayment from a supplier of RMB8.9 million, (iv) proceeds from disposal of financial assets at FVTPL of RMB62.1 million, and (v) interest received of RMB8.6 million.

FINANCIAL INFORMATION

Financing Activities

Our financing activities primarily related to capital contribution, new borrowings, acquisition of equity interest, repayments of other long-term liabilities, and interest paid.

Our net cash outflow used in financing activities was RMB10.0 million in 2025 primarily due to (i) repayment of borrowings of RMB229.1 million, (ii) interest paid of RMB15.6 million, as partially offset by new borrowings of RMB235.7 million.

Our net cash outflow used in financing activities was RMB18.4 million in 2024 primarily due to (i) repayments of borrowings of RMB272.9 million, (ii) repayments of other long-term liabilities of RMB57.3 million, (iii) repayments to a related party of RMB14.7 million, and (iv) acquisition of partial interest of a subsidiary of RMB4.9 million, as partially offset by (i) capital contributions of RMB166.4 million and (ii) new borrowings of RMB171.3 million.

Our net cash inflow from financing activities was RMB186.7 million in 2023, primarily due to (i) capital contributions of RMB170.0 million and (ii) new borrowings of RMB259.8 million, as partially offset by (i) repayments of borrowings of RMB212.7 million and interest paid of RMB31.4 million.

INDEBTEDNESS

During the Track Record Period, our indebtedness consisted of borrowings, redemption liabilities, other long-term liabilities, and lease liabilities. The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	Year ended December 31,			As of
	2023	2024	2025	March 31,
	RMB'000	RMB'000	RMB'000	2026
				RMB'000
Current				
Lease liabilities	3,445	596	1,301	1,662
Borrowings	276,568	211,783	245,131	248,020
Amounts due to a related party	9,800	–	–	–
Redemption liabilities	173,475	351,242	377,242	383,742
Other long-term liabilities due within one year	196,726	146,797	27,087	–
	660,014	710,418	650,761	633,424
Non-current				
Lease liabilities	7,492	1,783	1,356	1,214
Borrowings	187,438	156,605	130,486	154,008
Other long-term liabilities	–	–	127,110	128,342
	194,930	158,388	258,952	283,564
Total	854,944	868,806	909,713	916,988

FINANCIAL INFORMATION

Our bank and other loans during the Track Record Period were denominated in RMB and were used to finance our capital expenditure and working capital requirements. The bank and other loans bear interests at both fixed-rate and variable-rate. Depending on the term of the bank loans, in 2023 and 2024 and 2025, the effective interest rates of our bank and other loans ranged from 2.45% to 6.00% per annum. As of December 31, 2023, 2024 and 2025, our bank and other loans of RMB184.6 million, RMB162.8 million and RMB252.4 million were guaranteed by our related parties, which will be released prior to the [REDACTED].

The following table sets forth the maturity profile of our borrowings as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within one year	276,568	211,783	245,131
Within a period of more than one year but not exceeding two years	59,863	51,355	57,086
Within a period of more than two years but not exceeding five years	103,095	103,330	73,400
Within a period of more than five years	24,480	1,920	—
Total	464,006	368,388	375,617

Our bank loan agreements contain standard terms, conditions and covenants customary for commercial bank loans in the PRC. As of the Latest Practicable Date, there were no material restrictive covenants in our indebtedness that would significantly limit our ability to incur additional indebtedness or conduct equity financing. Our Directors confirm that there has been no material change in our indebtedness position since December 31, 2025, being the latest practicable date for the purpose of the indebtedness statement, and up to the date of this document. As of the Latest Practicable Date, except for bank and other loans, we did not have plans for other material external debt financing.

As of March 31, 2026, we had unutilized credit facilities of RMB60.0 million. While we currently do not anticipate any material disruption to the availability of bank financing to support our operations and future development, we cannot assure you that we will continue to obtain such financing on commercially reasonable terms, or at all.

During the Track Record Period and as of the Latest Practicable Date, we had not experienced any difficulty in obtaining bank loans and other borrowings. We had no default in repayment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

FINANCIAL INFORMATION

CAPITAL EXPENDITURES

Our capital expenditures during the Track Record Period primarily consisted of expenditures on property, plant and equipment. We had capital expenditures of RMB322.7 million, RMB399.6 million and RMB261.9 million in 2023, 2024 and 2025, respectively.

We expect to incur additional capital expenditure in terms of property, plant and equipment and right-of-use assets. See “Future Plans and [REDACTED].” We intend to fund our planned capital expenditures through a combination of the [REDACTED] from the [REDACTED] as well as cash generated from operating activities. In addition, we may incur additional capital expenditures from time to time as we pursue new opportunities to expand our business in the future.

CONTINGENT LIABILITIES

As of December 31, 2025, we did not have any unrecorded significant contingent liabilities, guarantees or any litigation against us. As of the Latest Practicable Date, we did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of our Group that is likely to have a material and adverse effect on our business, financial condition or results of operations.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. For details regarding the related party transactions during the Track Record Period and their corresponding balances as of the end day of each of the Track Record Period, see note 37 to the Accountants’ Report in Appendix I to this document.

Our Directors are of the view that each of the related party transactions was conducted on an arm’s length basis and would not distort our track record results or cause our historical results to become non-reflective of our future performance.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

The following table sets forth certain of our key financial ratios for the periods indicated:

KEY FINANCIAL RATIOS

	Year ended December 31,		
	2023	2024	2025
		%	
Gross profit margin ⁽ⁱ⁾	14.1	27.0	26.6
Net profit margin ⁽ⁱⁱ⁾	(6.4)	0.8	1.1
Operating cash flow-to-revenue ⁽ⁱⁱⁱ⁾	39.3	41.2	43.8
EBITDA margin ^(iv)	24.6	33.6	41.7

FINANCIAL INFORMATION

Notes:

- (i) Gross profit margin is calculated based on gross profit divided by revenue and multiplied by 100%.
- (ii) Net profit margin is calculated based on profit for the period divided by revenue and multiplied by 100%.
- (iii) Operating cash flow-to-revenue ratio is calculated as dividing net cash flow from operating activities in a given year by revenue in the corresponding year.
- (iv) EBITDA margin is calculated as dividing EBITDA by revenue and multiplied by 100%.

FINANCIAL RISKS

Our activities expose us to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. Our overall risk management seeks a balance between risk and return, minimizes the adverse impact of risk on our financial performance and maximize the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of our risk management is to identify and analyze the various risks faced by us, establish appropriate risk tolerance thresholds and timely and reliably supervise various risks to control them within a limited range. For further details, see note 34 to the Accountants’ Report in Appendix I to this document.

Credit Risk

We primarily engage in transactions with recognized and creditworthy third parties, including customers, suppliers and financial institutions. It is our policy that all customers seeking credit terms undergo internal credit verification procedures, and trade receivable balances are monitored on an ongoing basis. Our credit risk exposures are mainly attributable to trade and bills receivables, other receivables, restricted bank deposits, time deposits, cash and cash equivalents.

As of December 31, 2023, 2024 and 2025, our trade and bill receivables amounted to RMB0.9 million, RMB0.5 million and RMB3.2 million, respectively, with no significant concentration of credit risk from a single counterparty. For further details, see note 34 to the Accountants’ Report in Appendix I to this document.

Liquidity Risk

We monitor and maintain an adequate level of cash and cash equivalents, together with available bank credit facilities, to finance our daily operations and mitigate the impact of cash flow fluctuations. Our objective is to balance funding continuity and flexibility through the use of bank borrowings, lease liabilities and other financing instruments.

Our cash and cash equivalents were RMB77.8 million, RMB28.4 million and RMB97.0 million as of December 31, 2023, 2024 and 2025, respectively. We manage liquidity risk through monthly cash flow budgeting and rolling forecasts to ensure sufficient funds to meet short-term obligations. For further details, see note 34 to the Accountants’ Report in Appendix I to this document.

Interest Rate Risk

We are exposed to fair value interest rate risk in relation to restricted bank deposits, time deposits, fixed-rate borrowings, lease liabilities, redemption liabilities and other long-term liabilities. We are also exposed to cash flow interest rate risk in relation to cash and cash

FINANCIAL INFORMATION

equivalents and variable-rate borrowings. Our cash flow interest rate risk is mainly concentrated on the fluctuation of the market rates from the cash and cash equivalents and borrowings. We manage our interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of borrowings in fixed rates and ensure they are within reasonable range.

If interest rate had been 50 basis points higher/lower and all other variables were held constant, our post-tax loss for the year ended December 31, 2023 would decrease/increase RMB1.2 million, and our post-tax profit for the year ended December 31, 2024 and 2025 would decrease/increase RMB1.1 million and RMB0.9 million. This is mainly attributable to our exposure to interest rates on its variable-rate bank borrowings. We currently have no formal interest rate hedging policies. Our management monitors our exposures on an on-going basis and will consider hedging interest rate risk should the need arises. For further details, see note 34 to the Accountants’ Report in Appendix I to this document.

Capital management

The primary objectives of our capital management are to safeguard our ability to continue as a going concern and to maintain a sound capital structure to support business development and maximize shareholders’ value. We manage our capital structure (comprising equity and net debt) and make adjustments based on changes in economic conditions, business needs and financing environment. To maintain or adjust the capital structure, we may secure bank borrowings, optimize debt maturity profiles, or raise equity financing through equity issuance. We do not have a predefined target debt ratio and prioritize capital allocation to core business expansion, research and development, and working capital supplementation. For further details, see note 33 to the Accountants’ Report in Appendix I to this document.

DIVIDENDS

We are incorporated under the laws of the PRC. Any dividends we pay will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restriction and other factors which our Directors consider relevant. Our shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. We do not currently have a formal dividend policy or a predetermined payout ratio.

Under the applicable PRC laws and regulations, a PRC incorporated company is required to set aside at least 10% of its after-tax profits each year, after making up previous years’ accumulated losses, if any, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reaches 50% of its registered capital. We may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above. As advised by our PRC Legal Advisors, our PRC companies cannot pay dividends if such companies are in an accumulated loss position.

We neither declared nor paid any dividends during the Track Record Period. For further details, see note 14 to the Accountants’ Report in Appendix I to this document. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our Directors have the absolute discretion to recommend any dividend subject to our constitutional documents and the relevant laws. We cannot assure you that we will be able to declare dividends of any amount each year or in any year.

FINANCIAL INFORMATION

DISTRIBUTABLE RESERVES

As of December 31, 2025, we had accumulated losses of RMB258.5 million.

[REDACTED] EXPENSES

The estimated total [REDACTED] expenses (based on the mid-point of our indicative [REDACTED] range for the [REDACTED] and assuming that the [REDACTED] is not exercised) for the [REDACTED] are approximately RMB[REDACTED] million (or [REDACTED]% of the [REDACTED] estimated to be received by us from the [REDACTED]), of which an estimated amount of approximately RMB[REDACTED] million is expected to be expensed through the statement of profit or loss and the remaining amount of approximately RMB[REDACTED] million is expected to be recognized directly as a deduction from equity upon the [REDACTED]. The estimated total [REDACTED] expenses comprise: (i) [REDACTED] expenses, including [REDACTED], of approximately RMB[REDACTED] million; and (ii) [REDACTED] expenses of approximately RMB[REDACTED] million, including (a) fees paid and payable to legal advisers and reporting accountant of approximately RMB[REDACTED] million; and (b) other fees and expenses, including sponsor fees, of approximately RMB[REDACTED] million.

The [REDACTED] expenses above are the current estimate for reference only and the final amount to be recognized to our consolidated income statement is subject to audit and the then changes in variables and assumptions.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

See Appendix II to this document for details.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, as of the date of this document, (i) there had been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees, prospects, the industry where we operate, our market or regulatory environment to which we are subject since December 31, 2025, being the date of the latest consolidated financial position of our Group as set out in the Accountants’ Report in Appendix I to this document; and (ii) there has been no event since December 31, 2025 that would materially affect the information shown in the Accountants’ Report in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND [REDACTED]

FUTURE PLANS AND PROSPECTS

See “Business – Our Development Strategies” for a detailed description of our future plans and strategies.

[REDACTED]

We estimate that we will receive net [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] million, after deducting [REDACTED], fees and estimated expenses payable by us in connection with the [REDACTED], and assuming an [REDACTED] of HK\$[REDACTED] per Share (being the midpoint of the indicative [REDACTED]) and that the [REDACTED] is not exercised. We currently intend to apply these net [REDACTED] for the following purposes:

- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for expansion of our domestic market, aiming to expand our service network, increase user penetration, and further grow our business scale.
 - o Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for the continued expansion of our domestic service network targeting B-end riders.

Specifically, (i) approximately [REDACTED]% or HK\$[REDACTED] million will be used for manufacturing and deployment of hardware assets, including our smart batteries and battery-swapping cabinets with multi-configurations catering to the B-end riders’ demand of high-frequency swapping for large-capacity batteries; (ii) approximately [REDACTED]%, or HK\$[REDACTED] million will be used for offline marketing and promotion activities; and (iii) approximately [REDACTED]%, or HK\$[REDACTED] million will be used for expansion of our onsite maintenance team, improve our service capability for the groundwork to enhance user experience.

We expect that such investments will enable us to further densify our network layout in key cities and high-activity areas, expand our paying user base, strengthen our abilities to provide more battery-swapping services, and enhance our brand influence, while improving asset utilization efficiency and operational quality through the refinement of our localized operation and service systems.

- o Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for expansion of our application scenario targeting C-end riders and retail business targeting riders. Specifically,
 - (i) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for the acquisition of more to C-end riders, including (a) the manufacturing and deployment of hardware assets, including our smart batteries and battery-swapping cabinets with configurations catering to the C-end riders’ demand of convenient swapping for batteries with smaller power capacity, and (b) marketing and promotion via online channels.
 - (ii) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for the expansion of the online retail sale of our smart batteries, including (a) the manufacturing of our Zhiba Lithium Batteries (智霸鋰電) which are small lithium batteries with large power capacity and long battery life, (b) online marketing and promotion activities to enhance our brand

FUTURE PLANS AND [REDACTED]

awareness, by cooperating with online tech influencers and industry KOLs and acquiring traffic and new customers through short videos and live streaming, (c) establishment of online retail channels on major e-commerce platforms, and (d) the recruitment of the relevant e-commerce operation staff.

We believe these investments will enable us to expand our customer base to acquire more C-end riders, which provides tremendous market opportunities, and diversify our revenue streams from retail business.

- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for overseas market expansion, focusing on building our localized service network and operational capabilities in Southeast Asia market starting with Indonesia. Specifically, (i) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for (a) deployment and manufacturing of hardware assets including our smart batteries and cabinets to establish battery-swapping infrastructure network starting with Indonesia and (b) developing battery-swapping applications and platforms specifically designed for overseas market; (ii) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for online and offline marketing and promotion activities to increase our brand exposure and market influence; (iii) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for the recruitment of sales force with local expertise and relevant industry knowledge; and (iv) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for local operations and management of our overseas battery-swapping stations.

We commenced our operation in Indonesia in March 2026. We plan to prioritize reinforcing our business layout in Jakarta, and thereby formulate a replicable localized operation model, accumulate overseas experience in team management and regulatory compliance, laying the foundation for our future march into other overseas markets and elevating our brand’s global impact.

- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for R&D, aiming to reinforce our product competitiveness, digital operation capabilities and technological edges. Specifically, (i) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for AI-enabled digital operation upgrades, including further research and iterations on intelligent scheduling, demand forecasting, work order management, after-sales assistance, delivery route optimization, battery health analysis, and inventory management; (ii) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for R&D on smart batteries to improve battery life, safety, and overall performance; and (iii) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for R&D on smart swapping cabinet to enhance charging efficiency, intelligent interaction capabilities, maintenance efficiency, and hardware compatibility.

We believe that these R&D investments will help us enhance the smart scheduling and refine the operation capabilities of our battery swapping network, shorten product iteration cycles, improve user experience, and further consolidate our comprehensive competitiveness in smart hardware, digital operation platform, and battery-swapping network operations.

FUTURE PLANS AND [REDACTED]

- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for domestic production line construction, aiming to improve our manufacturing capacities and efficiency. Specifically, (i) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for construction of two battery production lines in the next five years, with a designed annual capacity of 250,000 battery units; and (ii) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for smart manufacturing upgrade of our production lines to enhance the automation level and quality control. We expect that such investments will enhance our responsiveness to rapidly expanding demand, and further optimize manufacturing costs as well as overall efficiency.
- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for working capital and other general corporate purposes, including daily operations, expansion of regional operation centers, talent acquisition, and supply chain coordination.

We believe the above intended use of [REDACTED] is consistent with our overall business strategies. By creating synergies across market expansion, technology upgrades, and operational capacity, we aim to further consolidate our competitive advantages in China’s LEV battery-swapping market, and march into the overseas market steadily.

If the [REDACTED] is fixed at HK\$[REDACTED] (being the high-end of the [REDACTED] range), the net [REDACTED] will increase by approximately HK\$[REDACTED] million. If the [REDACTED] is fixed at HK\$[REDACTED] (being the low-end of the [REDACTED] range), the net [REDACTED] will decrease by approximately HK\$[REDACTED] million. We intend to apply the additional or reduced net [REDACTED] to the above uses on a pro rata basis.

To the extent that the net [REDACTED] from the [REDACTED] are not immediately used for the purposes described above and to the extent permitted by the relevant laws and regulations, they will be placed in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or other applicable laws and regulations in other jurisdictions).

[REDACTED]

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APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages I-1 to I-[82], received from the Company’s reporting accountants, [Deloitte Touche Tohmatsu], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ZHIZU IOT TECHNOLOGY GROUP CO., LTD. AND SHENWAN HONGYUAN CAPITAL (H.K.) LIMITED

Introduction

We report on the historical financial information of Zhizu IoT Technology Group Co., Ltd.* (智租物聯科技集團股份有限公司) (previously known as Zhizu IoT Technology Group Co., Ltd.* (智租物聯科技集團有限公司) from August 2024 to April 2026, Zhizu IoT Technology (Anqing) Co., Ltd.* (智租物聯科技(安慶)有限公司) from June 2024 to August 2024, Shanghai Zhizu IoT Technology Co., Ltd.* (上海智租物聯科技有限公司) from November 2020 to June 2024 and Shanghai Zhizu Logistics Technology Co., Ltd.* (上海智租物流科技有限公司) prior to November 2020) (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-[3] to I-[82], which comprises the consolidated statements of financial position of the Group as at 31 December 2023, 2024 and 2025, the statements of financial position of the Company as at 31 December 2023, 2024 and 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended 31 December 2025 (the “Track Record Period”) and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-[3] to I-[82] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the “Document”) in connection with the initial [REDACTED] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

* English name is for identification purpose only.

APPENDIX I

ACCOUNTANTS’ REPORT

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the Group’s financial position as at 31 December 2023, 2024 and 2025, of the Company’s financial position as at 31 December 2023, 2024 and 2025 and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 1 to the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[3] have been made.

Dividends

We refer to Note 14 to the Historical Financial Information which states that no dividend was declared or paid by the Company in respect of the Track Record Period.

[Deloitte Touche Tohmatsu]

Certified Public Accountants

Hong Kong

[●]

APPENDIX I

ACCOUNTANTS’ REPORT

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by the International Accounting Standards Board (the “IASB”) and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA (“Underlying Financial Statements”).

The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Revenue	5	695,846	734,587	738,639
Cost of sales		(597,859)	(535,892)	(542,456)
Gross profit		97,987	198,695	196,183
Other income	7	26,127	26,088	21,735
Other gains and losses	8	10,273	(5,136)	(5,353)
Selling and marketing expenses		(78,276)	(94,410)	(80,364)
Administrative expenses		(42,421)	(42,150)	(36,006)
Research and development expenses		(44,936)	(30,198)	(29,885)
Impairment losses under expected credit loss model, net of reversal		69	(124)	(827)
Finance costs	9	(41,750)	(44,230)	(49,748)
Share of results of joint ventures		(418)	(612)	(551)
(Loss) profit before tax		(73,345)	7,923	15,184
Income tax credit (expense)	10	28,733	(1,996)	(7,029)
(Loss) profit for the year	11	<u>(44,612)</u>	<u>5,927</u>	<u>8,155</u>
Total comprehensive (expense) income for the year		<u>(44,612)</u>	<u>5,927</u>	<u>8,155</u>
(Loss) profit for the year attributable to:				
Owners of the Company		(42,973)	8,323	8,155
Non-controlling interests		(1,639)	(2,396)	–
		<u>(44,612)</u>	<u>5,927</u>	<u>8,155</u>
Total comprehensive (expense) income for the year attributable to:				
Owners of the Company		(42,973)	8,323	8,155
Non-controlling interests		(1,639)	(2,396)	–
		<u>(44,612)</u>	<u>5,927</u>	<u>8,155</u>
(Loss) earnings per share	15			
– Basic and diluted (RMB)		<u>(0.62)</u>	<u>0.12</u>	<u>0.10</u>

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<i>NOTES</i>	At 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets				
Property, plant and equipment	16	752,065	749,050	778,098
Right-of-use assets	17	86,947	78,047	76,518
Interests in joint ventures	18	2,472	1,860	1,309
Deferred tax assets	25	80,809	78,040	70,863
Prepayment for acquisition of property, plant and equipment		7,137	10,207	14,846
		<u>929,430</u>	<u>917,204</u>	<u>941,634</u>
Current assets				
Inventories	19	6,060	7,131	10,408
Financial assets at fair value through profit or loss (“FVTPL”)		103	–	–
Trade and bills receivables	20	918	460	3,166
Prepayments and other receivables	21	238,979	189,981	160,005
Restricted bank deposits	22	161,742	127,138	110,661
Time deposits	22	–	–	30,000
Cash and cash equivalents	22	77,793	28,442	97,015
		<u>485,595</u>	<u>353,152</u>	<u>411,255</u>
Current liabilities				
Trade, bills and other payables	23	542,894	368,827	407,531
Tax liabilities		11,019	11,581	6,515
Contract liabilities	24	44,721	42,878	46,305
Borrowings	26	276,568	211,783	245,131
Lease liabilities	27	3,445	596	1,301
Deferred income	28	3,913	2,898	1,478
Redemption liabilities	29	173,475	351,242	377,242
Other long-term liabilities due within one year	30	196,726	146,797	27,087
		<u>1,252,761</u>	<u>1,136,602</u>	<u>1,112,590</u>
Net current liabilities		<u>(767,166)</u>	<u>(783,450)</u>	<u>(701,335)</u>
Total assets less current liabilities		<u>162,264</u>	<u>133,754</u>	<u>240,299</u>

APPENDIX I

ACCOUNTANTS’ REPORT

		At 31 December		
	NOTES	2023	2024	2025
		RMB'000	RMB'000	RMB'000
Non-current Liabilities				
Deferred tax liabilities	25	2,173	696	–
Borrowings	26	187,438	156,605	130,486
Lease liabilities	27	7,492	1,783	1,356
Deferred income	28	56,368	53,470	51,992
Other long-term liabilities	30	–	–	127,110
		<u>253,471</u>	<u>212,554</u>	<u>310,944</u>
Net Liabilities		<u>(91,207)</u>	<u>(78,800)</u>	<u>(70,645)</u>
Capital and Reserves				
Paid-in capital	31	79,481	99,831	99,831
Reserves		<u>(173,932)</u>	<u>(178,631)</u>	<u>(170,476)</u>
Equity attributable to owners of the Company		(94,451)	(78,800)	(70,645)
Non-controlling interests		<u>3,244</u>	<u>–</u>	<u>–</u>
Total deficit		<u>(91,207)</u>	<u>(78,800)</u>	<u>(70,645)</u>

APPENDIX I

ACCOUNTANTS’ REPORT

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		At 31 December		
	NOTES	2023	2024	2025
		RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	16	26,941	177,357	126,998
Right-of-use assets	17	9,273	2,384	2,490
Interests in subsidiaries	40	245,237	506,937	506,937
Interests in joint ventures	18	2,472	1,860	1,309
Deferred tax assets	25	–	–	8,392
Prepayment for acquisition of property, plant and equipment		4,187	4,187	4,187
		<u>288,110</u>	<u>692,725</u>	<u>650,313</u>
Current assets				
Inventories	19	2,103	6,253	4,661
Financial assets at FVTPL		103	–	–
Trade receivables	20	12,207	26,242	24,271
Prepayments and other receivables	21	269,907	124,100	116,996
Restricted bank deposits	22	250	49,251	251
Cash and cash equivalents	22	52,420	16,020	30,076
		<u>336,990</u>	<u>221,866</u>	<u>176,255</u>
Current liabilities				
Trade, bills and other payables	23	73,705	306,247	202,168
Tax liabilities		1,990	1,990	1,990
Contract liabilities	24	42,908	42,102	47,022
Borrowings	26	135,873	37,086	65,163
Lease liabilities	27	3,322	596	1,301
Deferred income	28	2,434	1,420	–
Redemption liabilities	29	173,475	351,242	377,242
		<u>433,707</u>	<u>740,683</u>	<u>694,886</u>
Net current liabilities		<u>(96,717)</u>	<u>(518,817)</u>	<u>(518,631)</u>
Total assets less current liabilities		<u>191,393</u>	<u>173,908</u>	<u>131,682</u>

APPENDIX I

ACCOUNTANTS’ REPORT

	<i>NOTES</i>	At 31 December		
		2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Non-current Liabilities				
Deferred tax liabilities	25	2,173	696	–
Borrowings	26	10,515	–	–
Lease liabilities	27	7,492	1,783	1,356
Deferred income	28	1,420	–	–
		<u>21,600</u>	<u>2,479</u>	<u>1,356</u>
Net Assets		<u>169,793</u>	<u>171,429</u>	<u>130,326</u>
Capital and Reserves				
Paid-in capital	31	79,481	99,831	99,831
Reserves	41	90,312	71,598	30,495
Total equity		<u>169,793</u>	<u>171,429</u>	<u>130,326</u>

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company					Non-	Total
	Paid in capital RMB’000	Capital reserve RMB’000	Other reserve RMB’000	Accumulated losses RMB’000	Subtotal RMB’000	controlling interests RMB’000	
At 1 January 2023	69,642	110,878	–	(231,998)	(51,478)	4,883	(46,595)
Total comprehensive expense for the year	–	–	–	(42,973)	(42,973)	(1,639)	(44,612)
Capital contribution (Note 29)	9,839	160,161	–	–	170,000	–	170,000
Recognition of capital contribution as redemption liabilities (Note 29)	–	–	(170,000)	–	(170,000)	–	(170,000)
At 31 December 2023	79,481	271,039	(170,000)	(274,971)	(94,451)	3,244	(91,207)
Total comprehensive income (expense) for the year	–	–	–	8,323	8,323	(2,396)	5,927
Capital contribution (Notes 29 and 31)	20,350	146,030	–	–	166,380	–	166,380
Recognition of capital contribution as redemption liabilities (Note 29)	–	–	(155,000)	–	(155,000)	–	(155,000)
Acquisition of additional interest in subsidiary (note)	–	–	(4,052)	–	(4,052)	(848)	(4,900)
At 31 December 2024	99,831	417,069	(329,052)	(266,648)	(78,800)	–	(78,800)
Total comprehensive income for the year	–	–	–	8,155	8,155	–	8,155
At 31 December 2025	99,831	417,069	(329,052)	(258,493)	(70,645)	–	(70,645)

Note: During the year ended 31 December 2023, the Company entered into an equity transfer agreement with Beijing Weiyuan Security Service Co., Ltd.* (北京威遠保安服務有限公司) (“Beijing Weiyuan”), the non-controlling shareholder of Beijing Zhizu IoT Technology Co., Ltd.* (北京智租物聯科技有限公司) (“Beijing Zhizu”), a subsidiary of the Company. Under the agreement, Beijing Weiyuan agreed to sell, and the Company agreed to purchase, the remaining 49% of the equity interests in Beijing Zhizu for a total consideration of RMB4,900,000. The acquisition was completed on 31 October 2024 and since then Beijing Zhizu became a wholly owned subsidiary of the Company.

* English name is for identification purposes only

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
OPERATING ACTIVITIES			
(Loss) profit before tax	(73,345)	7,923	15,184
Adjustments for:			
Finance costs	41,750	44,230	49,748
Interest income	(8,633)	(10,510)	(7,780)
Share of results of joint venture	418	612	551
Depreciation of property, plant and equipment	198,762	194,219	242,883
Depreciation of right-of-use assets	4,297	3,578	1,891
(Gains) losses on disposal of property, plant and equipment	(8,647)	5,699	5,595
Gain on early termination of lease	–	(317)	–
Fair value changes of financial assets at FVTPL	(224)	(158)	–
Impairment losses under expected credit loss model, net of reversal	(69)	124	827
Impairment losses on property, plant and equipment	110,422	30,375	–
Operating cash flows before movements in working capital	<u>264,731</u>	<u>275,775</u>	<u>308,899</u>
Decrease (increase) in trade and bills receivables	16,929	334	(3,102)
(Increase) decrease in prepayments and other receivables	(51,307)	33,131	7,299
Decrease (increase) in inventories	1,428	(1,071)	(3,277)
Increase in trade, bills and other payables	28,149	725	18,875
Increase (decrease) in contract liabilities	16,376	(1,843)	3,427
Decrease in deferred income	(3,098)	(3,913)	(2,898)
Cash generated from operations	273,208	303,138	329,223
Income taxes paid	–	(142)	(5,614)
NET CASH FROM OPERATING ACTIVITIES	<u><u>273,208</u></u>	<u><u>302,996</u></u>	<u><u>323,609</u></u>

APPENDIX I

ACCOUNTANTS’ REPORT

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
INVESTING ACTIVITIES			
Interest received	8,633	10,510	7,780
Proceeds on disposal of property, plant and equipment	10,122	601	4,808
Proceeds from disposal of financial assets at FVTPL	62,074	16,263	–
Repayments received from a supplier	8,866	19,713	17,779
Investment in a joint venture	(1,470)	–	–
Purchases of financial assets at FVTPL	(57,973)	(16,002)	–
Purchases of property, plant and equipment	(322,709)	(399,594)	(261,863)
Amount due from shareholders	(200)	(2)	–
Withdrawal of restricted bank deposits and time deposits	11,080	510,794	215,204
Placement of restricted bank deposits and time deposits	(164,822)	(476,190)	(228,727)
Government subsidies received relating to the purchase of property, plant and equipment	8,865	–	–
NET CASH USED IN INVESTING ACTIVITIES	(437,534)	(333,907)	(245,019)
FINANCING ACTIVITIES			
Interest paid	(31,395)	(7,688)	(15,640)
Repayments of borrowings	(212,739)	(272,919)	(229,057)
Repayments to a related company	–	(14,700)	–
Acquisition of partial interest of a subsidiary	–	(4,900)	–
Repayments of lease liabilities	(3,822)	(3,480)	(1,040)
Repayments of other long-term liabilities	–	(57,322)	–
New borrowings raised	259,781	171,289	235,720
Loan from a related company	4,900	4,900	–
Capital contributions	170,000	166,380	–
NET CASH FROM (USED IN) FINANCING ACTIVITIES	186,725	(18,440)	(10,017)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	22,399	(49,351)	68,573
CASH AND CASH EQUIVALENTS AT 1 JANUARY	55,394	77,793	28,442
TOTAL CASH AND CASH EQUIVALENTS AT 31 DECEMBER	77,793	28,442	97,015

APPENDIX I

ACCOUNTANTS’ REPORT

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION AND BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Company was established in the People’s Republic of China (the “PRC”) on 18 January 2018 as a limited liability company and converted into a joint stock limited liability company on 20 April 2026. The addresses of the registered office and principal place of business of the Company are disclosed in the section headed “Corporate Information” in this document. As of the date of this report, Mr. Li Xuejun (“Mr. Li”), together with Shanghai Xingchi Enterprise Management Center (Limited Partnership)* (上海行馳企業管理中心(有限合夥)) (“Shanghai Xingchi”) and Shanghai Zhizu Enterprise Management Center (Limited Partnership)* (上海智租企業管理中心(有限合夥)) (“Shanghai Zhizu”) is the single largest shareholders group of the Company. Details of the single largest shareholders group of the Company are disclosed in the section of “Relationship with our Single Largest Shareholders Group” in the Document.

The Group is 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.

The Historical Financial Information is presented in RMB, which is also the functional currency of the Company.

The Historical Financial Information has been prepared based on the accounting policies which conform with IFRS Accounting Standards.

The statutory financial statements of the Company for the years ended 31 December 2023 and 2024 were prepared in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and were audited by Shanghai Xinyun Certified Public Accountants (General Partnership)* (上海信運會計師事務所(普通合夥)) (“Shanghai Xinyun”), certified public accountants registered in the PRC. The statutory financial statements of the Company for the year ended 31 December 2025 have not been issued as of the date of this report.

* *English name is for identification purposes only.*

Going Concern Assumption

As at 31 December 2025, the Group had net current liabilities of RMB701,335,000 and the Company had net current liabilities of RMB518,631,000. The Historical Financial Information has been prepared on a going concern basis as the directors of the Company have given careful consideration to the impact of the current and anticipated future liquidity of the Group and the Company and are satisfied that:

- i. As at 31 December 2025, the redemption liabilities amounted to RMB377,242,000 in relation to the redemption rights granted to certain investors. Pursuant to the supplemental agreement to special rights entered into among the Company and its shareholders in May 2026, the redemption date has been extended to 31 December 2027, therefore, the redemption liabilities will not be redeemed within the next twelve months from 31 December 2025.
- ii. As at 31 December 2025, the other long-term liabilities amounted to RMB127,110,000 in relation to the redemption rights granted to Anqing Economic Development Zone Jintong New Energy Vehicle Industry Fund Partnership (Limited Partnership)* (安慶經開區金通新能源汽車產業基金合夥企業(有限合夥)) (“Anqing Economic Development Zone Fund”). Pursuant to the supplemental agreement entered into among the Group and Anqing Economic Development Zone Fund in May 2026, the redemption rights automatically terminated upon the signing of the supplemental agreement.
- iii. As at 31 December 2025, the Group and the Company had unutilised borrowing facilities of approximately RMB60,000,000. Based on historical successful experience, the management of the Group is confident that they can successfully drawdown from unutilised credit facilities;
- iv. The Group and the Company has been continuously negotiating with banks and financial institutions to seek extension of due dates of the relevant debts;
- v. The management of the Group has prepared cash flow forecast covering the period for the next twelve months from the date of issue of this Historical Financial Information which shows that the Group and the Company will continue generating net cash inflows during the forecast period.

APPENDIX I

ACCOUNTANTS’ REPORT

Having taken into account the above, the directors of the Company believe that the Group and the Company will have sufficient working capital to finance its operations and to meet its financial obligations for at least the next twelve months from the date of issue of the Historical Financial Information. Hence, the Historical Financial Information has been prepared on a going concern basis.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with IFRS Accounting Standards, which are effective for the Group’s accounting period beginning on 1 January 2025, throughout the Track Record Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

At the date of this report, the following new and amendments to IFRS Accounting Standards have been issued which are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the Group’s consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statements of profit or loss. Additional disclosures required for the Group’s MPMs will be disclosed in a separate note to the consolidated financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared in accordance with the following accounting policies which conform with IFRS Accounting Standards as issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence

APPENDIX I

ACCOUNTANTS’ REPORT

decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

Basis of consolidation

The Historical Financial Information incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group’s equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group’s interests in existing subsidiaries

Changes in the Group’s interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group’s and the non-controlling interests’ proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Interests in subsidiaries

Interests in subsidiaries are stated at cost less than any identified impairment loss on the statements of financial position of the Company.

Interests in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

APPENDIX I

ACCOUNTANTS’ REPORT

The results and assets and liabilities of joint ventures are incorporated in the Historical Financial Information using the equity method of accounting. The financial statements of joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statements of financial position at cost and adjusted thereafter to recognise the Group’s share of the profit or loss and other comprehensive income of the joint venture. Changes in net assets of the joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group’s share of losses of a joint venture exceeds the Group’s interest in that joint venture (which includes any long-term interest that, in substance, form part of the Group’s net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group’s share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group’s share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Historical Financial Information only to the extent of interests in the joint venture that are not related to the Group.

Revenue from contracts with customers

Information about the Group’s accounting policies relating to contracts with customers is provided in Notes 5 and 24.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of equipment and warehouse that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets (such as small items of office furniture, printer and others). Lease payments on short-term leases and leases of low-value assets are recognised as

APPENDIX I

ACCOUNTANTS’ REPORT

expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; and an entity-specific adjustment whether the risk profile of the entity that enters into the lease is different to that of the Group.

The lease payments include fixed payments.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “lease modifications”).

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

APPENDIX I

ACCOUNTANTS’ REPORT

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets.

When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies IFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Sale and leaseback transactions

The Group applies the requirements of IFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group as a seller-lessee

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as borrowings within the scope of IFRS 9.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

APPENDIX I

ACCOUNTANTS’ REPORT

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “other income”.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans, including state-managed retirement schemes in the PRC, are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from (loss) profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with interests in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

APPENDIX I

ACCOUNTANTS’ REPORT

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right- of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities, and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below). Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Operating equipment, buildings and plant, machinery and others in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Impairment on property, plant and equipment and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of

APPENDIX I

ACCOUNTANTS’ REPORT

cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro-rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating units or a cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statements of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

APPENDIX I

ACCOUNTANTS’ REPORT

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liabilities and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the “other gains and losses” line item.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade and bill receivables, other receivables, time deposits, restricted bank deposits, cash and cash equivalents) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and the current conditions at the reporting date as well as the forecast of future economic conditions.

APPENDIX I

ACCOUNTANTS’ REPORT

The Group always recognises lifetime ECL for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group’s debtors operate, obtained from economic expert reports and financial analyst, as well as consideration of various external sources of actual and forecast economic information that relate to the Group’s core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default; ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of ‘investment grade’ as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

APPENDIX I

ACCOUNTANTS' REPORT

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information, including time value of money where appropriate, that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and other receivables where the corresponding adjustment is recognised through a loss allowance account.

APPENDIX I

ACCOUNTANTS’ REPORT

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities including redemption liabilities, borrowings, trade, bills and other payables and other long-term liabilities are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Deferred tax assets

As at 31 December 2023, 2024 and 2025, deferred tax assets of RMB85,600,000, RMB151,511,000, and RMB186,452,000, respectively, in relation to unused tax losses and deductible temporary differences for the Group has been recognised in the consolidated statements of financial position and no deferred tax asset has been recognised on the tax losses and deductible temporary differences of RMB74,747,000, RMB98,354,000 and

APPENDIX I

ACCOUNTANTS’ REPORT

RMB107,900,000, respectively, for certain operating subsidiaries due to the unpredictability of future profit streams as disclosed in Note 25. The realizability of the deferred tax assets mainly depends on whether sufficient taxable profits will be available in the foreseeable future or taxable temporary differences are expected to reverse in the same period as the expected reversal of the deductible temporary differences, which is a key source of estimation uncertainty. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

Useful lives and residual values of property, plant and equipment

The Directors determine the useful lives, residual values and related depreciation charges for the Group’s property, plant and equipment. This estimate is based on the historical experience with the actual residual values and useful lives of property, plant and equipment of a similar nature and functions, as well as on expected changes in the operating environment. The information about useful lives and residual values of property, plant and equipment are disclosed in Note 16.

5. REVENUE

(i) Disaggregation of revenue from contracts with customers

The Group’s revenue streams are categorized as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Types of goods and services			
Battery-swapping solutions	695,033	733,965	736,620
– Battery-swapping solutions through self-operated stations	692,723	732,790	715,460
– Battery-swapping solutions through business partners	2,310	1,175	21,160
Hardware retail sales	813	622	2,019
	695,846	734,587	738,639
Timing of revenue recognition			
Over time	692,723	732,790	715,460
A point in time	3,123	1,797	23,179
	695,846	734,587	738,639

(ii) Performance obligations for contracts with customers

Battery-swapping solutions

Battery-swapping solutions through self-operated stations

The Group provides battery-swapping services through self-operated stations to customers. Such services are recognised as a performance obligation satisfied over time since the customer simultaneously receives and consumes the benefits provided by the Group. Revenue is generally recognised over the contract period which is stipulated in the contracts entered with customers. Customers are generally required to make prepayment before the services have been provided. Contract liabilities are recognised when such prepayment is received in which revenue has yet been recognised and amortised over the contract period.

APPENDIX I

ACCOUNTANTS’ REPORT

Battery-swapping solutions through business partners

The Group sells battery-swapping equipment and provide service to its partners. Revenue arising from the battery-swapping solutions through business partners is recognised at a point in time upon partners’ acceptance of the delivered goods and services. Partners are generally required to make prepayment before the goods and services have been provided. The advances received are recognised as contract liabilities until the control of delivered goods and services have been transferred to the partners.

Hardware retail sales

The Group sell accessories related to battery-swapping solutions to customers. Revenue is recognised at a point of time when control of the goods has been transferred, being when the goods have been accepted by the customers. Customers are generally required to make prepayment before the goods have been provided. The advances received are recognised as contract liabilities until the control of delivered goods have been transferred to the customers.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The Group applies the practical expedient of not disclosing the transaction price allocated to performance obligations that were unsatisfied as the Group’s contract has an original expected duration of less than one year.

6. OPERATING INFORMATION

For the purpose of resource allocation and assessment of segment performance, the Chief Executive Officer of the Company, being the chief operating decision maker, focus and reviews on the overall results and financial position of the Group as a whole which are prepared based on the same accounting policies set out above. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

During the Track Record Period, none of the customers accounted for 10% or more of the total revenue of the Group.

During the Track Record Period, the Group principally operates in the PRC. All revenue of the Group is derived from the PRC and the Group’s non-current assets are all located in the PRC as well.

7. OTHER INCOME

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Interest on amount due from a supplier	7,221	6,296	4,844
Rental income, net of outgoing (note i)	9,064	5,153	3,100
Government grants (note ii)	3,254	4,602	5,240
Extra deduction of value-added tax (“VAT”) (note iii)	2,553	3,677	2,254
Bank interest income	412	3,214	1,936
Interest on amount due from an independent third party	1,000	1,000	1,000
Others	2,623	2,146	3,361
	<u>26,127</u>	<u>26,088</u>	<u>21,735</u>

Notes:

- (i) The Group leases out a portion of area within certain manufacturing plants and electric tricycle. Rental income are recognised on a straight-line basis over the terms of the relevant leases. All the leases for the years ended 31 December 2023, 2024 and 2025 were operating leases with fixed lease payments.

APPENDIX I

ACCOUNTANTS’ REPORT

The outgoings arising from rental for the years ended 31 December 2023, 2024, and 2025 were RMB3,743,000, RMB1,302,000, and RMB1,050,000, respectively.

- (ii) The Group has received certain government grants as incentive for investing in land-use rights and operating equipment. The grants are recognised in the profit or loss over the useful lives of the relevant assets. Other government grants of the Group were mainly related to enterprise development support. These grants are unconditional and accounted for as immediate financial support with neither future related costs expected to be incurred nor related to any assets of the Group during the Track Record Period.
- (iii) According to the State Taxation Administration of the PRC, Zhixing Xinneng Technology (Anhui) Co., Ltd.* (智行新能科技(安徽)有限公司) (“Zhixing Xinneng”), a subsidiary of the Group, is allowed to deduct an additional 5% of the deductible input tax from the VAT payable as an advanced manufacturing enterprise from 1 January 2023 to 31 December 2027.

* The English name is for identification purposes only

8. OTHER GAINS AND LOSSES

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Gains (losses) on disposal of property, plant and equipment	8,647	(5,699)	(5,595)
Fair value changes of financial assets at FVTPL	224	158	–
Gain on early termination of lease	–	317	–
Others	1,402	88	242
	<u>10,273</u>	<u>(5,136)</u>	<u>(5,353)</u>

9. FINANCE COSTS

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on borrowings	27,743	13,700	16,206
Interest on redemption liabilities (Note 29)	3,475	22,767	26,000
Interest on other long-term liabilities (Note 30)	9,921	7,393	7,400
Interest on lease liabilities	611	370	142
	<u>41,750</u>	<u>44,230</u>	<u>49,748</u>

APPENDIX I

ACCOUNTANTS’ REPORT

10. INCOME TAX (CREDIT) EXPENSE

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current tax – PRC Enterprise Income Tax (“EIT”)	11,019	704	548
Deferred tax (<i>Note 25</i>)	(39,752)	1,292	6,481
	<u>(28,733)</u>	<u>1,996</u>	<u>7,029</u>

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the Group, except for the Company and a subsidiary of the Group as described below, was subject to the statutory EIT rate of 25% during the Track Record Period.

The EIT Law and its implementation rules permit certain High and New Technologies Enterprises (“HNTes”) to enjoy a reduced 15% EIT rate subject to these HNTes meeting certain qualification criteria. The Company and Zhixing Xinneng are qualified as HNTes, and accordingly are subject to a preferential income tax rate of 15%.

The tax expense for the year can be reconciled to the loss/profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
(Loss) profit before tax	(73,345)	7,923	15,184
Tax at the domestic income tax rate of 25%	(18,336)	1,981	3,796
Income tax at concessionary rate	(10,120)	(321)	3,622
Tax effect of income not taxable for tax purpose	–	(2,174)	–
Utilization of tax losses and deductible temporary differences previously not recognised	(277)	(172)	(140)
Tax effect of expenses not deductible for tax purpose	1,160	710	330
The effect of tax losses and deductible temporary differences not recognised	5,580	6,499	3,904
Tax effect attributable to the additional qualified tax deduction relating to research and development expenditures (<i>note</i>)	(6,740)	(4,527)	(4,483)
Income tax (credit) expense for the year	<u>(28,733)</u>	<u>1,996</u>	<u>7,029</u>

Note: Pursuant to relevant laws and regulations in the PRC, the Group enjoys super deduction on qualifying research and development expenditures from taxable profit throughout the Track Record Period.

APPENDIX I

ACCOUNTANTS’ REPORT

11. (LOSS) PROFIT FOR THE YEAR

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cost of inventories recognised as an expense	18,274	12,017	14,980
Depreciation of property, plant and equipment	204,159	198,496	247,673
Depreciation of right-of-use assets	5,111	4,392	2,705
Total depreciation	209,270	202,888	250,378
Less: Capitalised in construction in progress	(6,211)	(5,091)	(5,604)
	203,059	197,797	244,774
Impairment losses of property, plant and equipment recognised as cost of sales	110,422	30,375	–
Auditor’s remuneration	599	533	495
Staff costs			
– Salaries and other benefits	86,078	83,190	88,331
– Discretionary performance related bonus	7,025	4,742	10,417
– Retirement benefit scheme contributions	7,838	6,342	6,879
Total staff costs	100,941	94,274	105,627
Less: Capitalised in construction in progress	(6,901)	(4,613)	(3,806)
	94,040	89,661	101,821
Analysed as:			
– Cost of sales	17,665	16,432	18,439
– Selling and marketing expenses	21,760	30,978	43,693
– Administrative expenses	16,769	17,129	16,229
– Research and development expenses	37,846	25,122	23,460
	94,040	89,661	101,821
Research and development costs analysed as:			
– Staff cost	37,846	25,122	23,460
– Service fees	5,390	4,469	5,500
– Others	1,700	607	925
	44,936	30,198	29,885

APPENDIX I

ACCOUNTANTS’ REPORT

12. DIRECTORS’ AND CHIEF EXECUTIVE’S AND EMPLOYEES’ EMOLUMENTS

Details of the emoluments paid or payable by the entities comprising the Group to the directors, supervisors and chief executive of the Company (including emoluments for services as employee of the group entities prior to their becoming directors and supervisors of the Company) for their services during the Track Record Period are as follows:

	Date of appointment	Salaries and other benefits RMB’000	Discretionary performance related bonus* RMB’000	Retirement benefit scheme contributions RMB’000	Total RMB’000
Year ended					
31 December 2023					
<i>Executive directors:</i>					
Mr. Li (i)	11 June 2018	489	–	13	502
Mr. Du Yan	11 June 2018	449	–	16	465
Mr. Lan Zhiqing (ii)	11 June 2018	550	–	29	579
<i>Non-executive directors:</i>					
Mr. Zhou Hongbin	18 January 2018	–	–	–	–
Mr. Guo Dongshao	17 December 2021	–	–	–	–
Mr. Zhang Teng	26 December 2023	–	–	–	–
<i>Supervisors:</i>					
Mr. Cheng Haiyang	18 January 2018	247	148	8	403
Mr. Tang Yuan	31 May 2019	–	–	–	–
Ms. Lian Jingyu	17 December 2021	–	–	–	–
		<u>1,735</u>	<u>148</u>	<u>66</u>	<u>1,949</u>
	Date of appointment	Salaries and other benefits RMB’000	Discretionary performance related bonus* RMB’000	Retirement benefit scheme contributions RMB’000	Total RMB’000
Year ended					
31 December 2024					
<i>Executive directors:</i>					
Mr. Li (i)	11 June 2018	517	–	19	536
Mr. Du Yan	11 June 2018	481	–	19	500
Mr. Li Ziang	28 March 2024	–	–	–	–
<i>Non-executive directors:</i>					
Mr. Zhou Hongbin	18 January 2018	–	–	–	–
Mr. Guo Dongshao	17 December 2021	–	–	–	–
Mr. Zhang Teng	26 December 2023	–	–	–	–
<i>Supervisors:</i>					
Mr. Cheng Haiyang	18 January 2018	309	78	8	395
Mr. Tang Yuan	31 May 2019	–	–	–	–
Ms. Lian Jingyu	17 December 2021	–	–	–	–
		<u>1,307</u>	<u>78</u>	<u>46</u>	<u>1,431</u>

APPENDIX I

ACCOUNTANTS’ REPORT

		Salaries and other benefits <i>RMB'000</i>	Discretionary performance related bonus* <i>RMB'000</i>	Retirement benefit scheme contributions <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended					
31 December 2025					
<i>Executive directors:</i>					
Mr. Li (i)	11 June 2018	513	–	19	532
Mr. Du Yan	11 June 2018	446	35	19	500
Mr. Li Ziang	28 March 2024	240	–	34	274
<i>Non-executive directors:</i>					
Mr. Zhou Hongbin	18 January 2018	–	–	–	–
Mr. Guo Dongshao (iii)	17 December 2021	–	–	–	–
Mr. Zhang Teng (iv)	26 December 2023	–	–	–	–
Ms. Jiang Chuanmin	8 January 2025	–	–	–	–
Ms. Fu Lihua	21 July 2025	–	–	–	–
<i>Supervisors:</i>					
Mr. Cheng Haiyang	18 January 2018	310	34	8	352
Mr. Tang Yuan	31 May 2019	–	–	–	–
Ms. Lian Jingyu	17 December 2021	–	–	–	–
		1,509	69	80	1,658

* Discretionary performance related bonus is determined based on their duties and responsibilities of the relevant individuals within the Group and the Group’s performance.

Notes:

- i. Mr. Li is the Chief Executive Officer of the Company.
- ii. Mr. Lan Zhiqing resigned as executive director in December 2023.
- iii. Mr. Guo Dongshao resigned as non-executive director in January 2025.
- iv. Mr. Zhang Teng resigned as non-executive director in July 2025.

The executive directors’ and chief executive’s emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group during the Track Record Period.

The non-executive directors’ and supervisors’ emoluments shown above were for their services as directors and supervisors of the Company during the Track Record Period.

During the Track Record Period, there was no arrangement under which a director or supervisor waived or agreed to waive any emolument, and no emoluments were paid by the Group to any of the directors or supervisors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

APPENDIX I

ACCOUNTANTS’ REPORT

13. FIVE HIGHEST PAID EMPLOYEES

The five individuals with the highest emoluments in the Group, included 3, 2 and 2 directors of the Company whose emoluments are included in the disclosures in Note 12 above for the years ended 31 December 2023, 2024 and 2025. The emoluments of the remaining 2, 3 and 3 individuals for each of the three years, respectively, ended 31 December 2023, 2024 and 2025 were as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries and other benefits	1,080	2,186	2,061
Discretionary performance related bonus	148	1	–
Retirement benefit scheme contributions	66	140	109
	<u>1,294</u>	<u>2,327</u>	<u>2,170</u>

The numbers of the five highest paid individuals (including directors of the Company) are within the following bands (presented in Hong Kong Dollar (“HK\$”)):

	Year ended 31 December		
	2023	2024	2025
HK\$250,001 to HK\$500,000	1	–	–
HK\$500,001 to HK\$750,000	3	2	3
HK\$750,001 to HK\$1,000,000	1	3	2
	<u>5</u>	<u>5</u>	<u>5</u>

14. DIVIDENDS

No dividend was declared or paid by the Company in respect of the Track Record Period, nor has any dividend been proposed since the end of the Track Record Period.

15. (LOSS) EARNINGS PER SHARE

The calculation of the basic (loss) earnings per share from continuing operations attributable to owners of the Company is based on the following data:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
(Loss) profit for the year attributable to owners of the Company, for the purpose of basic earnings per share	<u>(42,973)</u>	<u>8,323</u>	<u>8,155</u>
	Year ended 31 December		
	2023	2024	2025
	'000	'000	'000
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	<u>69,642</u>	<u>69,658</u>	<u>81,022</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company was converted from a limited liability company into a joint stock company with limited liability on 20 April 2026. The Company’s net assets value as of 31 January 2026 was converted into 99,830,929 ordinary shares with a par value of RMB1.00 each.

For the purpose of determining basic (loss) earnings per share, the number of shares in issue was deemed to be the weighted average number of ordinary shares as if the Company’s conversion into a joint stock limited liability company had occurred on 1 January 2023.

Certain investors’ shares, which are recorded as redemption liabilities in Note 29, are not treated as outstanding shares and thus are excluded in the calculation of basic earnings per share.

The potential ordinary shares arising from aforementioned redemption liabilities, as well as the impact of the investors’ capital contributions to the subsidiaries recorded as other long-term liabilities in Note 30, were not included the calculation of diluted earnings per share for the years ended 31 December 2023, 2024 and 2025, as their inclusion would be anti-dilutive.

APPENDIX I

ACCOUNTANTS’ REPORT

16. PROPERTY, PLANT AND EQUIPMENT

The Group

	Operating equipment <i>RMB'000</i>	Buildings and Plants <i>RMB'000</i>	Machinery <i>RMB'000</i>	Leasehold improvements and others <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
COST						
At 1 January 2023	612,644	85,102	21,792	52,267	22,087	793,892
Additions	126,854	–	1,450	17,345	437,043	582,692
Disposals	(51,417)	–	–	(9,642)	–	(61,059)
Transfer	377,531	–	811	–	(378,342)	–
At 31 December 2023	1,065,612	85,102	24,053	59,970	80,788	1,315,525
Additions	–	–	1,298	4,765	230,560	236,623
Disposals	(95,259)	–	–	(15,062)	–	(110,321)
Transfer	231,324	–	7,368	708	(239,400)	–
At 31 December 2024	1,201,677	85,102	32,719	50,381	71,948	1,441,827
Additions	–	–	6	1,850	280,801	282,657
Disposals	(139,563)	–	–	(3,413)	–	(142,976)
Transfer	232,951	–	785	593	(234,329)	–
At 31 December 2025	1,295,065	85,102	33,510	49,411	118,420	1,581,508
DEPRECIATION AND IMPAIRMENT						
At 1 January 2023	282,484	674	950	24,355	–	308,463
Provided for the year	186,405	4,042	2,063	11,649	–	204,159
Impairment loss recognised(note)	110,422	–	–	–	–	110,422
Eliminated on disposals	(49,980)	–	–	(9,604)	–	(59,584)
At 31 December 2023	529,331	4,716	3,013	26,400	–	563,460
Provided for the year	180,661	4,043	2,444	11,348	–	198,496
Impairment loss recognised (note)	22,481	–	–	–	7,894	30,375
Eliminated on disposals	(84,871)	–	–	(14,683)	–	(99,554)
At 31 December 2024	647,602	8,759	5,457	23,065	7,894	692,777
Provided for the year	230,699	4,042	3,011	9,921	–	247,673
Eliminated on disposals	(134,188)	–	–	(2,852)	–	(137,040)
At 31 December 2025	744,113	12,801	8,468	30,134	7,894	803,410
CARRYING VALUES						
At 31 December 2023	536,281	80,386	21,040	33,570	80,788	752,065
At 31 December 2024	554,075	76,343	27,262	27,316	64,054	749,050
At 31 December 2025	550,952	72,301	25,042	19,277	110,526	778,098

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	Operating equipment <i>RMB’000</i>	Leasehold improvements and others <i>RMB’000</i>	Total <i>RMB’000</i>
COST			
At 1 January 2023	43,686	31,317	75,003
Additions	12,144	349	12,493
Disposals	(467)	(9,628)	(10,095)
At 31 December 2023	55,363	22,038	77,401
Additions	287,450	1,221	288,671
Disposals	(126,626)	(14,980)	(141,606)
At 31 December 2024	216,187	8,279	224,466
Additions	1,966	1,398	3,364
Disposals	(1,263)	(1,856)	(3,119)
At 31 December 2025	216,890	7,821	224,711
DEPRECIATION AND IMPAIRMENT			
At 1 January 2023	24,816	23,089	47,905
Provided for the year	7,032	5,058	12,090
Impairment loss recognised	472	–	472
Eliminated on disposals	(418)	(9,589)	(10,007)
At 31 December 2023	31,902	18,558	50,460
Provided for the year	64,545	2,220	66,765
Impairment loss recognised	1,186	–	1,186
Eliminated on disposals	(56,622)	(14,680)	(71,302)
At 31 December 2024	41,011	6,098	47,109
Provided for the year	52,380	1,041	53,421
Eliminated on disposals	(1,253)	(1,564)	(2,817)
At 31 December 2025	92,138	5,575	97,713
CARRYING VALUES			
At 31 December 2023	23,461	3,480	26,941
At 31 December 2024	175,176	2,181	177,357
At 31 December 2025	124,752	2,246	126,998

APPENDIX I

ACCOUNTANTS’ REPORT

The above items of property, plant and equipment, other than construction in progress, are depreciated on a straight-line basis, after taking into account their estimated residual value, at the following bases per annum:

Operating equipment	19.00%–31.67%
Buildings and plants	4.75%
Machinery	9.50%
Leasehold improvements and others	9.50%–31.67%

Note: During the years ended 31 December 2023 and 2024, the Group recognised impairment losses on operating equipment amounting to approximately RMB110,422,000 and RMB22,481,000, respectively, due to quality defects identified in certain externally purchased lithium batteries during quality inspections. Such losses have been recorded in profit and loss.

During the year ended 31 December 2024, the management of the Group conducted a review and decided to discontinue the development of certain battery cabinets that lacked viable market applications. As a result, the construction-in-progress related to these battery cabinets was impaired and an impairment loss of approximately RMB7,894,000 was recognised in profit or loss.

As at 31 December 2023, 2024 and 2025, the Group has pledged buildings with carrying amounts of RMB80,386,000, RMB76,343,000 and RMB72,301,000 respectively, operating equipment with carrying amounts of RMB50,903,000, RMB26,104,000 and RMB9,959,000 respectively, construction in progress with carrying amounts of nil, RMB27,066,000 and RMB35,517,000 respectively to secure borrowing of the Group as summarized in Note 38.

17. RIGHT-OF-USE ASSETS

The Group

	Leased properties RMB'000	Leasehold lands RMB'000	Total RMB'000
COST			
At 1 January 2023 and 31 December 2023	16,961	81,719	98,680
Additions	2,583	–	2,583
Decrease due to termination of leases	(16,961)	–	(16,961)
At 31 December 2024	2,583	81,719	84,302
Additions	1,176	–	1,176
At 31 December 2025	3,759	81,719	85,478
DEPRECIATION			
At 1 January 2023	3,834	2,788	6,622
Additions	3,477	1,634	5,111
At 31 December 2023	7,311	4,422	11,733
Additions	2,758	1,634	4,392
Decrease due to termination of leases	(9,870)	–	(9,870)
At 31 December 2024	199	6,056	6,255
Additions	1,070	1,635	2,705
At 31 December 2025	1,269	7,691	8,960

APPENDIX I

ACCOUNTANTS’ REPORT

	Leased properties <i>RMB’000</i>	Leasehold lands <i>RMB’000</i>	Total <i>RMB’000</i>
CARRYING AMOUNT			
At 31 December 2023	9,650	77,297	86,947
At 31 December 2024	2,384	75,663	78,047
At 31 December 2025	2,490	74,028	76,518
	Year ended 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Expense relating to short-term leases	4,020	764	5,271
Expense relating to lease of low-value assets, excluding short-term leases	154	637	53
Total cash outflow for leases	7,996	4,881	6,364

During the Track Record Period, the Group leases various properties for its operations. Lease contracts are entered into for a fixed term ranging from 2 year to 5 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Leasehold lands mainly represent upfront payments for leasehold lands in the PRC for 50 years. Land use right certificates for leasehold lands in the PRC have been obtained.

Certain leasehold lands of the Group had been pledged as securities for borrowings as at 31 December 2023, 2024 and 2025 as summarized in Note 38.

The Group regularly entered into short-term leases for equipment and warehouses.

Restrictions or covenants on leases

As at 31 December 2023, 2024 and 2025, lease liabilities of RMB10,937,000, RMB2,379,000 and RMB2,657,000 are recognised with related right-of-use assets of RMB9,650,000, RMB2,384,000 and RMB2,490,000. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Sale and leaseback transactions – seller-lessee

To better manage the Group’s capital structure and financing needs, the Group sometimes enters into sale and leaseback arrangements in relation to operating equipment leases. These legal transfers do not satisfy the requirements of IFRS 15 to be accounted for as a sale of the operation equipment. During the year ended 31 December 2023, the Group has raised RMB122,791,000 borrowings in respect of such sale and leaseback arrangements.

Details of the lease maturity analysis of lease liabilities are set out in Notes 27 and 34.

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	Leased properties RMB’000
COST	
At 1 January 2023 and 31 December 2023	15,712
Additions	2,583
Decrease due to early termination of leases	(15,712)
At 31 December 2024	2,583
Additions	1,176
At 31 December 2025	3,759
DEPRECIATION	
At 1 January 2023	3,349
Additions	3,090
At 31 December 2023	6,439
Additions	2,382
Decrease due to early termination of leases	(8,622)
At 31 December 2024	199
Additions	1,070
At 31 December 2025	1,269
CARRYING AMOUNT	
At 31 December 2023	9,273
At 31 December 2024	2,384
At 31 December 2025	2,490

	Year ended 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Expense relating to short-term leases	3,432	558	1,849
Expense relating to lease of low-value assets, excluding short-term leases	95	380	8
Total cash outflow for leases	6,964	4,290	2,897

During the Track Record Period, the Company leases various properties for its operations. Lease contracts are entered into for fixed term of 2 to 5 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Company applies the definition of a contract and determines the period for which the contract is enforceable.

APPENDIX I

ACCOUNTANTS’ REPORT

The Company regularly entered into short-term leases for warehouses. As at 31 December 2023, 2024 and 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Restrictions or covenants on leases

As at 31 December 2023, 2024 and 2025, lease liabilities of RMB10,814,000, RMB2,379,000 and RMB2,657,000 are recognised with related right-of-use assets of RMB9,273,000, RMB2,384,000 and RMB2,490,000. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

18. INTERESTS IN JOINT VENTURES

The Group and The Company

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cost of investments, unlisted	2,940	2,940	2,940
Share of post-acquisition profit or loss and other comprehensive income	(468)	(1,080)	(1,631)
	<u>2,472</u>	<u>1,860</u>	<u>1,309</u>

Details of each of the Group’s joint ventures at the end of each of years ended 31 December 2023, 2024 and 2025 are as follow:

Name of entity	Country of registration	Principal place of business	Proportion of ownership interest and voting rights held by the Group				Principal Activities
			2023	2024	2025	At date of report	
Zhizu Binjiang Energy (Anhui) Co., Ltd.* (智租濱江能源(安徽)有限公司) (“Zhizu Binjiang”) (note i)	PRC	PRC	49%	49%	49%	[49%]	Emerging energy technology R&D
Shanghai Chenyi Internet Technology Co., Ltd.* (上海晨旖互聯網科技有限公司) (“Shanghai Chenyi”) (note ii)	PRC	PRC	49%	49%	49%	[49%]	Technology development in IoT and computer technology

Notes:

- Zhizu Binjiang was established by the Company and a third party in June 2022. The Company held 49% equity interest in Zhizu Binjiang since its establishment with an investment cost of RMB2,940,000. Pursuant to the shareholder agreement, unanimous consent from both shareholders is required to direct the relevant activities of Zhizu Binjiang.
- During the year ended 31 December 2018, the Company entered into an investment agreement with a third party to establish Shanghai Chenyi. As at the date of this report, no capital contribution had been made into the entity.

* English name is for identification purpose only.

APPENDIX I

ACCOUNTANTS’ REPORT

Aggregate information of joint ventures that are not individually material:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
The Group’s share of loss from continuing operation	(418)	(612)	(551)
The Group’s total comprehensive expense	(418)	(612)	(551)

19. INVENTORIES

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Spare parts	6,060	7,131	10,408

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Spare parts	2,103	6,253	4,661

20. TRADE AND BILLS RECEIVABLES

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables			
– third parties	766	1,683	4,906
– related party	1,117	21	23
Bills receivables	300	145	22
	2,183	1,849	4,951
Less: Allowance for credit losses	(1,265)	(1,389)	(1,785)
Total trade and bill receivables	918	460	3,166

APPENDIX I

ACCOUNTANTS’ REPORT

As at 1 January 2023, trade receivables from contracts with customers amounted to RMB10,816,000.

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the date of revenue recognition at the end of the reporting period, which approximated the respective revenue recognition dates:

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
0–60 days	543	262	2,313
61–120 days	14	15	236
121–180 days	61	38	124
181–365 days	–	–	471
	<u>618</u>	<u>315</u>	<u>3,144</u>

Details of impairment assessment of trade and bill receivables are set out in Note 34(b).

The remaining dates to maturity of bills receivables are within 180 days at the end of each reporting period.

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables			
– third parties	714	1,011	900
– subsidiaries	<u>11,609</u>	<u>25,479</u>	<u>23,798</u>
	12,323	26,490	24,698
Less: Allowance for credit losses	<u>(116)</u>	<u>(248)</u>	<u>(427)</u>
Total trade receivables	<u>12,207</u>	<u>26,242</u>	<u>24,271</u>

As at 1 January 2023, trade receivables from contracts with customers amounted to RMB20,232,000.

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the date of revenue recognition at the end of the reporting period, which approximated the respective revenue recognition dates:

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
0–60 days	12,133	26,238	23,959
61–120 days	14	4	–
121–180 days	60	–	103
181–365 days	<u>–</u>	<u>–</u>	<u>209</u>
	<u>12,207</u>	<u>26,242</u>	<u>24,271</u>

Details of impairment assessment of trade and bill receivables are set out in Note 34(b).

APPENDIX I

ACCOUNTANTS’ REPORT

21. PREPAYMENTS AND OTHER RECEIVABLES

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments to suppliers	20,022	18,275	16,791
Deductible VAT	46,293	15,049	9,228
Deposits	3,524	3,557	3,037
Amount due from shareholders (<i>note i</i>)	27,270	27,272	27,272
Amount due from a supplier (<i>note ii</i>)	120,799	101,086	83,307
Amount due from an independent third party (<i>note iii</i>)	20,000	20,000	20,000
Others	1,071	4,742	801
Less: Allowance for credit losses	—	—	(431)
Total prepayments and other receivables	238,979	189,981	160,005

Notes:

- Amount due from shareholders was non-trade in nature, interest free and repayable on demand. Such balance was settled in full in March 2026.
- As at 31 December 2023, 2024 and 2025, RMB120,799,000, RMB101,086,000 and RMB83,307,000, respectively, represent lending to a supplier which is unsecured and carried at an interest rate of 5%.
- The amount of RMB20,000,000 represents a short-term amount due from an independent third party, which is unsecured and carried at a fixed interest rate of 5% per annum. Such balance was settled in full in April 2026.

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments to suppliers	9,563	9,766	10,625
Deductible VAT	7,434	6,993	953
Deposits	1,034	798	2,435
Amount due from a shareholder (<i>note i</i>)	520	10,522	10,522
Amount due from subsidiaries (<i>note ii</i>)	250,566	95,922	92,292
Others	790	99	555
Less: Allowance for credit losses	—	—	(386)
Total prepayments and other receivables	269,907	124,100	116,996

Notes:

- Amount due from a shareholder was non-trade in nature, interest free and repayable on demand. Such balance was settled in full in March 2026.
- Amount due from subsidiaries was non-trade in nature, interest free and repayable on demand.

APPENDIX I

ACCOUNTANTS’ REPORT

22. CASH AND CASH EQUIVALENTS/ RESTRICTED BANK DEPOSITS/TIME DEPOSITS

Cash and cash equivalents

Cash and cash equivalents comprise demand deposits and short-term bank deposits held by the Group. Bank balances carry interests at market rates which was from 0.05% to 1.55%, from 0.10% to 1.25% and from 0.05% to 0.85% per annum as at 31 December 2023, 2024 and 2025, respectively.

Details of impairment assessment of cash and cash equivalents are set out in the Note 34(b).

Time deposits

Time deposits with an original maturity over three months carry interests at market rates which was from 1.00% to 1.30% as at 31 December 2025.

Details of impairment assessment of time deposits are set out in the Note 34(b).

Restricted bank deposits

The Group

Restricted bank deposits amounting to RMB161,742,000, RMB127,138,000, RMB110,661,000 as at 31 December 2023, 2024 and 2025, respectively, which have been pledged to secure for the issue of bills payables. Upon settlement of these bills payable, the restricted bank deposits will be released and become freely available to the Group. Given that the remaining maturities of the bills payable are within 180 days at the end of each reporting period, the Group has classified these restricted bank deposits as current assets.

The Company

Restricted bank deposits amounting to RMB250,000, RMB49,251,000, RMB251,000 as at 31 December 2023, 2024 and 2025, respectively, which have been pledged to secure for the issue of bills payables. Upon settlement of these bills payable, the restricted bank deposits will be released and become freely available to the Company. Given that the remaining maturities of the bills payable are within 180 days at the end of each reporting period, the Company has classified these restricted bank deposits as current assets.

Restricted bank deposits carry interests at market rates which was from 0.05% to 1.95%, 0.10% to 1.95% and 0.05% to 1.60% per annum as at 31 December 2023, 2024 and 2025, respectively.

Details of impairment assessment of restricted bank deposits are set out in the Note 34(b).

APPENDIX I

ACCOUNTANTS’ REPORT

23. TRADE, BILLS AND OTHER PAYABLES

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	25,494	30,276	29,684
Bills payables	161,381	117,767	139,370
	<u>186,875</u>	<u>148,043</u>	<u>169,054</u>
Other payables			
Payables for acquisition of property, plant and equipment	307,082	185,704	183,930
Payroll and welfare payables	6,392	6,004	8,606
Other tax payable	9,204	4,578	18,145
Amount due to a related party (<i>note</i>)	9,800	–	–
Deposits	19,850	18,354	22,928
Others	3,691	6,144	4,868
Total trade, bills and other payables	<u>542,894</u>	<u>368,827</u>	<u>407,531</u>

Note: Amount due to a related party was non-trade in nature, interest free and repayable on demand. Such balance was settled in full in September 2024.

The remaining maturities of bills payables are within 180 days at the end of each reporting period.

The suppliers generally allow a credit period of 0 to 90 days to the Group over the Track Record Period.

The following is an aged analysis of trade payable presented based on the invoice date at the end of the reporting period:

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
0–60 days	23,682	28,871	29,670
61–120 days	24	14	–
121–180 days	–	8	4
181–365 days	1,782	1,383	4
Over 365 days	6	–	6
	<u>25,494</u>	<u>30,276</u>	<u>29,684</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables			
– Third parties	407	22,588	28,709
– Subsidiaries	–	3,600	10,167
Bills payables	–	49,001	9,000
	<u>407</u>	<u>75,189</u>	<u>47,876</u>
Payables for acquisition of property, plant and equipment	4,281	3,301	3,248
Payroll and welfare payables	776	1,228	1,919
Other tax payable	26	49	16,330
Amount due to subsidiaries (<i>note</i>)	48,454	208,025	110,565
Deposits	17,532	16,653	21,287
Others	2,229	1,802	943
Total trade, bills and other payables	<u>73,705</u>	<u>306,247</u>	<u>202,168</u>

Note: Amount due to subsidiaries was non-trade in nature, interest free and repayable on demand.

The remaining maturities of bills payables are within 180 days at the end of each reporting period.

The suppliers generally allow a credit period of 0 to 90 days to the Company over the Track Record Period.

The following is an aged analysis of trade payable presented based on the invoice date at the end of the reporting period:

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
0–60 days	<u>407</u>	<u>26,188</u>	<u>38,876</u>

24. CONTRACT LIABILITIES

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Battery-swapping solutions	<u>44,721</u>	<u>42,878</u>	<u>46,305</u>

As at 1 January 2023, contract liabilities amounted to RMB28,345,000.

APPENDIX I

ACCOUNTANTS’ REPORT

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Battery-swapping solutions	28,345	44,721	42,878

The Company

	At 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Battery-swapping solutions	42,908	42,102	47,022

As at 1 January 2023, contract liabilities amounted to RMB25,965,000.

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

	At 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Battery-swapping solutions	25,965	42,908	42,102

25. DEFERRED TAXATION

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of deferred tax balances for financial reporting purposes:

The Group

	At 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Deferred tax assets	80,809	78,040	70,863
Deferred tax liabilities	(2,173)	(696)	–
	78,636	77,344	70,863

APPENDIX I

ACCOUNTANTS’ REPORT

The following are the major deferred tax assets recognised and movements thereon during the Track Record Period:

	Impairment loss on assets	Other long term liabilities	Redemption liabilities	Deferred income	Lease liabilities	Tax losses	Unrealised profit	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	21,647	2,538	–	4,135	2,049	9,734	6,047	46,150
Credit (charge) to profit or loss	<u>29,088</u>	<u>1,128</u>	<u>521</u>	<u>949</u>	<u>(427)</u>	<u>(1,187)</u>	<u>9,378</u>	<u>39,450</u>
At 31 December 2023	50,735	3,666	521	5,084	1,622	8,547	15,425	85,600
Credit (charge) to profit or loss	<u>1,653</u>	<u>(350)</u>	<u>3,415</u>	<u>(503)</u>	<u>(1,265)</u>	<u>54,911</u>	<u>8,050</u>	<u>65,911</u>
At 31 December 2024	52,388	3,316	3,936	4,581	357	63,458	23,475	151,511
(Charge) credit to profit or loss	<u>(7,830)</u>	<u>750</u>	<u>3,900</u>	<u>(351)</u>	<u>42</u>	<u>31,711</u>	<u>6,719</u>	<u>34,941</u>
At 31 December 2025	<u>44,558</u>	<u>4,066</u>	<u>7,836</u>	<u>4,230</u>	<u>399</u>	<u>95,169</u>	<u>30,194</u>	<u>186,452</u>

The following are the major deferred tax liabilities recognised and movements thereon during the Track Record Period:

	Right of use assets	Accelerated tax depreciation	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	(1,855)	(5,411)	(7,266)
Credit (charge) to profit or loss	<u>464</u>	<u>(162)</u>	<u>302</u>
At 31 December 2023	(1,391)	(5,573)	(6,964)
Credit (charge) to profit or loss	<u>1,033</u>	<u>(68,236)</u>	<u>(67,203)</u>
At 31 December 2024	(358)	(73,809)	(74,167)
Charge to profit or loss	<u>(15)</u>	<u>(41,407)</u>	<u>(41,422)</u>
At 31 December 2025	<u>(373)</u>	<u>(115,216)</u>	<u>(115,589)</u>

APPENDIX I

ACCOUNTANTS’ REPORT

At 31 December 2023, 2024 and 2025, the Group has unused tax losses of RMB75,132,000, RMB373,550,000 and RMB502,041,000 respectively, available for offset against future profits. A deferred tax asset has been recognised in respect of RMB34,188,000, RMB310,712,000 and RMB431,497,000 of such losses. No deferred tax asset has been recognised in respect of the remaining RMB40,944,000, RMB62,838,000 and RMB70,544,000 due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of RMB40,944,000, RMB62,838,000 and RMB70,544,000 with expiry dates as disclosed in the following table.

	Year ended 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Tax loss expire in 2024	1,326	N/A	N/A
Tax loss expire in 2025	5,509	5,509	N/A
Tax loss expire in 2026	7,838	7,838	7,838
Tax loss expire in 2027	6,738	6,738	6,738
Tax loss expire in 2028	19,533	19,533	19,533
Tax loss expire in 2029	N/A	23,220	23,220
Tax loss expire in 2030	N/A	N/A	13,215
	<u>40,944</u>	<u>62,838</u>	<u>70,544</u>

At 31 December 2023, 2024 and 2025, the Group has deductible temporary differences of RMB33,803,000, RMB35,516,000 and RMB37,356,000, for which no deferred tax asset has been recognised as it is not probable that taxable profit will be available to utilise these deductible temporary differences.

The Company

	At 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Deferred tax assets	–	–	8,392
Deferred tax liabilities	<u>(2,173)</u>	<u>(696)</u>	<u>–</u>
	<u>(2,173)</u>	<u>(696)</u>	<u>8,392</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The following are the major deferred tax assets recognised and movements thereon during Track Record Period:

	Impairment loss on assets <i>RMB'000</i>	Redemption liabilities <i>RMB'000</i>	Deferred income <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Tax losses <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2023	2,199	–	–	2,049	2,488	6,736
(Charge) credit to profit or loss	<u>(129)</u>	<u>521</u>	<u>578</u>	<u>(427)</u>	<u>(2,488)</u>	<u>(1,945)</u>
At 31 December 2023	2,070	521	578	1,622	–	4,791
(Charge) credit to profit or loss	<u>(1,474)</u>	<u>3,415</u>	<u>(365)</u>	<u>(1,265)</u>	<u>21,330</u>	<u>21,641</u>
At 31 December 2024	596	3,936	213	357	21,330	26,432
Credit (charge) to profit or loss	<u>8</u>	<u>3,900</u>	<u>(213)</u>	<u>42</u>	<u>(2,272)</u>	<u>1,465</u>
At 31 December 2025	<u>604</u>	<u>7,836</u>	<u>–</u>	<u>399</u>	<u>19,058</u>	<u>27,897</u>

The following are the major deferred tax liabilities recognised and movements thereon during the Track Record Period:

	Right of use assets <i>RMB'000</i>	Accelerated tax depreciation <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2023	(1,855)	(5,411)	(7,266)
Credit (charge) to profit or loss	<u>464</u>	<u>(162)</u>	<u>302</u>
At 31 December 2023	(1,391)	(5,573)	(6,964)
Credit (charge) to profit or loss	<u>1,033</u>	<u>(21,197)</u>	<u>(20,164)</u>
At 31 December 2024	(358)	(26,770)	(27,128)
(Charge) credit to profit or loss	<u>(15)</u>	<u>7,638</u>	<u>7,623</u>
At 31 December 2025	<u>(373)</u>	<u>(19,132)</u>	<u>(19,505)</u>

APPENDIX I

ACCOUNTANTS’ REPORT

26. BORROWINGS

The Group

	At 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Bank loans	364,260	346,581	375,282
Other loans	99,746	21,807	335
	<u>464,006</u>	<u>368,388</u>	<u>375,617</u>
Secured and guaranteed	231,113	177,711	154,051
Secured and unguaranteed	99,746	21,807	335
Unsecured and guaranteed	128,141	138,837	221,231
Unsecured and unguaranteed	5,006	30,033	–
	<u>464,006</u>	<u>368,388</u>	<u>375,617</u>
Fixed-rate borrowings	222,887	149,962	191,466
Variable-rate borrowings	241,119	218,426	184,151
	<u>464,006</u>	<u>368,388</u>	<u>375,617</u>
Carrying amount repayable:			
Within one year	276,568	211,783	245,131
Within a period of more than one year but not exceeding two years	59,863	51,355	57,086
Within a period of more than two years but not exceeding five years	103,095	103,330	73,400
Within a period of more than five years	24,480	1,920	–
	<u>464,006</u>	<u>368,388</u>	<u>375,617</u>

Types of borrowings	Guaranteed/Secured by	As at 31 December		
		2023 RMB'000	2024 RMB'000	2025 RMB'000
Secured and guaranteed bank loans	Guaranteed by Mr. Li* and Ms. Wang Juan (“Ms. Wang”)*, spouse of Mr. Li, and secured by certain property, plant and equipment of the Group	–	18,996	31,154
	Guaranteed by Mr. Li and Ms. Wang, and secured by a pledge of a portion of the Company’s equity	61,503	–	–

APPENDIX I

ACCOUNTANTS’ REPORT

Types of borrowings	Guaranteed/Secured by	As at 31 December		
		2023 RMB'000	2024 RMB'000	2025 RMB'000
	Guaranteed by a third party and secured by certain property, plant and equipment and leasehold lands of the Group	169,610	148,705	122,897
	Guaranteed by Mr. Li and secured by certain patents of the Group	–	10,010	–
		<u>231,113</u>	<u>177,711</u>	<u>154,051</u>
Secured other loans	Secured by certain property, plant and equipment of the Group under sale and leaseback arrangement	99,746	21,807	335
		<u>99,746</u>	<u>21,807</u>	<u>335</u>
Guaranteed bank loans	Guaranteed by Mr. Li* and Ms. Wang*	60,073	113,821	176,191
	Guaranteed by Mr. Li*	23,027	10,011	35,031
	Guaranteed by Mr. Li*, Ms. Wang* and a third party	40,046	10,010	10,009
	Guaranteed by a third party	4,995	4,995	–
		<u>128,141</u>	<u>138,837</u>	<u>221,231</u>

* These guarantees will be released prior to the [REDACTED] as represented by management of the Group.

Details of the securities pledged in respect of the Group’s borrowings are set out in Note 38.

The ranges of effective interest rates (which are also equal to contracted interest rates) per annum on the Group’s borrowings are as follows:

	At 31 December		
	2023	2024	2025
Effective interest rate			
– fixed-rate borrowings	3.15% to 6.00%	3.15% to 5.80%	2.45% to 4.10%
– variable-rate borrowings	5.00% to 5.30%	4.10% to 5.00%	2.90% to 4.10%

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	At 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Bank loans	134,592	36,202	65,163
Other loans	11,796	884	–
	<u>146,388</u>	<u>37,086</u>	<u>65,163</u>
Secured and guaranteed	61,503	–	–
Secured and unguaranteed	11,797	884	–
Unsecured and guaranteed	73,088	36,202	65,163
	<u>146,388</u>	<u>37,086</u>	<u>65,163</u>
Fixed-rate borrowings	84,885	11,895	65,063
Variable-rate borrowings	61,503	25,191	100
	<u>146,388</u>	<u>37,086</u>	<u>65,163</u>
Carrying amount repayable:			
Within one year	135,873	37,086	65,163
Within a period of more than one year but not exceeding two years	10,515	–	–
	<u>146,388</u>	<u>37,086</u>	<u>65,163</u>

Types of borrowings	Guaranteed/secured by	At 31 December		
		2023 RMB'000	2024 RMB'000	2025 RMB'000
Secured and guaranteed bank loan	Guaranteed by Mr. Li, Ms. Wang and pledge a portion equity of the Company	61,503	–	–
Secured other loans	Secured by certain property, plant and equipment of the Company under sale and leaseback arrangement	11,797	884	–
Guaranteed bank loans	Guaranteed by Mr. Li* and Ms. Wang*	20,027	36,202	15,113
	Guaranteed by Mr. Li, Ms. Wang and a third party	25,028	–	–

APPENDIX I

ACCOUNTANTS’ REPORT

Types of borrowings	Guaranteed/secured by	At 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
	Guaranteed by Mr. Li* and Zhizu Chuangneng (Shanghai) Technology Service Co., Ltd.** (智租創能(上海)技術服務有限公司) (“Zhizu Chuangneng”)	10,011	–	–
	Guaranteed by Mr. Li*, Ms. Wang* and Zhizu Chuangneng	10,012	–	50,050
	Guaranteed by Mr. Li	8,010	–	–
		<u>73,088</u>	<u>36,202</u>	<u>65,163</u>

* These guarantees will be released prior to the [REDACTED] as represented by management of the Group.

** The English name is for identification purposes only

The ranges of effective interest rates (which are also equal to contracted interest rates) per annum on the Group’s borrowings are as follows:

	At 31 December		
	2023	2024	2025
Effective interest rate			
– fixed-rate borrowings	3.15% to 4.30%	3.40% to 3.45%	3.00% to 3.30%
– variable-rate borrowings	5.08% to 5.73%	4.73% to 5.43%	2.90% to 5.33%

Loan covenants

In respect of bank borrowings with carrying amounts of RMB25,339,000 and RMB17,839,000 as at 31 December 2023 and 2024, respectively, the Group is required to comply with the following financial covenants throughout the continuance of the relevant loan and/or as long as the loan is outstanding:

- the ratio of the liabilities to the asset shall not exceed 75%.

Such bank borrowings balance was settled in full by November 2025.

In respect of bank borrowings with carrying amounts of RMB10,010,000 as at 31 December 2024, Zhixing Xinneng is required to comply with the following financial covenants throughout the continuance of the relevant loan and/or as long as the loan is outstanding:

- the ratio of the liabilities to the asset shall not exceed 70%;
- net cash from operating activities remains negative for three consecutive years.

Such bank borrowings balance was settled in full in June 2024.

In respect of bank borrowings with carrying amounts of RMB10,008,000 as at 31 December 2025, Zhixing Xinneng is required to comply with the following financial covenants throughout the continuance of the relevant loan and/or as long as the loan is outstanding:

- the ratio of the liabilities to the asset shall not exceed 80%.

Such bank borrowings balance was settled in full in April 2026.

APPENDIX I

ACCOUNTANTS’ REPORT

In respect of bank borrowings with carrying amounts of RMB30,030,000 as at 31 December 2025, the Company is required to comply with the following financial covenants throughout the continuance of the relevant loan and/or as long as the loan is outstanding:

- the ratio of the liabilities to the asset shall not exceed 65%;
- the ratio of the contingent liabilities to the net asset shall not exceed 80%;
- shall not provide guarantees to entities outside the Group.

Such bank borrowings balance was settled in full in January 2026.

27. LEASE LIABILITIES

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Lease liabilities payable:			
Within one year	3,445	596	1,301
Within a period of more than one year but not more than two years	3,601	870	1,356
Within a period of more than two years but not more than five years	3,891	913	—
	<u>3,445</u>	<u>596</u>	<u>1,301</u>
Less: Amount due for settlement within 12 months shown under current liabilities	3,445	596	1,301
	<u>3,445</u>	<u>596</u>	<u>1,301</u>
Amount due for settlement after 12 months shown under non-current liabilities	7,492	1,783	1,356
	<u>7,492</u>	<u>1,783</u>	<u>1,356</u>

The weighted average incremental borrowing rates applied to lease liabilities is 5.00% over the Track Record Period.

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	At 31 December 2023 RMB’000	2024 RMB’000	2025 RMB’000
Lease liabilities payable:			
Within one year	3,322	596	1,301
Within a period of more than one year but not more than two years	3,601	870	1,356
Within a period of more than two years but not more than five years	3,891	913	–
	<u>3,322</u>	<u>596</u>	<u>1,301</u>
Less: Amount due for settlement within 12 months shown under current liabilities	<u>3,322</u>	<u>596</u>	<u>1,301</u>
Amount due for settlement after 12 months shown under non-current liabilities	<u>7,492</u>	<u>1,783</u>	<u>1,356</u>

The weighted average incremental borrowing rates applied to lease liabilities is 5.00% over the Track Record Period.

28. DEFERRED INCOME

The Group

	Assets related RMB’000
At 1 January 2023	54,514
Government grants received	8,865
Credited to profit or loss (<i>Note 7</i>)	<u>(3,098)</u>
At 31 December 2023	60,281
Credited to profit or loss (<i>Note 7</i>)	<u>(3,913)</u>
At 31 December 2024	56,368
Credited to profit or loss (<i>Note 7</i>)	<u>(2,898)</u>
At 31 December 2025	<u>53,470</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	Assets related <i>RMB’000</i>
At 1 January 2023	–
Government grants received	5,680
Credited to profit or loss	(1,826)
At 31 December 2023	3,854
Credited to profit or loss	(2,434)
At 31 December 2024	1,420
Credited to profit or loss	(1,420)
At 31 December 2025	–

These deferred income primarily comprises government grants received by the Group for investment in land-use rights and operating equipment. The grants are recognised in the profit or loss over the useful lives of the related assets.

29. REDEMPTION LIABILITIES

In August 2023, the Company entered into a subscription agreement with Anhui Jintong New Energy Vehicle Phase II Fund Partnership (Limited Partnership)* (安徽金通新能源汽車二期基金合夥企業(有限合夥)), Anqing New Energy Investment Development Co., Ltd.* (安慶新能源投資發展有限公司, Hubei Tongying Phase II Equity Investment Fund Partnership (Limited Partnership)* (湖北通瀛二期股權投資基金合夥企業(有限合夥)) (“Tongying Phase II”) and Xuancheng Western Advantage Science and Technology Innovation Industry Fund Partnership (Limited Partnership)* (宣城西部優勢科創產業基金合夥企業(有限合夥)) (collectively, the “Investors”), pursuant to which the Investors subscribed to registered capital of RMB8,391,585 for a total consideration of RMB145,000,000. The Company has fully received the subscription amount by 31 December 2023, and recognised approximately RMB8,392,000 as paid-in capital and RMB136,608,000 as capital reserve in the consolidated statement of changes in equity for the year ended 31 December 2023.

In December 2023, the Company entered into a subscription agreement with Wuxi Shenqi Haohui Venture Capital Partnership (Limited Partnership)* (無錫神騏好匯創業投資合夥企業(有限合夥)) (“Wuxi Shenqi”), pursuant to which Wuxi Shenqi subscribed for registered capital of RMB2,893,650 for a consideration of RMB50,000,000. The Company received an initial subscription payment of RMB25,000,000 in December 2023, of which approximately RMB1,447,000 was recognised as paid-in capital and RMB23,553,000 recognised as capital reserve in the consolidated statement of changes in equity for the year ended 31 December 2023. The remaining subscription amount of RMB25,000,000 was received in June 2024, with approximately RMB1,447,000 recognised as paid-in capital and RMB23,553,000 as capital reserve in the consolidated statement of changes in equity for the year ended 31 December 2024.

In December 2023, the Company entered into a subscription agreement with Jingdezhen Fengchao Lingxuan New Energy Industry Investment Center (Limited Partnership)* (景德鎮蜂巢鈴軒新能源產業投資中心(有限合夥)) (“Fengchao New Energy”), pursuant to which Fengchao New Energy subscribed for registered capital of RMB1,736,190 for a consideration of RMB30,000,000. The Company has fully received the subscription amount in January 2024, and recognised approximately RMB1,736,000 as paid-in capital and RMB28,264,000 as capital reserve in the consolidated statement of changes in equity for the year ended 31 December 2024.

In December 2023, the Company entered into a subscription agreement with Huaining Xizheng Innovation Growth Equity Investment Fund Partnership (Limited Partnership)* (懷寧西證創新成長股權投資基金合夥企業(有限合夥)) (“Xizheng Innovation”), pursuant to which Xizheng Innovation subscribed for registered capital of RMB1,157,460 for a consideration of RMB20,000,000. The Company has fully received the subscription amount in January 2024, and recognised approximately RMB1,157,000 as paid-in capital and RMB18,843,000 as capital reserve in the consolidated statement of changes in equity for the year ended 31 December 2024.

APPENDIX I

ACCOUNTANTS’ REPORT

In March 2024, the Company entered into a subscription agreement with Tongying Phase II, pursuant to which Tongying Phase II subscribed for registered capital of RMB578,730 for a consideration of RMB10,000,000. The Company has fully received the subscription amount in March 2024, and recognised approximately RMB579,000 as paid-in capital and RMB9,421,000 as capital reserve in the consolidated statement of changes in equity for the year ended 31 December 2024.

In March 2024, the Company entered into a subscription agreement with Guoyuan Innovation Investment Co., Ltd. (國元創新投資有限公司) (“Guoyuan Innovation Investment”), pursuant to which Guoyuan Innovation Investment subscribed for registered capital of RMB1,157,460 for a consideration of RMB20,000,000. The Company has fully received the subscription amount in April 2024, and recognised approximately RMB1,157,000 as paid-in capital and RMB18,843,000 as capital reserve in the consolidated statement of changes in equity for the year ended 31 December 2024.

In March 2024, the Company entered into a subscription agreement with Anqing Economic Development Zone Fund, pursuant to which Anqing Economic Development Zone Fund subscribed for registered capital of RMB2,893,650 for a consideration of RMB50,000,000. The Company has fully received the subscription amount in May 2024, and recognised approximately RMB2,894,000 as paid-in capital and RMB47,106,000 as capital reserve in the consolidated statement of changes in equity for the year ended 31 December 2024.

Pursuant to the respective agreement with the aforementioned investors, these investors have a right to require the Company to redeem their investment if (i) the Company failed to complete [REDACTED] before a certain date; (ii) the Company has committed a major breach to the agreements; (iii) the Company has committed a significant violation of laws and regulations, which has an adverse impact on the Company or results in the Company being unable to complete [REDACTED]; (iv) the core management personnel has resigned from the Company, which has a significant adverse impact on the Company’s operations; or (v) the Company failed to meet the agreed financial targets.

The redemption amount is calculated at the original investment principal from investors, plus an annual simple rate of 8% of the original investment principal for a period of time commencing from the date of capital contribution to the actual payments date of the settlement (calculated as 365 days in a calendar year).

Upon the closure of the investment, in the Group’s consolidated statements of the financial position, the Group recognised the contractual obligation to the investors as financial liabilities which are measured at amortized cost using the effective interest rate method over the period from the closure date.

To reflect the aforementioned capital contribution to the Company, “paid-in capital” and “capital reserve” were initially recognised in the consolidated statements of changes in equity, with which the Company’s regulatory filings were then aligned. The Company then debited to “other reserve” to the consolidated statements of changes in equity, and recognised the investments as redemption liabilities under IFRS 9 that classified as current liability.

Pursuant to the supplemental agreement to special rights entered into among the Company and its shareholders in May 2026 (the “Supplement Agreement”), except for the redemption rights as described below, all other special rights shall be terminated one day before the [REDACTED].

Pursuant to the Supplemental Agreement, the redemption rights of aforementioned investors shall be terminated one day prior to the Company’s submission of first [REDACTED] application to the Stock Exchange, provided that such rights may, subject to the terms of the Supplemental Agreement, be automatically restored upon the earliest of (i) the Company voluntarily withdraws the [REDACTED] application, or the lapse of Company’s [REDACTED] application submitted to the relevant stock exchange (including but not limited to the Stock Exchange) and no application for [REDACTED] has been made by the Company within 6 months after the lapse of [REDACTED]; (ii) the [REDACTED] application of the Company being ultimately rejected, denied, or its vetting being terminated by the China Securities Regulatory Commission or the relevant stock exchange (including but not limited to the Stock Exchange); (iii) the Company fails to achieve the [REDACTED] by 31 December 2027; or (iv) the Company fails to complete the share issuance within the prescribed time period after listing.

* *The English name is for identification purposes only*

APPENDIX I

ACCOUNTANTS’ REPORT

The movements of this redemption liabilities are as follows:

	Redemption liabilities <i>RMB’000</i>
At 1 January 2023	–
Recognition of financial instruments with redemption rights at amortized cost	170,000
Charged to finance costs	3,475
At 31 December 2023	173,475
Recognition of financial instruments with redemption rights at amortized cost	155,000
Charged to finance costs	22,767
At 31 December 2024	351,242
Charged to finance costs	26,000
At 31 December 2025	377,242

30. OTHER LONG-TERM LIABILITIES

Anqing Economic Development Zone Fund

In July 2020, the Group entered into an agreement and a supplemental agreement with Anqing Economic Development Zone Fund, who agreed to inject capital contribution amounting to RMB150,000,000 into Zhixing Xinneng. Pursuant to the agreement, Anqing Economic Development Zone Fund have a right to require Zhixing Xinneng, the Company or Mr. Li to redeem its investment if (i) Zhixing Xinneng committed a major breach to the agreements; (ii) Zhixing Xinneng have committed a significant violation of laws and regulations, which has an adverse impact on the company or results in the company being unable to complete [REDACTED] ; (iii) the core management personnel has resigned from Zhixing Xinneng, which has a significant adverse impact on the company’s operations; or (iv) Zhixing Xinneng failed to meet the agreed financial targets.

The redemption amount is calculated as the original investment principal from investors, plus an annual simple rate of 5% of the original investment principal for a period of time commencing from the date of capital contribution to the actual payments date of the settlement (calculated as 365 days in a calendar year).

In March 2024, the Group entered into a supplemental agreement with Anqing Economic Development Zone Fund. Pursuant to the supplemental agreement, the Company has redeemed Anqing Economic Development Zone Fund’s investment amounting to RMB50,000,000 plus an annual simple rate of 5% of the original investment principal for a period of time commencing from the date of capital contribution to 31 December 2023. Pursuant to the supplemental agreement, Zhixing Xinneng or the Company will redeem Anqing Economic Development Zone Fund’s investment amounting to RMB100,000,000 plus an annual simple rate of 5% of the original investment principal for a period of time commencing from the date of capital contribution to 30 July 2025.

In June 2025, the Group entered into a supplemental agreement with Anqing Economic Development Zone Fund. Pursuant to the supplemental agreement, the maturity date of redemption has been extended to earlier time of (i) twelve months after the Company completed [REDACTED] ; or (ii) 31 December 2026. The Company shall pay the redemption amount within 30 working days upon the occurrence of any of the above redemption events.

In May 2026, the Group entered into a supplemental agreement with Anqing Economic Development Zone Fund. Pursuant to the supplemental agreement, the aforementioned redemption right automatically terminated upon the signing of the supplemental agreement.

APPENDIX I

ACCOUNTANTS’ REPORT

Xuzhou Runhui Enterprise Management Center (Limited Partnership)* (徐州潤匯企業管理中心(有限合夥)) (“Xuzhou Runhui Fund”)

In September 2020, the Group entered into an agreement with Xuzhou Runhui Fund, a local government fund in the PRC, who agreed to inject capital contribution amounting to RMB40,000,000 into Xuzhou Zhizu IoT Technology Co., Ltd.* (徐州智租物聯科技有限公司) (“Xuzhou Zhizu”) ((previously known as Zhiwang IoT Technology Xuzhou Co., Ltd.* (智網物聯科技徐州有限公司) from November 2021 to January 2024 and Zhiwang Automobile Industry Xuzhou Co., Ltd.* (智網車業徐州有限公司) prior to November 2021), a subsidiary of the Group. Pursuant to the agreement, Xuzhou Zhizu, the Company or Mr. Li will be obligated to redeem the Xuzhou Runhui Fund’s investment if (i) more than five years have elapsed upon the initial capital contribution received from Xuzhou Runhui Fund; (ii) Mr. Li resigns from the Company or there is a change in the Company’s actual controller; (iii) Xuzhou Zhizu and the Company is subject to a petition for bankruptcy, dissolution, or cancellation; or (iv) the operating conditions of Xuzhou Zhizu or the Company have materially deteriorated.

The redemption amount is calculated as the original investment principal from investors, plus an annual simple rate of 16% of the original investment principal for a period of time commencing from the date of initial capital contribution to the actual payments date of the settlement and has been designated as current liabilities repayable on demand since not all the triggering circumstances mentioned above are within the control of the Group.

The Group received capital contribution of RMB5,000,000 in September 2020 and RMB10,000,000 in February 2021, respectively.

As at 31 December 2025, the carrying amount of the investment together with the accrued interest was RMB27,087,000. This amount was fully settled in March 2026.

The movements of above other long-term liabilities are as follows:

	Anqing Economic Development Zone Fund <i>RMB’000</i>	Xuzhou Runhui Fund <i>RMB’000</i>	Total <i>RMB’000</i>
At 1 January 2023	166,918	19,887	186,805
Charged to finance costs	7,521	2,400	9,921
At 31 December 2023	174,439	22,287	196,726
Charged to finance costs	4,993	2,400	7,393
Repayments of other long-term liabilities	(57,322)	–	(57,322)
At 31 December 2024	122,110	24,687	146,797
Charged to finance costs	5,000	2,400	7,400
At 31 December 2025	127,110	27,087	154,197

* The English name is for identification purposes only

31. PAID-IN CAPITAL OF THE COMPANY

The Company was converted from a limited liability company into a joint stock company with limited liability on 20 April 2026. The Company’s net assets value as of 31 January 2026 was converted into 99,830,929 ordinary shares with a par value of RMB1.00 each.

APPENDIX I

ACCOUNTANTS’ REPORT

A summary of movements in the Company’s paid-in capital is as follows:

	Paid-in capital <i>RMB’000</i>
At 1 January 2023	69,642
Capital injection by new investors (<i>Note 29</i>)	9,839
At 31 December 2023	79,481
Capital contribution from existing shareholders (<i>note</i>)	11,380
Capital injection by new investors (<i>Note 29</i>)	8,970
At 31 December 2024 and 2025	99,831

Note: During the year ended 31 December 2024, RMB11,380,000 registered capital was paid by existing shareholders.

32. RETIREMENT BENEFITS PLAN

The employees of the Group entities in the PRC are members of the state-sponsored retirement benefit scheme organized by the relevant local government authority in the PRC. The PRC entities are required to contribute, based on a certain percentage of the payroll costs of their employees, to the retirement benefit scheme and have no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. Contributions to the scheme vest immediately, there are no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

For the years ended 31 December 2023, 2024 and 2025, the total amount provided by the Group to the scheme in the PRC and charged to profit or loss are RMB7,838,000, RMB6,342,000 and RMB6,879,000, respectively.

33. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group’s overall strategy remains unchanged through the Track Record Period.

The capital structure of the Group consists of net debt, which includes the borrowings, lease liabilities, redemption liabilities and other long-term liabilities disclosed in respective notes, net of cash and cash equivalents and equity attribute to owners of the Company, comprising paid-in capital, reserves and non-controlling interests.

The management of the Group reviews the capital structure on a regular basis and considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, the issue of new shares, new debts or the redemption of existing debts.

APPENDIX I

ACCOUNTANTS’ REPORT

34. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group

	Year ended 31 December		
	2023 RMB’000	2024 RMB’000	2025 RMB’000
Financial assets			
Financial assets at FVTPL	103	–	–
Financial assets at amortised cost	413,117	312,697	374,828
	<u>413,220</u>	<u>312,697</u>	<u>374,828</u>
Financial liabilities			
Amortised cost	1,361,505	1,224,672	1,287,836
	<u>1,361,505</u>	<u>1,224,672</u>	<u>1,287,836</u>

The Company

	Year ended 31 December		
	2023 RMB’000	2024 RMB’000	2025 RMB’000
Financial assets			
Financial assets at FVTPL	103	–	–
Financial assets at amortised cost	317,787	198,854	160,016
	<u>317,890</u>	<u>198,854</u>	<u>160,016</u>
Financial liabilities			
Amortised cost	392,766	693,298	626,324
	<u>392,766</u>	<u>693,298</u>	<u>626,324</u>

(b) Financial risk management objectives and policies

The Group’s major financial instruments include trade and bill receivables, other receivables, cash and cash equivalents, financial assets at FVTPL, restricted bank deposits, time deposits, borrowings, trade, bills and other payables, redemption liabilities and other long-term liabilities. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below.

The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

The Group’s activities expose it primarily to the financial risks of interest rates. There has been no change in the Group’s exposure to market risk or the manner in which it manages and measures the risk during the reporting period.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to restricted bank deposits (see Note 22 for details), time deposits (see Note 22 for details), fixed-rate borrowings (see Note 26 for details), lease liabilities (see Note 27 for details), redemption liabilities (see Note 29 for details) and other

APPENDIX I

ACCOUNTANTS’ REPORT

long-term liabilities (see Note 30 for details). The Group is also exposed to cash flow interest rate risk in relation to cash and cash equivalents (see Note 22 for details) and variable-rate borrowings (see Note 26 for details). The Group’s cash flow interest rate risk is mainly concentrated on the fluctuation of the market rates from the cash and cash equivalents and borrowings. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of borrowings in fixed rates and ensure they are within reasonable range.

The Group currently does not have formal interest rate hedging policies. The management of the Group monitors the Group’s exposures on an on-going basis and will consider hedging interest rate risk should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. The analysis are prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis point increase or decrease in interest rates of variable-rate bank borrowings is used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates. Cash and cash equivalents are excluded from sensitivity analysis as the management considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

If interest rate had been 50 basis points higher/lower and all other variables were held constant, the Group’s post-tax loss for the year would have increased/decreased by RMB1,206,000 for the year ended 31 December 2023, and the Group’s post-tax profit for the year would have decreased/increased by RMB1,092,000 and RMB921,000 for the years ended 31 December 2024 and 2025, respectively. This is mainly attributable to the Group’s exposure to interest rates on its variable-rate bank borrowings.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group’s counterparties default on their contractual obligations resulting in financial losses to the Group. The Group’s credit risk exposures are primarily attributable to trade and bills receivables, other receivables, restricted bank deposits, time deposits, cash and cash equivalents. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade receivables

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the impairment loss allowance at lifetime ECL. The Group determines the ECL on these items on an individual basis for customers which are credit-impaired and the remaining is estimated collectively by using a provision matrix, estimated based on debtors’ aging because these customers consist of a large number of customers with common risk characteristics that are representative of the customers’ abilities to pay all amounts due in accordance with the contractual terms.

The Group has concentration of credit risk as 37.72%, 23.37% and 22.06% of the total trade receivables were due from the Group’s largest customer and 89.82%, 54.22% and 63.93% of the total trade receivables were due from the Group’s five largest customers as at the years ended 31 December 2023, 2024 and 2025, respectively.

Other receivables

The Group’s other receivables represent amount due from shareholders, deposits, amount due from a supplier, amount due from an independent third party, amount due from subsidiaries and others as set out in Note 21. Taking into account counterparties’ historical settlements records and credit quality, the directors of the Company consider the amounts are expected to be recoverable and the ECL on other receivables are insignificant, except for the loss of certain deposits with gross carrying amounts of RMB431,000 as 31 December 2025.

APPENDIX I

ACCOUNTANTS’ REPORT

Restricted bank deposits/Time deposits/cash and cash equivalents/Bills receivables

The restricted bank deposits, time deposits, cash and cash equivalents and bills receivables are determined to have low credit risk at the end of each reporting period. The credit risk on restricted bank deposits, time deposits, cash and cash equivalents and bills receivables is limited because the counterparties are reputable banks and financial institutions, the risk of inability to pay or redeem at the due date is low.

The tables below detail the credit risk exposures of the Group’s financial assets which are subject to ECL assessment:

The Group

31 December 2023	Notes	12m or lifetime ECL	Gross carrying amount RMB'000	Average loss rate
Financial assets at amortized cost				
Trade receivables	20	Lifetime ECL (not credit-impaired)	620	0.32%
		Lifetime ECL (credit-impaired)	1,263	100.00%
Bills receivables	20	12m ECL	300	Insignificant
Other receivables	21	12m ECL	172,664	Insignificant
Cash and cash equivalents	22	12m ECL	77,793	Insignificant
Restricted bank deposits	22	12m ECL	161,742	Insignificant
			<u>414,382</u>	
			<u><u>414,382</u></u>	
31 December 2024	Notes	12m or lifetime ECL	Gross carrying amount RMB'000	Average loss rate
Financial assets at amortized cost				
Trade receivables	20	Lifetime ECL (not credit-impaired)	324	2.78%
		Lifetime ECL (credit-impaired)	1,380	100.00%
Bills receivables	20	12m ECL	145	Insignificant
Other receivables	21	12m ECL	156,657	Insignificant
Cash and cash equivalents	22	12m ECL	28,442	Insignificant
Restricted bank deposits	22	12m ECL	127,138	Insignificant
			<u>314,086</u>	
			<u><u>314,086</u></u>	
31 December 2025	Notes	12m or lifetime ECL	Gross carrying amount RMB'000	Average loss rate
Financial assets at amortized cost				
Trade receivables	20	Lifetime ECL (not credit-impaired)	3,371	6.73%

APPENDIX I

ACCOUNTANTS’ REPORT

31 December 2025	Notes	12m or lifetime ECL	Gross carrying amount <i>RMB'000</i>	Average loss rate
		Lifetime ECL (credit-impaired)	1,558	100.00%
Bills receivables	20	12m ECL	22	Insignificant
Other receivables	21	12m ECL	133,986	Insignificant
		Lifetime ECL (credit- impaired)	431	100.00%
Cash and cash equivalents	22	12m ECL	97,015	Insignificant
Time deposits	22	12m ECL	30,000	Insignificant
Restricted bank deposits	22	12m ECL	110,661	Insignificant
			<u>377,044</u>	
The Company				
31 December 2023	Notes	12m or lifetime ECL	Gross carrying amount <i>RMB'000</i>	Average loss rate
Financial assets at amortized cost				
Trade receivables	20	Lifetime ECL (not credit-impaired)	12,209	0.02%
		Lifetime ECL (credit-impaired)	114	100.00%
Other receivables	21	12m ECL	252,910	Insignificant
Cash and cash equivalents	22	12m ECL	52,420	Insignificant
Restricted bank deposits	22	12m ECL	250	Insignificant
			<u>317,903</u>	
31 December 2024	Notes	12m or lifetime ECL	Gross carrying amount <i>RMB'000</i>	Average loss rate
Financial assets at amortized cost				
Trade receivables	20	Lifetime ECL (not credit-impaired)	26,260	0.07%
		Lifetime ECL (credit-impaired)	230	100.00%
Other receivables	21	12m ECL	107,341	Insignificant
Cash and cash equivalents	22	12m ECL	16,020	Insignificant
Restricted bank deposits	22	12m ECL	49,251	Insignificant
			<u>199,102</u>	

APPENDIX I

ACCOUNTANTS’ REPORT

31 December 2025	Notes	12m or lifetime ECL	Gross carrying amount RMB'000	Average loss rate
Financial assets at amortized cost				
Trade receivables	20	Lifetime ECL (not credit-impaired)	24,331	0.25%
		Lifetime ECL (credit-impaired)	367	100.00%
Other receivables	21	12m ECL	105,418	Insignificant
		Lifetime ECL (credit-impaired)	386	100.00%
Cash and cash equivalents	22	12m ECL	30,076	Insignificant
Restricted bank deposits	22	12m ECL	251	Insignificant
			<u>160,829</u>	

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors which are credit-impaired, the Group determines the ECL on these items by using a provision matrix. The following table provides information about the exposure to credit risk for trade receivables as at 31 December 2023, 2024 and 2025.

The Group

As at 31 December 2023	Average Loss Rate	Gross amount RMB'000	ECL amount RMB'000
Provision on an individual basis	100.00%	1,263	1,263
Provision on a collective basis	0.32%	620	2
0-60 days	0.00%	543	—*
61-120 days	0.00%	14	—*
121-180 days	3.17%	63	2
		<u>1,883</u>	<u>1,265</u>
As at 31 December 2024	Average Loss Rate	Gross amount RMB'000	ECL amount RMB'000
Provision on an individual basis	100.00%	1,380	1,380
Provision on a collective basis	2.78%	324	9
0-60 days	0.76%	264	2
61-120 days	6.25%	16	1
121-180 days	13.64%	44	6
		<u>1,704</u>	<u>1,389</u>

APPENDIX I

ACCOUNTANTS’ REPORT

As at 31 December 2025	Average Loss Rate	Gross amount RMB’000	ECL amount RMB’000
Provision on an individual basis	100.00%	1,558	1,558
Provision on a collective basis	6.73%	3,371	227
0-60 days	2.49%	2,372	59
61-120 days	4.84%	248	12
121-180 days	19.48%	154	30
181-365 days	21.11%	597	126
		<u>4,929</u>	<u>1,785</u>
The Company			
As at 31 December 2023	Average Loss Rate	Gross amount RMB’000	ECL amount RMB’000
Provision on an individual basis	100.00%	114	114
Provision on a collective basis	0.02%	12,209	2
0-60 days	0.00%	12,133	—*
61-120 days	0.00%	14	—*
121-180 days	3.23%	62	2
		<u>12,323</u>	<u>116</u>
As at 31 December 2024	Average Loss Rate	Gross amount RMB’000	ECL amount RMB’000
Provision on an individual basis	100.00%	230	230
Provision on a collective basis	0.07%	26,260	18
0-60 days	0.07%	26,256	18
61-120 days	0.00%	4	—*
		<u>26,490</u>	<u>248</u>
As at 31 December 2025	Average Loss Rate	Gross amount RMB’000	ECL amount RMB’000
Provision on an individual basis	100.00%	367	367
Provision on a collective basis	0.25%	24,331	60
0-60 days	0.01%	23,961	2
121-180 days	1.90%	105	2
181-365 days	21.13%	265	56
		<u>24,698</u>	<u>427</u>

* Less than RMB1,000.

APPENDIX I

ACCOUNTANTS’ REPORT

The following table shows the movements in lifetime ECL that have been recognised for trade receivables under the simplified approach.

The Group

	Lifetime ECL (not credit-impaired) RMB’000	Lifetime ECL (credit-impaired) RMB’000	Total RMB’000
As at 1 January 2023	14	1,320	1,334
Impairment losses recognised	8	1,150	1,158
Impairment losses reversed	(20)	(1,207)	(1,227)
As at 31 December 2023	2	1,263	1,265
Impairment losses recognised	34	117	151
Impairment losses reversed	(27)	–	(27)
As at 31 December 2024	9	1,380	1,389
Impairment losses recognised	277	179	456
Impairment losses reversed	(59)	(1)	(60)
As at 31 December 2025	227	1,558	1,785

The Company

	Lifetime ECL (not credit-impaired) RMB’000	Lifetime ECL (credit-impaired) RMB’000	Total RMB’000
As at 1 January 2023	13	1,301	1,314
Impairment losses recognised	–	20	20
Impairment losses reversed	(11)	(1,207)	(1,218)
As at 31 December 2023	2	114	116
Impairment losses recognised	28	116	144
Impairment losses reversed	(12)	–	(12)
As at 31 December 2024	18	230	248
Impairment losses recognised	78	137	215
Impairment losses reversed	(36)	–	(36)
As at 31 December 2025	60	367	427

Liquidity risk

The directors of the Company have adopted an appropriate liquidity risk management framework for the management of the Group’s short-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by closely and continuously monitoring the Group’s consolidated financial position. The directors of the Company monitor the sufficiency of cash flows with availability of unutilized borrowing facilities, internally generated funds and alternative refinancing and extension of due date of borrowings. The directors of the Company also review the forecasted cash flows on an on-going basis to ensure that the Group will be able to meet its financial obligations falling due and have sufficient capital for operation.

APPENDIX I

ACCOUNTANTS’ REPORT

The following table details the Group’s remaining contractual maturity for its financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights.

The table includes both interest and principal cash flows. To the extent that interest cash flows are based on variable rate, the undiscounted amount is derived based on management’s best estimates at the end of the reporting period, taking into consideration interest rate curve, if available.

Liquidity tables

The Group

	Weighted average interest rate %	On demand or less than 1 year RMB'000	1–2 years RMB'000	2–5 years RMB'000	More than 5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amounts RMB'000
As at 31 December 2023							
Trade, bills and other payables	–	527,298	–	–	–	527,298	527,298
Borrowings	5.14	294,317	69,534	108,295	28,792	500,938	464,006
Other long-term liabilities	6.00	196,726	–	–	–	196,726	196,726
Lease liabilities	5.00	3,887	3,872	3,975	–	11,734	10,937
Redemption liabilities	8.00	173,475	–	–	–	173,475	173,475
		<u>1,195,703</u>	<u>73,406</u>	<u>112,270</u>	<u>28,792</u>	<u>1,410,171</u>	<u>1,372,442</u>
As at 31 December 2024							
Trade, bills and other payables	–	358,245	–	–	–	358,245	358,245
Borrowings	4.02	224,742	57,946	107,189	2,830	392,707	368,388
Other long-term liabilities	6.43	146,797	–	–	–	146,797	146,797
Lease liabilities	5.00	700	934	934	–	2,568	2,379
Redemption liabilities	8.00	351,242	–	–	–	351,242	351,242
		<u>1,081,726</u>	<u>58,880</u>	<u>108,123</u>	<u>2,830</u>	<u>1,251,559</u>	<u>1,227,051</u>
As at 31 December 2025							
Trade, bills and other payables	–	380,780	–	–	–	380,780	380,780
Borrowings	3.72	254,600	61,815	75,683	–	392,098	375,617
Other long-term liabilities	6.43	27,087	132,110	–	–	159,197	154,197
Lease liabilities	5.00	1,388	1,388	–	–	2,776	2,657
Redemption liabilities	8.00	377,242	–	–	–	377,242	377,242
		<u>1,041,097</u>	<u>195,313</u>	<u>75,683</u>	<u>–</u>	<u>1,312,093</u>	<u>1,290,493</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	Weighted average interest rate %	On demand or less than 1 year RMB'000	1–2 years RMB'000	2–5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amounts RMB'000
As at 31 December 2023						
Trade, bills and other payables	–	72,903	–	–	72,903	72,903
Borrowings	4.28	140,762	10,771	–	151,533	146,388
Lease liabilities	5.00	3,759	3,872	3,975	11,606	10,814
Redemption liabilities	8.00	173,475	–	–	173,475	173,475
		<u>390,899</u>	<u>14,643</u>	<u>3,975</u>	<u>409,517</u>	<u>403,580</u>
As at 31 December 2024						
Trade, bills and other payables	–	304,970	–	–	304,970	304,970
Borrowings	4.39	38,087	–	–	38,087	37,086
Lease liabilities	5.00	700	934	934	2,568	2,379
Redemption liabilities	8.00	351,242	–	–	351,242	351,242
		<u>694,999</u>	<u>934</u>	<u>934</u>	<u>696,867</u>	<u>695,677</u>
As at 31 December 2025						
Trade, bills and other payables	–	183,919	–	–	183,919	183,919
Borrowings	3.03	76,134	–	–	76,134	65,163
Lease liabilities	5.00	1,388	1,388	–	2,776	2,657
Redemption liabilities	8.00	377,242	–	–	377,242	377,242
		<u>638,683</u>	<u>1,388</u>	<u>–</u>	<u>640,071</u>	<u>628,981</u>

(c) Fair value measurements of financial instruments

(i) Fair value of the Group’s financial assets that are measured at fair value on a recurring basis

The Group and Company

	As at 31 December 2023 RMB'000	2024 RMB'000	2025 RMB'000	Fair value hierarchy	Valuation technique and key input	Significant unobservable inputs
Financial assets:						
Financial assets at FVTPL	103	–	–	Level 1	Determined based on public market prices	N/A

There were no transfers between Level 1 and 2 during the Track Record Period.

APPENDIX I

ACCOUNTANTS’ REPORT

(ii) *Fair value of the Group’s financial assets and financial liabilities that are not measured at fair value on a recurring basis*

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recognised in the Historical Financial Information approximate their fair values. Such fair values of financial assets and financial liabilities of the Group are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group’s liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group’s consolidated statements of cash flows as cash flows from financing activities.

	Borrowings	Lease liabilities	Amount due to a related party	Other long term liabilities	Redemption liabilities	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
At 1 January 2023	420,616	14,148	4,900	186,805	–	626,469
Financing cash flows	15,647	(3,822)	4,900	–	170,000	186,725
Interest expenses	27,743	611	–	9,921	3,475	41,750
At 31 December 2023	464,006	10,937	9,800	196,726	173,475	854,944
Financing cash flows	(109,318)	(3,480)	(9,800)	(57,322)	155,000	(24,920)
Interest expenses	13,700	370	–	7,393	22,767	44,230
New leases entered	–	2,583	–	–	–	2,583
Termination of lease	–	(8,031)	–	–	–	(8,031)
At 31 December 2024	368,388	2,379	–	146,797	351,242	868,806
Financing cash flows	(8,977)	(1,040)	–	–	–	(10,017)
Interest expenses	16,206	142	–	7,400	26,000	49,748
New leases entered	–	1,176	–	–	–	1,176
At 31 December 2025	375,617	2,657	–	154,197	377,242	909,713

APPENDIX I

ACCOUNTANTS’ REPORT

36. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

As at 31 December 2023, 2024 and 2025 and the date of this report, the Company has direct and indirect equity interests in the following subsidiaries:

Name of subsidiaries	Place of incorporation/ registration /operations	Date of incorporation/ registration	Paid-in capital/ registered capital <i>RMB'000</i>	Proportion of ownership interest and voting power held by the Company				Principal activities	<i>Notes</i>
				2023	2024	2025	Date of this report		
				%	%	%	%		
Directly held:									
Beijing Zhizu	The PRC	5 September 2022	10,000/10,000	51	100	100	[100]	Technology services, marketing and information consulting, leasing, wholesale/ retail of electronics, batteries, electric bicycles and IoT devices.	i
Zhizu Chuangneng	The PRC	1 November 2017	200,000/200,000	100	100	100	[100]	Lithium battery and battery swapping cabinets fixed assets holding	ii
Shenzhen Zhizu Chuangneng Technology Co., Ltd.* (深圳智租創能科技有限公司) ("Shenzhen Zhizu")	The PRC	6 June 2024	500/500	NA	100	100	[100]	Provision of charging control equipment	i
Shanghai Xiyi Car Rental Co., Ltd.* (上海曦騰汽車租賃有限公司) ("Shanghai Xiyi")	The PRC	30 March 2017	16,137/16,137	100	100	100	[100]	Business consulting	i
Zhiqian (Shanghai) Information Technology Co., Ltd.* (智錢(上海)信息科技有限公 司)	The PRC	9 November 2021	~/5,000	100	NA	NA	NA	Technical services	i and iv
Zhizu IoT Technology (Anhui) Co., Ltd.* (智租物聯科技(安徽)有限 公司) ("Zhizu Anhui")	The PRC	6 July 2020	~/10,000	100	100	NA	NA	IoT technical services	i and v
Zhixing Logistics Technology Xuzhou Co., Ltd.* (智行物流科技徐州有限公司)	The PRC	14 August 2020	~/10,000	NA	NA	NA	NA	Road freight transport	i and iii
Zhixing Xinneng	The PRC	28 July 2020	275,000/275,000	60	73	73	[73]	Lithium battery and battery swapping cabinets manufacturing base	ii
Xuzhou Zhizu	The PRC	26 August 2020	5,300/5,300	80	80	80	[80]	Lithium Battery Manufacturing	i

APPENDIX I

ACCOUNTANTS’ REPORT

Name of subsidiaries	Place of incorporation/ registration /operations	Date of incorporation/ registration	Paid-in capital/ registered capital RMB’000	Proportion of ownership interest and voting power held by the Company				Principal activities	Notes
				2023 %	2024 %	2025 %	Date of this report %		
Shanghai Xiaozhi Changpao Technology Co., Ltd.* (上海小智暢跑科技有限責任公司)	The PRC	15 December 2025	~/1,000	NA	NA	100	[100]	Technology services, marketing and information consulting, leasing, wholesale/retail of electronics, batteries, electric bicycles and IoT devices.	i
EAZIBATT ENERGY INTERNATIONAL PTE. LTD	Singapore	10 December 2025	~/20,000	NA	NA	100	[100]	Wholesale and Retail Trade	i
Chongqing Zhihongxing Technology Co., Ltd.* (重慶智弘星科技有限公司) (“Chongqing Zhihongxing”)	The PRC	15 November 2022	~/10,000	100	NA	NA	NA	Value-added telecommunications services	i and iv
Indirectly held:									
Zhitong Energy (Anhui) Co., Ltd.* (智通能源(安徽)有限公司) (“Zhitong Energy”)	The PRC	19 November 2020	42,100/550,000	73	73	73	[73]	Land and Factory holding	i
Anhui Zhixing Advanced Battery Manufacturing Co., Ltd.* (安徽智星先進電池製造有限公司)	The PRC	11 November, 2024	~/50,000	NA	44	44	[44]	Manufacturing of electronic professional equipment; Sales of smart home devices, batteries, battery parts; Battery leasing; Charging equipment leasing; Energy storage technical services; IoT technical services & R&D	i
Zhizu Xinneng (Anhui) Technology Co., Ltd.* (智租新能(安徽)科技有限公司) (“Zhizu Xinneng”)	The PRC	13 November 2023	2,000/10,000	73	73	73	[73]	Battery-swapping	i
Zhizu Financial Leasing (Shanghai) Co., Ltd.* (智租融資租賃(上海)有限公司) (“Zhizu Financial Leasing”)	The PRC	27 June 2018	20,517/300,000	75	75	75	NA	Financial leasing, domestic/overseas asset purchase, residual value disposal, maintenance, leasing consulting, guarantees, commercial factoring	i and vi
PT Eazibatt Energi Indonesia	Indonesia	26 November 2025	~/20,000	NA	NA	99	[99]	Electricity sales	i

APPENDIX I

ACCOUNTANTS’ REPORT

Name of subsidiaries	Place of incorporation/ registration /operations	Date of incorporation/ registration	Paid-in capital/ registered capital RMB’000	Proportion of ownership interest and voting power held by the Company				Date of this report	Principal activities	Notes
				2023	2024	2025				
				%	%	%	%			
Xian Zhizu IoT Technology Co., Ltd.* (西安智租物联科技有限公司)	The PRC	14 August 2020	-/20,000	NA	NA	NA	NA		Bicycle repair, software development	i and iii

* *English name is for identification purpose only.*

All of the subsidiaries adopted 31 December as financial year end.

None of the subsidiaries have issued any debt securities during the Track Record Period.

Notes:

- (i) No statutory financial statements have been prepared for these subsidiaries, as there is no statutory audit requirement.
- (ii) The statutory financial statements of the entities for the years ended 31 December 2023 and 2024 prepared under Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and were audited by Shanghai Xinyun. The statutory financial statements of these entities for the years ended 31 December 2025 have not been issued as of the date of this report.
- (iii) The entity has been deregistered during the year ended 31 December 2023.
- (iv) These entities have been deregistered during the year ended 31 December 2024.
- (v) The entity has been deregistered during the year ended 31 December 2025.
- (vi) The entity has been deregistered on 28 May 2026.

37. RELATED PARTY TRANSACTIONS

During the Track Record Period, the directors of the Company are of the view that the following are related parties of the Group and the Company:

Name of parties	Relationships
Zhizu Binjiang	Joint venture of the Company
Shanghai Zhizu	Shareholder of the Company
Shanghai Xingchi	Shareholder of the Company
Anqing Zhili Enterprise Management Center (Limited Partnership)* (安慶智立企業管理中心(有限合夥)) (“Anqing Zhili”)	Controlled by Mr. Li
Beijing Weiyuan (<i>note</i>)	Non-controlling shareholder of a subsidiary

* *English name is for identification purpose only.*

Note: On 31 October 2024, the Company acquired the remaining 49% equity interest in Beijing Zhizu from Beijing Weiyuan. Upon completion of the acquisition, Beijing Zhizu became a wholly owned subsidiary of the Company and Beijing Weiyuan is no longer a related party of the Group.

APPENDIX I

ACCOUNTANTS’ REPORT

The Group

(a) Related party transactions

During the Track Record Period, save as disclosed elsewhere in the historical financial information, the Group had the following related party transactions:

(i) Sales of goods and services

	Year ended		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Zhizu Binjiang	1,949	36	1
Anqing Zhili	—	—	83
Total	1,949	36	84

(ii) Purchases of services

	Year ended		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Anqing Zhili	3,302	—	—

(b) Related party balances

Trade in nature

(i) Trade receivables

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Zhizu Binjiang	1,117	21	23

(ii) Prepayments to suppliers

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Anqing Zhili	1,700	2,200	2,200

(iii) Other receivables

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Anqing Zhili	—	—	91

APPENDIX I

ACCOUNTANTS’ REPORT

Non-trade in nature

(i) Amount due from shareholders

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Shanghai Xingchi	23,470	23,472	23,472
Shanghai Zhizu	3,800	3,800	3,800
Total	27,270	27,272	27,272

(ii) Amount due to a related party

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Beijing Weiyuan	9,800	–	–

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the Track Record Period was as follows:

	Year ended		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries and other benefits	2,920	3,626	3,869
Discretionary performance related bonus	148	79	69
Retirement benefit scheme contributions	152	190	218
Total	3,220	3,895	4,156

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

(a) Related party transactions

During the Track Record Period, save as disclosed elsewhere in the historical financial information, the Group had the following related party transactions:

(i) Sales of goods and services

	Year ended		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Zhizu Chuangneng	10,609	103,113	47,814
Beijing Zhizu	2,354	3,682	15
Zhixing Xinneng	1,900	2,370	680
Zhizu Xinneng	1,048	2,349	–
Chongqing Zhihongxing	7	–	–
Total	15,918	111,514	48,509

(ii) Purchases of services

	Year ended		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Shenzhen Zhizu	–	3,849	17,506
Zhizu Xinneng	–	33,583	4,748
Zhizu Chuangneng	27	103,539	546
Beijing Zhizu	1,255	4,323	85
Zhixing Xinneng	117	3,821	238
Xuzhou Zhizu	6,140	16	–
Chongqing Zhihongxing	1,490	–	–
Zhizu Financial Leasing	260	–	–
Total	9,289	149,131	23,123

(iii) Purchases of operating equipment

	Year ended		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Zhixing Xinneng	12,144	258,555	1,966
Xuzhou Zhizu	–	28,895	–
Total	12,144	287,450	1,966

APPENDIX I

ACCOUNTANTS’ REPORT

(b) *Related party balances*

Trade in nature

(i) Trade receivables

	As at 31 December		
	2023 RMB’000	2024 RMB’000	2025 RMB’000
Zhizu Chuangneng	7,520	21,523	23,792
Beijing Zhizu	2,484	3,903	6
Zhizu Xinneng	1,185	–	–
Zhixing Xinneng	413	53	–
Chongqing Zhihongxing	7	–	–
Total	11,609	25,479	23,798

(ii) Trade and bill payables

	As at 31 December		
	2023 RMB’000	2024 RMB’000	2025 RMB’000
Zhizu Xinneng	–	2,300	5,121
Shenzhen Zhizu	–	1,300	5,046
Total	–	3,600	10,167

(iii) *Prepayments to suppliers*

	As at 31 December		
	2023 RMB’000	2024 RMB’000	2025 RMB’000
Zhixing Xinneng	–	–	3,109

Non-trade in nature

(i) Amount due from a shareholder

	As at 31 December		
	2023 RMB’000	2024 RMB’000	2025 RMB’000
Shanghai Xingchi	520	10,522	10,522

APPENDIX I

ACCOUNTANTS’ REPORT

(ii) Amount due from subsidiaries

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Zhizu Xinneng	–	57,818	61,522
Beijing Zhizu	8,191	33,672	17,389
Shenzhen Zhizu	–	–	8,999
Shanghai Jiqike	8,180	4,382	4,382
Zhizu Anhui	226,050	50	–
Xuzhou Zhizu	7,647	–	–
Chongqing Zhihongxing	498	–	–
Total	250,566	95,922	92,292

(iii) Amount due to subsidiaries

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Zhixing Xinneng	13,347	155,505	42,136
Xuzhou Zhizu	–	39,017	41,440
Zhizu Chuangneng	6,202	12,063	25,549
Zhizu Xinneng	27,465	–	–
Zhizu Financial Leasing	1,440	1,440	1,440
Total	48,454	208,025	110,565

38. PLEDGE OF ASSETS

The following assets have been pledged to various banks for securing of the Group’s borrowings or the issue of bills payables at the end of each reporting period were summarized below:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Property, plant and equipment	131,289	129,513	117,777
Right-of-use assets	38,207	75,663	74,028
Restricted bank deposits	161,742	127,138	110,661
	331,238	332,314	302,466

39. CAPITAL COMMITMENTS

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contracted but not provided for:			
Property and equipment	96,371	4,290	16,483

APPENDIX I

ACCOUNTANTS’ REPORT

40. INTERESTS IN SUBSIDIARIES

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Cost of investments, unlisted shares	245,237	506,937	506,937

41. MOVEMENTS OF THE COMPANY’S RESERVES

	Capital reserve RMB'000	Accumulated losses RMB'000	Other Reserve RMB'000	Sub-total RMB'000
At 1 January 2023	110,878	(66,379)	–	44,499
Profit for the year	–	55,652	–	55,652
Capital contribution	160,161	–	–	160,161
Recognition of capital contribution as redemption liabilities	–	–	(170,000)	(170,000)
At 31 December 2023	271,039	(10,727)	(170,000)	90,312
Loss for the year	–	(9,744)	–	(9,744)
Capital contribution	146,030	–	–	146,030
Recognition of capital contribution as redemption liabilities	–	–	(155,000)	(155,000)
At 31 December 2024	417,069	(20,471)	(325,000)	71,598
Loss for the year	–	(41,103)	–	(41,103)
At 31 December 2025	417,069	(61,574)	(325,000)	30,495

42. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in Notes 29, 30 and 31 and below, there are no material subsequent events undertaken by the Company or by the Group after 31 December 2025 and up to the date of this report.

Pursuant to an agreement dated May 2026, Xuzhou Runhui agreed to subscribe for 302,528 shares of the Company at a total consideration of approximately RMB5,758,000.

43. SUBSEQUENT FINANCIAL STATEMENTS

[No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to 31 December 2025 and up to the date of this report.]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

The primary purpose of this Appendix is to provide potential [REDACTED] with an overview of the Articles of Association of the Company. Accordingly, it may not contain all information that may be material to potential [REDACTED].

(I) DIRECTORS AND THE BOARD

1. Power to Allot and Issue Shares

The Articles of Association contain no provision granting the Board the power to allot or issue shares. The Board shall formulate plans for increasing or reducing the registered capital of the Company, issuing bonds or other securities, and for listing, which must be approved by the shareholders' meeting. The issuance of shares shall follow the procedures prescribed by applicable laws, regulations, and securities regulatory rules.

2. Power to Dispose of Assets of the Company or Any Subsidiary

The Board shall determine the authority with respect to external investment, acquisition and disposal of assets, asset pledges, external guarantees, entrusted wealth management, connected (related) transactions, and external donations, and shall establish stringent review and decision-making procedures. Major investment projects shall be subject to evaluation by relevant experts and professionals and submitted to the shareholders' meeting for approval.

3. Compensation or Payment for Loss of Office

The shareholders' meeting may resolve to remove a director, and such removal shall take effect on the date of the resolution. Where a director is removed before the expiration of his/her term of office without proper cause, such director may request the Company to provide compensation.

4. Loans to Directors

The Articles of Association contain no provision regarding the granting of loans to directors.

5. Financial Assistance for Acquisition of Shares in the Company or Any Subsidiary

Neither the Company nor its subsidiaries (including affiliated enterprises of the Company) may provide financial assistance in the form of gifts, advances, guarantees, loans, or otherwise, for any person to acquire shares in the Company or its parent company, except where the Company implements an employee share ownership plan.

6. Disclosure of Interests in Contracts with the Company or Any Subsidiary

Unless reported to the Board or the shareholders' meeting and approved by resolution of the Board or the shareholders' meeting in accordance with the Articles of Association, no person shall directly or indirectly enter into any contract or transaction with the Company.

7. Remuneration

The shareholders' meeting has the authority to determine matters relating to the remuneration of directors.

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

8. Resignation, Appointment, and Removal

The Company has established a Board consisting of seven directors, of whom three are independent non-executive directors. The Board shall have one chairman, elected by a majority vote of all directors.

Directors shall be elected or replaced by the shareholders' meeting and may, before the expiration of their term of office, be removed by an ordinary resolution of the shareholders' meeting. The term of office of a director is three years, renewable upon re-election.

The term of office of a director shall commence from the date of assumption of office and shall end upon the expiry of the current term of the Board. If re-election is not conducted in a timely manner upon expiry of the term, the original directors shall, before the newly elected directors assume office, continue to perform their duties as directors in accordance with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Any person appointed by the Board to fill a casual vacancy on the Board or as an addition to the Board shall hold office until the first annual shareholders' meeting of the Company following his/her appointment and shall then be eligible for re-election.

Directors of the Company shall be natural persons. A person shall not serve as a director of the Company under any of the following circumstances:

- (1) having no capacity for civil conduct or having limited capacity for civil conduct;
- (2) having been sentenced to criminal penalties for embezzlement, bribery, misappropriation of property, misappropriation of funds, or for disrupting the socialist market economic order, or having been deprived of political rights due to criminal offenses, where five years have not elapsed since the expiration of the enforcement period, or where a suspended sentence has been declared and two years have not elapsed since the expiration of the probation period;
- (3) having served as a director, factory director, or manager of a company or enterprise that underwent bankruptcy liquidation and being personally liable for the bankruptcy of such company or enterprise, where three years have not elapsed since the conclusion of such bankruptcy liquidation;
- (4) having served as the legal representative of a company or enterprise whose business license was revoked or which was ordered to close due to violations of laws, and being personally liable, where three years have not elapsed since the date of revocation of the business license or the date of closure;
- (5) having substantial personal debts that have become due but remain unpaid and being listed as a discredited judgment debtor by the people's court;
- (6) being subject to a market access ban imposed by the relevant regulatory authorities, where the ban has not yet expired;

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

- (7) other circumstances as provided under laws, administrative regulations, or by relevant regulatory authorities.

Where a person is elected, appointed, or engaged as a director in violation of the above provisions, such election, appointment, or engagement shall be invalid. Where any of the above circumstances arises with respect to a director during his/her term of office, the Company shall remove such director from office and terminate his/her performance of duties.

9. Borrowing Powers

The Board shall formulate plans for the issuance of bonds or other securities and for listing. The shareholders' meeting shall adopt resolutions on the issuance of corporate bonds. The shareholders' meeting may authorize the Board to adopt resolutions on the issuance of corporate bonds.

(II) AMENDMENT OF ORGANIZATIONAL DOCUMENTS

Amendments to the Articles of Association shall be adopted by special resolution of the shareholders' meeting.

The Company shall amend the Articles of Association under any of the following circumstances:

1. where the Company Law, other applicable laws, administrative regulations, the Hong Kong Listing Rules, or other securities regulatory rules of the place where the Company's shares are listed are amended, and any provision of the Articles of Association conflicts with such amended laws, administrative regulations, the Hong Kong Listing Rules, or other securities regulatory rules of the place where the Company's shares are listed;
2. where there is a change in the circumstances of the Company such that they are inconsistent with matters recorded in the Articles of Association;
3. where the shareholders' meeting resolves to amend the Articles of Association.

Where matters relating to amendments to the Articles of Association adopted by a resolution of the shareholders' meeting that require approval by or filing with the competent authority, such approval shall be obtained and such filing shall be completed; where the amendments involve matters relating to company registration, the relevant change in registration shall be carried out in accordance with the law.

(III) MODIFICATION OF RIGHTS OF EXISTING SHARES OR CLASSES OF SHARES

If at any time the shares of the company are divided into different classes, where the Company intends to modify or abolish the rights of the shareholders of a class, such act may only be carried out after a special resolution is adopted by the shareholders of the affected class at a separately convened shareholders' meeting.

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

(IV) SPECIAL RESOLUTIONS REQUIRING APPROVAL BY A MAJORITY OF SHAREHOLDERS

Resolutions of the shareholders' meeting are classified into ordinary resolutions and special resolutions.

An ordinary resolution of the shareholders' meeting shall be passed by more than one-half of the voting rights held by the shareholders present at the shareholders' meeting.

A special resolution of the shareholders' meeting shall be passed by not less than two-thirds of the voting rights held by the shareholders present at the shareholders' meeting.

The following matters shall be approved by an ordinary resolution of the shareholders' meeting: (I) the work report of the Board; (II) the profit distribution plan and loss recovery plan formulated by the Board; (III) the appointment and removal of members of the Board and their remuneration and payment methods; (IV) the Company's annual budget plan, final accounting plan, balance sheet, profit statement and other financial statements; (V) annual report of the Company; (VI) the Company's business policy and investment plan; (VII) appointment, removal and remuneration of the accounting firm; (VIII) other matters except those which, according to laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, must be approved by special resolution.

The following matters shall be approved by a special resolution of the shareholders' meeting: (I) the increase or decrease of the registered capital of the Company, or the issuance or redemption of other equity securities; (II) issue corporate bonds; (III) the division, spin-off, merger, dissolution, or liquidation of the Company; (IV) amendments to the Articles of Association; (V) purchase or sale of material assets, or provision of guarantees to others, within one year where the transaction amount exceeds 30% of the total assets of the Company as shown in the latest audited financial statements; (VI) equity incentive plans; (VII) other matters required by laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are listed, or the Articles of Association, as well as other matters that may have a significant impact on the Company as determined by an ordinary resolution of the shareholders' meeting and therefore require approval by special resolution.

(V) VOTING RIGHTS

Shareholders shall exercise their voting rights in proportion to the number of voting shares they hold, with each share carrying one vote.

Shares of the Company held by the Company itself shall have no voting rights and shall not be included in the total number of voting shares present at the shareholders' meeting.

When the shareholders' meeting considers connected transactions, connected shareholders and their close associates (as defined in the Hong Kong Listing Rules) shall abstain from voting, and the voting rights represented by them shall not be counted in the total number of valid votes, nor may they act as proxies for other shareholders in exercising voting rights. The announcement of the resolution of the shareholders' meeting shall fully disclose the voting results of non-connected shareholders (as required by the securities regulatory rules of the place where the Company's shares are listed), as well as other matters required under the securities regulatory rules of the place where the Company's shares are listed.

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

(VI) REQUIREMENTS FOR THE ANNUAL SHAREHOLDERS' MEETING

Shareholders' meetings are classified into annual shareholders' meetings and extraordinary shareholders' meetings. An annual shareholders' meeting shall be convened once for each fiscal year and shall be held within six months after the end of the preceding fiscal year.

(VII) ACCOUNTS AND AUDIT

1. Financial and Accounting Policies

The Company shall formulate its financial and accounting policies in accordance with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, and the provisions of relevant state authorities.

2. Appointment and Removal of Accountants

The Company shall engage an accounting firm to conduct audits of its financial statements, verification of net assets, and other related consulting services. The term of engagement shall be one year and may be renewed.

The appointment or removal of an accounting firm shall be decided by the shareholders' meeting and must be approved by more than half of the valid voting rights held by all shareholders. Except as otherwise provided in the Articles of Association, the Board shall not appoint an accounting firm before a resolution of the shareholders' meeting has been passed.

If a vacancy arises in the position of the accounting firm, the Board may appoint an accounting firm to fill such vacancy before the convening of the shareholders' meeting. An accounting firm so appointed shall hold office only until the resolution of the next annual shareholders' meeting. During the period of such vacancy, any other accounting firm then in office may continue to act.

Notwithstanding any contractual provisions between the accounting firm and the Company, the shareholders' meeting may, by ordinary resolution, resolve to remove the accounting firm before the expiration of its term of office.

When the Company removes or decides not to renew the engagement of an accounting firm, it shall give the accounting firm 30 days' prior notice. When the shareholders' meeting votes on the removal of the accounting firm, the accounting firm shall be entitled to present its opinion.

Where an accounting firm proposes its resignation, it shall state to the shareholders' meeting whether there are any irregularities in the Company.

(VIII) MEETING NOTICES AND MATTERS FOR DISCUSSION

The Company shall convene an extraordinary shareholders' meeting within two months from the occurrence of any of the following circumstances: (I) the number of directors falls below two-thirds of the number prescribed by the Company Law or by the Articles of Association; (II) unrecovered losses of the Company reach one-third of the total share capital;

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

(III) shareholders holding individually or collectively more than 10% of the Company's shares request a meeting; (IV) the Board considers it necessary; (V) the Audit Committee proposes to convene a meeting; (VI) other circumstances as prescribed by laws, administrative regulations, departmental rules, regulatory documents, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The Board shall convene the shareholders' meeting within the prescribed period. Where more than half of all independent non-executive directors agree, such directors shall have the right to propose the convening of an extraordinary shareholders' meeting. Upon receiving a proposal from independent non-executive directors to convene an extraordinary shareholders' meeting, the Board shall provide a written response within ten days, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, indicating whether it agrees or disagrees with convening the extraordinary shareholders' meeting. If the Board agrees to convene the extraordinary shareholders' meeting, the notice of the shareholders' meeting shall be issued within five days following the Board resolution. If the Board disagrees to convene the extraordinary shareholders' meeting, it shall state the reasons and make an announcement.

When the Audit Committee proposes to convene an extraordinary shareholders' meeting, the proposal shall be submitted to the Board in writing. The Board shall, within ten days upon receipt of the proposal, provide a written response indicating whether it agrees or disagrees to convene the extraordinary shareholders' meeting in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association. If the Board agrees to convene an extraordinary shareholders' meeting, the notice of the shareholders' meeting shall be issued within five days following the Board resolution. Any changes to the original proposal in the notice shall be subject to approval by the Audit Committee. If the Board disagrees to convene an extraordinary shareholders' meeting or fails to provide feedback within ten days upon receipt of the proposal, it shall be deemed unable or unwilling to fulfill its duty to convene the shareholders' meeting, and the Audit Committee may convene and preside over the meeting itself.

When shareholders holding individually or collectively more than 10% of the Company's shares request an extraordinary shareholders' meeting, such request shall be submitted to the Board in writing. The Board shall, within ten days upon receipt of the request, provide a written response indicating whether it agrees or disagrees to convene the extraordinary shareholders' meeting in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association. If the Board agrees to convene an extraordinary shareholders' meeting, the notice of the shareholders' meeting shall be issued within five days following the Board resolution. Any changes to the original request in the notice shall be subject to approval by the relevant shareholders. If the Board disagrees to convene an extraordinary shareholders' meeting or fails to provide feedback within ten days upon receipt of the request, shareholders holding individually or collectively more than 10% of the Company's shares shall have the right to propose to the Audit Committee to convene an extraordinary shareholders' meeting, and shall put forward such proposal to the Audit Committee in writing. If the Audit Committee agrees to convene an extraordinary shareholders' meeting, the notice of the shareholders' meeting shall be issued within five days upon receipt of the request. Any changes to the original request in the notice shall be subject to approval by the relevant shareholders. If the Audit Committee fails to serve the notice of shareholders' meeting within the prescribed period, it shall be deemed as failing to convene and

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

preside over the shareholders' meeting, and the shareholders holding individually or collectively more than 10% of the Company's shares for more than 90 days consecutively may convene and preside over the meeting by themselves.

The convener shall notify all shareholders of an annual shareholders' meeting by announcement at least 20 days prior to the meeting, and of an extraordinary shareholders' meeting by announcement at least 15 days prior to the meeting. The aforementioned periods shall not include the day of the meeting. Where laws, regulations, or the securities regulatory rules of the place where the Company's shares are listed provide otherwise, such provisions shall prevail.

(IX) TRANSFER OF SHARES

The Company's shares shall be transferred in accordance with the laws. The transfer of the Company's shares must be registered with the local share registration institution entrusted by the Company.

All transfers of H Shares shall be effected by a written instrument of transfer in the ordinary form or any other form acceptable to the Board (including the standard transfer form or registration form prescribed by the Hong Kong Stock Exchange from time to time); such instrument of transfer may only be executed by hand or under the Company's official seal (where the transferor or transferee is the Company). If the transferor or transferee is a recognized clearing house or its nominee as defined under the relevant laws and regulations of Hong Kong in force from time to time, the instrument of transfer may be executed in handwritten or printed form. All instruments of transfer shall be kept at the Company's registered office or such other address as determined by the Board from time to time.

Shares issued prior to the Company's [REDACTED] shall not be transferred within one year from the date when the Company's shares are [REDACTED] on a securities exchange.

Directors and senior management members of the Company shall declare to the Company the shares of the Company held by them and any changes therein. During their term of office as determined at the time of appointment, the shares transferred in any year shall not exceed 25% of the total shares of the same class held by them. Shares held by them shall not be transferred within one year from the date when the Company's shares are [REDACTED]. Such persons shall not transfer their shares within six months after leaving office.

Where the securities regulatory authorities of the place where the Company's shares are listed or the securities exchange impose other restrictions on the transfer of overseas-listed shares, such provisions shall apply.

(X) COMPANY'S POWER TO REPURCHASE ITS SHARES

The Company shall not purchase its own shares, except in any of the following circumstances: (I) to reduce the Company's registered capital; (II) to effect a merger with another company holding the Company's shares; (III) to provide shares for an employee shareholding scheme or equity incentive plan; (IV) where a shareholder objects to a resolution of the shareholders' meeting regarding a merger or division and requests the Company to repurchase its shares; (V) to provide shares for the conversion of convertible bonds issued by the Company; (VI) Where necessary to maintain the Company's value and shareholders'

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

interests; (VII) other circumstances permitted by laws, administrative regulations, departmental rules, regulatory documents, or the securities regulatory rules of the place where the Company's shares are listed.

Where the Company repurchases shares under circumstances (I) or (II) above, shareholder approval shall be obtained at a shareholders' meeting. Where the Company repurchases shares under circumstances (III), (V), or (VI) above, subject to compliance with the Hong Kong Listing Rules and other applicable securities regulatory rules of the place where the Company's shares are listed, such repurchase may be approved by a resolution of the Board meeting attended by more than two-thirds of all directors, in accordance with the provisions of the Articles of Association or under authorization by the shareholders' meeting.

After repurchasing the Company's shares pursuant to the Hong Kong Listing Rules and other applicable securities regulatory rules of the place where the Company's shares are listed, the following shall apply: For circumstance (I), the shares shall be cancelled within ten days from the date of repurchase; for circumstances (II) and (IV), the shares shall be transferred or cancelled within six months; for circumstances (III), (V), and (VI), the aggregate number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or cancelled within three years.

Where relevant laws, administrative regulations, departmental rules, other regulatory documents, or the securities regulatory rules of the place where the Company's shares are listed provide otherwise regarding the repurchase of the Company's shares, such provisions shall prevail.

(XI) POWER OF ANY SUBSIDIARY TO HOLD SHARES OF ITS PARENT COMPANY

No subsidiary controlled by the Company shall acquire any shares in the Company. If any subsidiary controlled by the Company holds shares in the Company as a result of a merger involving the Company, enforcement of a pledge, or any other analogous cause, it shall not exercise the voting rights appertaining to such shares held by it, and shall effect the disposal of the relevant shares in the Company without undue delay.

(XII) DIVIDENDS AND OTHER DISTRIBUTIONS

When distributing after-tax profits for a given year, the Company shall allocate 10% of the profits to its statutory reserve fund. Where the accumulated amount of the statutory reserve fund has exceeded 50% of the registered capital of the Company, no further allocation shall be required.

If the Company's statutory reserve fund is insufficient to make up for losses from the previous years, such losses shall first be made up from the profits of the current year before any allocations are made to the statutory reserve fund in accordance with the preceding paragraph.

After allocations to the statutory reserve fund, and upon resolution of the shareholders' meeting, the Company may also allocate discretionary reserve funds from its after-tax profits.

The remaining after-tax profits, after covering losses and allocating reserve funds, shall be distributed to shareholders in proportion to their shareholdings, except where otherwise provided for in the Shareholders' Agreement or Articles of Association.

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

If the shareholders' meeting distributes profits to shareholders in violation of the laws, administrative regulations, the rules of the relevant regulatory authorities, the shareholders shall return the improperly distributed profits to the Company; shareholders, as well as responsible directors and senior management members, shall bear liability for any losses caused to the Company.

Shares of the Company held by the Company itself shall not be entitled to any profit distribution.

The Company shall ensure reasonable investment returns for investors. The profit distribution policy shall maintain continuity and stability while considering the sustainable development of the Company. Profit distribution shall not exceed the accumulated distributable profits. The Company may distribute dividends in cash, in shares, in a combination of cash and shares, or by other means permitted by laws, regulations, and regulatory documents.

(XIII) APPOINTMENT OF REPRESENTATIVES

All shareholders registered on the record date or their proxies are entitled to attend the shareholders' meeting and exercise voting rights in accordance with applicable laws, regulations, the listing rules of the stock exchange where the Company's shares are listed, and the Articles of Association.

Shareholders may attend shareholders' meetings in person or appoint their proxies to attend and vote on their behalf. Each shareholder is entitled to appoint one proxy, who need not be a shareholder of the Company.

An individual shareholder who attends in person shall present his/her identity card or any other valid document or certificate establishing identity. A proxy attending on behalf of a shareholder shall present his/her own valid identity document, the power of attorney from the shareholder or the form of proxy.

A corporate shareholder shall be represented by its legal representative or by a proxy appointed by the legal representative at a shareholders' meeting. If the legal representative attends, he/she shall present his/her identity card and a valid certificate evidencing his/her status as legal representative. If a proxy attends, he/she shall present his/her identity card and the written proxy form issued by the legal representative of the corporate shareholder in accordance with the law. Once a corporate shareholder has appointed a representative to attend any meeting, the corporate shareholder shall be deemed to be attending in person. A corporate shareholder may execute a form of proxy under the hand of a duly authorized officer.

A partnership shareholder shall be represented by its executing partner or by a proxy appointed by the executing partner; if the executing partner is not a natural person, the meeting shall be attended by the representative appointed by the executing partner or by a proxy appointed by that representative. An executing partner or the representative appointed by an executing partner who attends the meeting shall present his/her identity card and a valid certificate evidencing his/her status as executing partner or appointed representative. A proxy attending on behalf of a partnership shareholder shall present his/her identity card and the written proxy form issued by the executing partner or the representative appointed by the executing partner in accordance with the law. Once a partnership shareholder has appointed a representative to attend any meeting, such shareholder shall be deemed to be attending in

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

person. A partnership shareholder may also have the proxy form signed by any person duly authorized by it.

If the shareholder is a Recognized Clearing House (or agent thereof) as defined in the relevant ordinances of Hong Kong from time to time, the said shareholder may authorize its corporate representative or one or more persons as it thinks fit to act on its behalf at any shareholders' meeting or meeting of creditors; however, where more than one persons are thus authorized, the power of attorney shall specify the numbers and classes of shares in respect of which each such person is authorized, and shall be signed by an authorized officer of the Recognized Clearing House. The person thus authorized may represent the Recognized Clearing House (or agent thereof) at the meeting to exercise the statutory rights available to other shareholders (without being required to present share certificate, notarized power of attorney and/or further evidence of due authorization), including the right to speak and vote, as if that person were an individual shareholder of the Company.

Where the instrument of proxy is signed by a person authorized by the appointing shareholder, the power of attorney or other documents authorizing such person to sign the instrument of proxy shall be notarized. The notarized power of attorney or other authorization documents, together with the instrument of proxy, shall be lodged at the address of the Company or at other places specified in the notice of meeting.

(XIV) CALLS ON SHARES AND FORFEITURE OF SHARES

There are no provisions in the Articles of Association regarding calls on shares or forfeiture of shares.

(XV) INSPECTION OF REGISTER OF MEMBERS

The Company shall make a register of shareholders in accordance with evidentiary documents provided by the securities registration authorities. The register of shareholders is sufficient evidence of a shareholder's holding of shares in the Company. Shareholders enjoy relevant rights and assume the relevant obligations in accordance with the class of shares they hold; shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

The register of shareholders consists of the following parts: (I) the part kept at the Company's domicile, excluding the parts referred to in items (II) and (III); (II) the H-share register kept at the place where the Company's shares are listed; (III) any register of shareholders that the Board decides to maintain elsewhere for the purpose of the listing of the Company's shares.

Shareholders have the right to inspect and obtain copies of the register of shareholders.

(XVI) QUORUM FOR SHAREHOLDERS' MEETINGS AND CLASS MEETINGS

The Articles of Association contain no provisions regarding the quorum for shareholders' meetings or class meetings.

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

(XVII) RIGHTS OF MINORITY SHAREHOLDERS IN CASES OF FRAUD OR OPPRESSION

Where the directors or senior management members (other than a member of the Audit Committee) violate the provisions of laws, administrative regulations or the Articles of Association during the performance of their duties, causing losses to the Company, the shareholders severally or jointly holding 1% or more of the Company's shares for a period of 180 consecutive days or longer are entitled to request the Audit Committee to file a lawsuit with the people's court in writing; where members of the Audit Committee violate the provisions of laws, administrative regulations or the Articles of Association in the performance of duties, causing losses to the Company, the aforesaid shareholders may request the Board to file a lawsuit with the people's court in writing.

Upon receipt of shareholders' written request stipulated in the preceding paragraph, if the Audit Committee or the Board refuses to file a lawsuit or fails to file a lawsuit within 30 days from receipt of such request, or in the event of emergency where the interests of the Company will suffer irreparable damages if lawsuit is not filed immediately, the shareholders stipulated in the preceding paragraph shall have the right to file a lawsuit directly with the people's court in their own name for the interests of the Company.

Where any other person infringes upon the legitimate rights and interests of the Company and causes losses thereto, the shareholders specified in the first paragraph may file a lawsuit with the people's court pursuant to the provisions of the preceding two paragraphs.

Where any director, supervisor or senior management member of a wholly-owned subsidiary of the Company, in the performance of their duties, violates the provisions of laws, administrative regulations or the Articles of Association and thereby causes loss to the Company, or where any other party infringes the lawful rights and interests of the wholly-owned subsidiary and thereby causes loss to the Company, the shareholders severally or jointly holding 1% or more of the Company's shares for a period of 180 consecutive days or longer may, in accordance with the first three paragraphs of Article 189 of the Company Law, in writing request the board of supervisors or the board of directors of the wholly-owned subsidiary to bring a lawsuit with the people's court, or may directly bring a lawsuit with the people's court in their own name.

Shareholders of the Company who abuse shareholders' rights and cause damages to the Company and other shareholders shall be liable for compensation pursuant to the law. Shareholders who abuse the independent legal person status of the Company and shareholders' limited liability to evade debts and severely infringe upon interests of the Company's creditors shall assume joint and several liabilities for the Company's debts.

If the Company's controlling shareholder or de facto controller instructs any director or senior management member to engage in conduct that harms the interests of the Company or its shareholders, such controlling shareholder or de facto controller shall be jointly and severally liable with the director or senior management member concerned.

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

(XVIII) LIQUIDATION PROCEDURE

The Company shall be dissolved for any of the following reasons: (I) the term of its operation set out in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred; (II) the shareholders have resolved at a shareholders' meeting to dissolve the Company; (III) the Company is dissolved by reason of its merger or division; (IV) the business license of the Company is revoked or the Company is ordered to close down or is rescinded in accordance with the laws; or (V) the Company is dissolved by a people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of the Company, on the grounds that the operation and management of the Company has suffered serious difficulties that cannot be resolved through other means, rendering ongoing existence of the Company a cause for significant losses to the shareholders.

Where any of the aforesaid circumstances for dissolution arises, the Company shall make a public announcement of the dissolution event through the National Enterprise Credit Information Publicity System within 10 days.

Where the Company is dissolved pursuant to items (I), (II), (IV), and (V) above, liquidation shall be carried out. The directors of the Company or the persons designated by the shareholders' meeting are the liquidation obligors and shall, within 15 days from the occurrence of the dissolution event, form a liquidation committee to conduct the liquidation.

The liquidation committee shall, within 10 days from its establishment, notify creditors, and shall, within 60 days, make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if no notice is received, declare their claims to the liquidation committee.

After liquidating the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit it to the shareholders' meeting or the people's court for confirmation.

After the Company's property has been applied to pay liquidation expenses, wages of employees, social insurance expenses, and statutory compensation, overdue taxes, and the Company's debts, the remaining assets shall be distributed among the shareholders in proportion to their shareholdings.

Where, after liquidating the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee discovers that the Company's assets are insufficient to settle its debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law.

Upon acceptance of the bankruptcy petition by the people's court, the liquidation committee shall transfer the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of liquidation, the liquidation committee shall prepare a liquidation report, submit it to the shareholders' meeting or the people's court for confirmation, and file it with the company registration authority for deregistration of the Company.

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

(XIX) OTHER IMPORTANT PROVISIONS FOR THE COMPANY OR SHAREHOLDERS

1. General Provisions

The Company is a permanently existing joint stock limited company.

The shareholders of the Company shall bear liability for the Company to the extent of the shares they subscribe for, and the Company shall bear liability for the debts of the Company with all its assets.

From the date on which the Articles of Association come into effect, the Articles of Association shall constitute a legally binding document to the Company, its shareholders, directors, and senior management members, regulating the Company's organization and activities, and the rights and obligations between the Company and shareholders and among the shareholders inter se. Pursuant to the Articles of Association, a shareholder may sue another shareholder; a shareholder may sue any director or senior management member of the Company; a shareholder may sue the Company; and the Company may sue any shareholder, director or senior management member.

2. Increase and Decrease of Capital

In accordance with laws, regulations, and the regulatory rules of the place where the Company's shares are listed, and upon a resolution made by the shareholders' meeting, the Company may increase its capital in the following ways as needed for its operation and development: (I) issuing shares to unspecified objects; (II) issuing shares to specified objects; (III) distributing bonus shares to existing shareholders; (IV) converting capital reserve into share capital; (V) other ways stipulated by laws and administrative regulations and approved by relevant regulatory authorities such as the CSRC and other securities regulatory institutions, the securities regulatory institutions of the place where the Company's shares are listed, and stock exchanges.

The Company may reduce its registered capital. When reducing the registered capital, the Company shall follow the procedures stipulated in the Company Law, other relevant regulations, and the Articles of Association. When reducing the registered capital, the Company shall reduce the number of shares held by shareholders proportionally, unless the shareholders' meeting resolves not to reduce the shares in proportion to the shareholding ratio.

3. Shareholders

Shareholders of the Company shall enjoy the following rights: (I) to receive dividends and other forms of profit distribution according to their respective shareholding proportions; (II) to request, convene, preside over, attend, or appoint a proxy to attend shareholders' meetings in accordance with the law, to speak at such meetings, and to exercise corresponding voting rights; (III) to supervise the Company's operations, and to make suggestions or inquiries; (IV) to transfer, gift, or pledge their shares in accordance with laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed, and the Articles of Association; (V) to consult and copy the Articles of Association, the register of shareholders, minutes of shareholders' meetings, resolutions of board meetings, and financial and accounting reports; shareholders who meet

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

the prescribed conditions may consult the Company's accounting books and vouchers; (VI) to participate in the distribution of the Company's remaining assets upon its termination or liquidation, according to their respective shareholding proportions; (VII) to require the Company to repurchase their shares if they dissent from a resolution on the Company's merger or division adopted by a shareholders' meeting; (VIII) other rights provided by laws, administrative regulations, departmental rules, the regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Shareholders of the Company shall undertake the following obligations: (I) to comply with laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed (such as the Hong Kong Listing Rules), and the Articles of Association; (II) to contribute capital in accordance with the shares subscribed for and the method of investment; (III) not to withdraw its capital except under circumstances permitted by laws and regulations; (IV) not to abuse shareholder rights to the detriment of the Company or the interests of other shareholders; and not to abuse the Company's independent legal status and the limited liability of shareholders to harm the interests of the Company's creditors; (V) no shareholder or its connected person shall, by any means whatsoever, misappropriate or divert the funds, assets and other resources of the Company. Where a shareholder or its connected person enters into a connected transaction with the Company that results in the transfer of the Company's funds, assets or other resources, such shareholder and its connected person shall comply with the provisions on connected transactions set out in the Articles of Association; (VI) other obligations stipulated by laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed, and the Articles of Association.

4. The Board of Directors

The Board shall exercise the following functions and powers:

- (I) convening the shareholders' meeting and submitting work reports to the shareholders' meeting;
- (II) implementing resolutions of the shareholders' meeting;
- (III) determining the Company's business plans and investment schemes;
- (IV) formulating the Company's profit distribution plan and loss recovery plans;
- (V) formulating the Company's plans for increase or reduction of registered capital, issuance of bonds or other securities and listing plan;
- (VI) drafting proposals for the Company's major acquisition, purchase of the Company's shares or merger, division, dissolution and change in corporate form of the Company;
- (VII) determining, within the scope of authorization granted by the shareholders' meeting, the Company's external investments, acquisition and sale of assets, mortgage of assets, external guarantees, entrusted wealth management, related party transactions, external donations, etc.;
- (VIII) deciding on the internal management setup of the Company;

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

- (IX) appointing or dismissing the Company's manager, secretary to the Board and other senior management members, and determining their emoluments, rewards and penalties; appointing or dismissing the Company's deputy general manager, chief financial officer and other senior management members based on the nominations of the manager, and determining their emoluments, rewards and penalties;
- (X) formulating the Company's basic management system;
- (XI) formulating proposals for any amendment to the Articles of Association;
- (XII) proposing to the shareholders' meeting on the appointment or replacement of accounting firm which provides audit services to the Company;
- (XIII) listening to the company manager's work reports and inspecting the manager's work performance;
- (XIV) exercising any other functions and powers accorded by laws, administrative regulations, departmental rules, the regulatory rules of the place where the Company's shares are listed, the Articles of Association or the shareholders' meeting.

Matters exceeding the scope of authorization by the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

5. Directors' Responsibilities

Directors shall comply with laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are listed, and the Articles of Association, owe a duty of loyalty to the Company, must take measures to avoid conflicts between their own interests and those of the Company, and must not use their positions to obtain improper benefits.

A director owes the following duties of loyalty to the Company: (I) not to embezzle the property or misappropriate the funds of the Company; (II) not to deposit the funds of the Company into an account opened in his/her own name or in the name of any other individual; (III) not to give bribes or accept any other illegal proceeds by taking advantage of his/her power; (IV) not to enter into contracts or conduct transactions, directly or indirectly, with the Company, without reporting to the Board or the shareholders' meeting and without obtaining approval by resolution of the Board or the shareholders' meeting in accordance with the Articles of Association; (V) not to use their positions to appropriate for themselves or others commercial opportunities that belong to the Company, except in the circumstances where they have reported to the Board or the shareholders' meeting and the shareholders' meeting has approved the matter by resolution, or in accordance with laws, administrative regulations, or the Articles of Association, the Company is unable to take up such commercial opportunities; (VI) not to operate for himself/herself or operate for others a business that is of the same type as the Company's business, without reporting to the Board of Directors or the shareholders' meeting, and without the approval of the shareholders' meeting by a resolution; (VII) not to take commissions from the transactions between the Company and any other person into his/her own pocket; (VIII) not to disclose

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

the Company's secrets without authorization; (IX) not to use their related party relationships to damage the Company's interests; (X) other duties of loyalty as stipulated by laws, administrative regulations, departmental rules, the regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The income derived by any director in violation of this article shall belong to the Company. If such violation causes losses to the Company, the director shall bear liability for compensation.

Where any of the near relatives of the directors or senior management, or any of the enterprises directly or indirectly controlled by the directors or senior management or any of their near relatives, or any of the related parties who have any other related party relationship with the directors or senior management, concludes a contract or conducts a transaction with the Company, the provisions of the item (IV) above shall apply.

Directors shall comply with laws, administrative regulations, and the Articles of Association, owe a duty of diligence to the Company, and in performing their duties must exercise the reasonable care that a prudent manager would normally exercise for the best interests of the Company.

A director owes the following duties of diligence to the Company: (I) to exercise the rights granted by the Company with prudence, care and diligence, and ensure that the Company's commercial activities comply with the requirements of national laws, administrative regulations, and all economic policies of the State, and that such activities do not extend beyond the business scope stipulated in the business license; (II) to treat all shareholders fairly; (III) to promptly keep abreast of the Company's business operations and management; (IV) to take responsibility for the truthfulness and fairness of the company's regularly disclosed financial reports; (V) other duties of diligence as stipulated by laws, administrative regulations, departmental rules, the regulatory rules of the place where the Company's shares are listed or the Articles of Association.

6. Independent Non-executive Directors

The Company shall have a Board of Directors composed of seven directors, including three independent non-executive directors. Independent non-executive directors shall diligently perform their duties in accordance with laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed, and the Articles of Association. They shall play roles in decision-making, oversight, checks and balances, and professional advisory within the Board, safeguarding the overall interests of the Company and protecting the legitimate rights and interests of minority shareholders.

7. Board of Supervisors

The Company does not have a supervisor or a Board of Supervisors.

8. General Manager

The Company shall have one general manager. The term of office for the general manager shall be three years for each term. The general manager may be reappointed for consecutive terms.

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

The general manager shall be accountable to the Board and shall exercise the following powers: (I) to preside over the production, operation, and management of the Company, organize the implementation of the resolutions of the Board, and report to the Board; (II) to organize the implementation of the Company's annual business plans and investment proposals; (III) to formulate proposals for the establishment of the Company's internal management structure; (IV) to formulate the Company's basic management systems; (V) to establish the Company's detailed rules and regulations; (VI) to propose to the Board the appointment or dismissal of the Company's other senior management members; (VII) to decide on the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the Board; (VIII) to draft the systems for the salaries, welfare benefits, rewards and punishments of the Company's employees, and to decide on the engagement and dismissal of the Company's employees. (IX) to review and approve daily operational transactions or other matters that do not reach the threshold requiring approval by the shareholders' meeting or the Board under laws, regulations, the regulatory rules of the place where the Company's shares are listed, or the provisions of the Articles of Association; (X) other powers granted by the Articles of Association or the Board.

The manager shall attend board meetings as a non-voting delegate.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Establishment of our Company

Our Company was established as a limited liability company in the PRC on January 18, 2018, and was converted into a joint stock limited company on April 20, 2026 under the laws of the PRC.

Our principal place of business in Hong Kong is at 46/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong. Our Company was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on [●], 2026. Ms. Ho Wing Nga (何詠雅) has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

As our Company was established in the PRC, its operations are subject to the relevant laws and regulations of the PRC. A summary of the Articles of Association is set out in “Appendix III – Summary of Articles of Association”.

2. Changes in the share capital of our Company

Save as disclosed in “History and Corporate Structure,” there has been no change in the share capital of our Company within the two years immediately preceding the date of this document.

3. Particulars of our subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in the Accountants’ Report as set out in Appendix I to this Document.

The following subsidiaries were incorporated/established within two years immediately preceding the date of this document:

Name of subsidiary	Place of incorporation/ establishment	Date of incorporation/ establishment	Share capital
Eazibatt Energy International Pte. Ltd.	Singapore	December 10, 2025	3,650,000 Singapore Dollar
Shanghai Xiaozhi Changpao Technology Co., Ltd. (上海小智暢跑科技有限責任公司)	the PRC	December 15, 2025	RMB1 million

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Name of subsidiary	Place of incorporation/ establishment	Date of incorporation/ establishment	Share capital
Anhui Zhixing Advanced Battery Manufacturing Co., Ltd. (安徽智星先進電池製造有限公司)	the PRC	November 11, 2024	RMB50 million
Anqing Zhizu IoT Technology Co., Ltd. (安慶智租物聯科技有限公司)	the PRC	April 2, 2026	RMB1 million
PT EAZIBATT ENERGI INDONESIA (印度尼西亞易百電能源有限責任公司)	Indonesia	December 23, 2025	46,000,000,000 Indonesian Rupiah

Save as disclosed above, there has been no changes in the share capital of our subsidiaries during the two years immediately preceding the date of this document.

4. Resolutions of our Shareholders

Pursuant to the resolutions passed at a duly convened general meeting of our Shareholders held on May 28, 2026, our Shareholders resolved that, among others:

- (a) the [REDACTED] by our Company of H Shares with a nominal value of RMB1.00 each and such H Shares being [REDACTED] on the Stock Exchange;
- (b) the number of H Shares to be [REDACTED] shall be approximately [REDACTED]% of the total issued share capital of our Company as enlarged by the [REDACTED];
- (c) the number of H Shares to be [REDACTED] pursuant to the [REDACTED], and the grant to the [REDACTED] (or their representatives) of the [REDACTED] of not more than [REDACTED]% of the number of H Shares initially available under the [REDACTED];
- (d) subject to the filing procedure with the CSRC, upon the completion of the [REDACTED], [REDACTED] Unlisted Shares held by existing Shareholders will be converted into H Shares on a one-for-one basis;
- (e) subject to the completion of the [REDACTED], the grant of a general mandate to our Board to allot and issue Shares or sell and/or transfer treasury Shares at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which the Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier, upon

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

such terms and conditions and for such purposes and to such persons as our Board in their absolute discretion deem fit, and to make necessary amendments to the Articles of Association, provided that, the number of Shares to be issued shall not exceed 20% of the number of the Shares in issue (excluding any Treasury Shares) as at the [REDACTED];

- (f) subject to the completion of the [REDACTED], the granting of a general mandate to the Board to repurchase H Shares issued on the Stock Exchange with an aggregate number of not exceeding 10% of the number of the total issued H Shares as of the [REDACTED];
- (g) subject to the completion of the [REDACTED], the adoption of the Articles of Association which shall become effective on the [REDACTED], and authorization to our Board to amend the Articles of Association to the extent necessary for the purpose of the [REDACTED]; and
- (h) authorization of our Board or its authorized individual(s) to deal with all matters relating to the [REDACTED] and the [REDACTED].

5. Explanatory Statement on Repurchase of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this Document concerning the repurchase of our own securities.

(a) Reasons for repurchase

The Board considered that the repurchase of the H Shares would be beneficial to and in the best interests of the Company and its Shareholders as a whole. It can strengthen the investors' confidence in the Company and promote a positive effect on maintaining the Company's reputation in the capital market. Such repurchases will only be made when the Board believes that such repurchases will benefit the Company and its Shareholder as a whole.

(b) Exercise of the general mandate to repurchase H Shares

Subject to the passing of the special resolution approving the grant of the general mandate to repurchase H Shares at annual general meetings, the Board will be granted general mandate to repurchase H Shares until the end of the relevant period. The general mandate to repurchase H Shares would expire on the earlier of:

- (i) the conclusion of the next annual general meeting of the Company of which time it shall lapse unless, by special resolutions passed at that meeting, the authority is renewed, either conditionally or subject to conditions;

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (ii) the revocation or variation of the mandate under the resolution by a special resolution at the next general meeting of the Company; or
- (iii) the revocation or variation of the mandate under the resolution by a special resolution at any general meeting of the Company. Furthermore, we need to complete registration and approval procedures with relevant government authorities for the actual grant of the repurchase mandate to the Board, as applicable. The exercise in full of the general mandate to repurchase H Shares would result in a maximum of 10% of the H Shares in issue as of the [REDACTED] being repurchased by the Company during the relevant period.

(c) Source of funds

In repurchasing its Shares, the Company intends to apply funds from the Company’s internal resources (which may include surplus funds and retained profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC. The Company is empowered by its Articles of Association to repurchase its Shares. Any shares to be repurchased will be cancelled or kept as treasury shares if allowed by the Articles of Association and applicable laws and regulations. Any repurchases by the Company may only be made in accordance with its Articles of Association and applicable PRC laws and regulations. The Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(d) Suspension of repurchase

A listed company shall not repurchase its shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of 30 days immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), until the date of the results announcement, the company may not repurchase its shares on the Stock Exchange unless there are exceptional circumstances.

(e) Close associates and core connected persons

None of our Directors or, to the best of their knowledge having made all reasonable inquiries, any of their close associates have a present intention, in the event the general mandate to repurchase H Shares is approved, to sell any Shares to our Company. No core connected person of our Company has notified our Company

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

that they have a present intention to sell Shares to our Company, or have undertaken to do so, if the general mandate to repurchase H Shares is approved. A listed company shall not knowingly purchase its shares on the Stock Exchange from a core connected person (namely a director, supervisor, chief executive or substantial shareholder of the company or any of its subsidiaries, or a close associate of any of them), and a core connected person shall not knowingly sell their interest in shares of the company to it.

(f) Status of repurchased Shares

In accordance with the Articles of Association, the Listing Rules and any other applicable laws and regulations, following a repurchase of the H Shares, the Company may cancel any repurchased Shares and/or hold them as treasury shares subject to, among others, market conditions and its capital management needs at the relevant time of the repurchases, which may change due to evolving circumstances.

(g) Takeover implications

If, as a result of any repurchase of Shares, a Shareholder’s proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the general mandate to repurchase H Shares.

(h) Interim measures

For any treasury shares of the Company deposited with [REDACTED] pending resale on the Stock Exchange, the Company shall, upon approval by the Board, implement the below interim measures which include (without limitation):

- (i) procuring its broker not to give any instructions to HKSCC to vote at general meetings for the treasury shares deposited with [REDACTED];
- (ii) in the case of dividends or distributions (if any and where applicable), withdrawing the treasury shares from [REDACTED], and either re-register them in its own name as treasury shares or cancel them, in each case before the relevant record date for the dividend or distributions; or
- (iii) taking any other measures to ensure that it will not exercise any Shareholders’ rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as treasury shares.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

(i) General

The Company did not hold any treasury shares as of the Latest Practicable Date and will not hold any treasury shares upon [REDACTED]. Neither the explanatory statement on repurchase of our own securities nor the proposed share repurchase has any unusual features. To the best knowledge of the Directors, neither the explanatory statement contained herein nor the proposed share repurchase has unusual features.

If the general mandate to repurchase Shares were to be carried out in full at any time, there may be a material and adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recent published audited accounts). However, our Directors do not propose to exercise the general mandate to repurchase H Shares to such an extent as would have a material and adverse effect on our working capital or gearing position.

Our Directors will exercise the general mandate to repurchase H Shares in accordance with the Listing Rules and the applicable laws in the PRC.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this document that are or may be material:

- (a) an agreement dated May 26, 2026 entered into by Xuzhou Runhui and the Company in relation to the subscription of 302,528 Shares by Xuzhou Runhui at a total consideration of RMB5,757,777.78;
- (b) a share transfer agreement dated May 26, 2026 entered into by Shanghai Xingchi, Mr. Jia Guangqing (賈光慶), Mr. Yang Jin (楊進), Ms. Zha Hongxia (查紅霞), pursuant to which: (i) Shanghai Xingchi agreed to sell and Mr. Jia Guangqing agreed to acquire 2,876,969 Shares at a consideration of RMB50,000,000; (ii) Shanghai Xingchi agreed to sell and Mr. Yang Jin agreed to acquire 1,150,787 Shares at a consideration of RMB20,000,000; and (iii) Shanghai Xingchi agreed to sell and Ms. Zha Hongxia agreed to acquire 575,393 Shares at a consideration of RMB10,000,000; and
- (c) [REDACTED].

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

2. Intellectual Property Rights

A. Trademarks

As of the Latest Practicable Date, our Group was the registered owner of the following trademarks which, in the opinion of our Directors, are material to our business:

No.	Registered proprietor	Trademark	Registration number	Class	Date of registration	Date of Expiry
1	智租有限		83853660	Class 16 Office Supplies	2025-09-14	2035-09-13
2	智租有限		83855062	Class 39 Transport and Storage	2025-11-14	2035-11-13
3	智租有限		83866932	Class 37 Building Construction and Repair	2025-09-14	2035-09-13
4	智租有限		83853596	Class 9 Scientific Instruments	2025-11-14	2035-11-13
5	智租有限		82392688	Class 9 Scientific Instruments	2026-01-21	2036-01-20
6	智租有限		78161873	Class 37 Building Construction and Repair	2024-12-28	2034-12-27
7	智租有限		78175795	Class 9 Scientific Instruments	2024-11-07	2034-11-06
8	智租有限		78161918	Class 39 Transport and Storage	2024-11-07	2034-11-06
9	智租有限		78183839	Class 35 Advertising and Sales	2025-01-14	2035-01-13
10	智租有限		77903211	Class 35 Advertising and Sales	2024-09-28	2034-09-27
11	智租有限		77903228	Class 37 Building Construction and Repair	2024-10-07	2034-10-06
12	智租有限		77900837	Class 39 Transport and Storage	2024-09-28	2034-09-27
13	智租有限		72660828	Class 37 Building Construction and Repair	2024-04-14	2034-04-13
14	智租有限		43527459	Class 35 Advertising and Sales	2020-10-21	2030-10-20
15	智租有限		41499856	Class 39 Transport and Storage	2020-07-07	2030-07-06

APPENDIX IV STATUTORY AND GENERAL INFORMATION

(a) Patents

As of the Latest Practicable Date, our Group had registered the following patents which, in the opinion of our Directors, are material to our business:

No.	Registered owner	Patent	Type	Patent number	Application date
1	智租有限	Lithium Battery SOH Prediction Method, Device and Storage Medium (一種鋰電池健康狀態SOH預測方法、裝置及存儲介質)	Invention Publication		2024-05-30
2	智租有限	Battery Anti-Theft Method for Battery Swap Cabinet Based on IoT (一種基於物聯網的換電櫃電池防盜的方法)	Invention Grant	ZL202210564183.4	2022-05-23
3	智租有限	Battery Swap Service Pricing Method, Device and Storage Medium Based on Adaptive Algorithm (基於自適應算法的換電服務定價方法、裝置及存儲介質)	Invention Grant	ZL202311123543.8	2023-09-01
4	智租有限	Battery Self-Diagnosis, Disabling and Maintenance Method, Device and Storage Medium (一種電池自我診斷、禁用與維修的方法、裝置及存儲介質)	Invention Publication	2023-09-07	
5	智租有限	Battery Capacity Prediction Method Based on Collaborative Learning (基於協同學習的電池容量預測方法)	Invention Grant	ZL202311043432.6	2023-08-18
6	智租有限	Risk Identification Method Based on Temporal Graph Neural Network, Device and Storage Medium (基於時序圖神經網絡的風險識別方法、裝置及存儲介質)	Invention Grant	ZL202311102365.0	2023-08-30

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Registered owner	Patent	Type	Patent number	Application date
7	智租有限	Method for Guiding Users to Battery Swap Based on Big Data Online Real-Time Recommendation (基於大數據線上實時推薦方式引導用戶進行換電的方法)	Invention Grant	ZL202310916500.9	2023-07-25
8	智租有限	User Battery Swap Behavior Prediction and Targeted Recall Method Based on Markov Chain (基於馬爾可夫鏈的用戶換電行為預測與定向召回方法)	Invention Grant	ZL202310997799.5	2023-08-09

(b) Copyrights

As of the Latest Practicable Date, our Group was the owner of the following copyrights which, in the opinion of our Directors, are material to our business:

No.	Registered owner	Copyright	Registration number	Date of registration
1	智租有限	Zhizu Battery Swap City Edition Application Software V1.0.0 (智租換電城市版應用軟件V1.0.0)	2025SR1315134	2025-07-21
2	智租有限	Zhizu Paid Coupon Package Activity System V1.0 (智租付費券包活動系統V1.0)	2025SR0287481	2025-02-19
3	智租有限	Zhizu Vehicle-Battery Integrated Management System V1.0 (智租車電一體管理系統V1.0)	2025SR0204373	2025-02-06
4	智租有限	Zhizu Charging Management Platform V1.0 (智租充電管理平台V1.0)	2025SR0197452	2025-02-05
5	智租有限	Zhizu CRM Management System V1.0 (智租CRM管理系統V1.0)	2023SR1615327	2023-12-12
6	智租有限	Zhizu Referral Officer Tiered Activity System V1.0.0 (智租推薦官階梯活動系統V1.0.0)	2023SR1615340	2023-12-12

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Registered owner	Copyright	Registration number	Date of registration
7	智租有限	Zhizu Cabinet Placement Work Order System V1.0 (智租落櫃工單系統V1.0)	2023SR1611966	2023-12-12
8	智租有限	Zhizu Big Data Analysis Platform V1.0 (智租大數據分析平台V1.0)	2023SR1274672	2023-10-20
9	智租有限	Zhizu Data Management Platform V1.0 (智租數據管理平台V1.0)	2023SR1274546	2023-10-20
10	智租有限	Zhizu Self-Service Data Extraction Platform V1.0 (智租自助取數平台V1.0)	2023SR1274485	2023-10-20
11	智租有限	Zhizu Battery Swap App (Android) V3.9.5 (智租換電App (Android端) V3.9.5)	2023SR1196057	2023-10-08
12	智租有限	Zhizu Battery Swap App (iOS) V3.9.5 (智租換電App (iOS端) V3.9.5)	2023SR1171994	2023-09-27
13	智租有限	Zhizu Merchant Edition APP (iOS) V2.10.0 (智租商家版APP (iOS端) V2.10.0)	2023SR1154787	2023-09-25
14	智租有限	Zhizu Battery Swap Warehouse Management System V1.0 (智租換電倉庫管理系統V1.0)	2023SR1048132	2023-09-12
15	智租有限	Zhizu Maintenance Auto-Dispatch System V1.0 (智租維養自動派單系統V1.0)	2023SR1039597	2023-09-11
16	智租有限	Zhizu Station Edition Software V1.0 (智租站點版軟件V1.0)	2023SR0906255	2023-08-08
17	智租有限	Zhizu Merchant Edition APP (Android) V2.10.0 (智租商家版APP (Android端)V2.10.0)	2023SR0906695	2023-08-08
18	智租有限	Zhizu Referral Officer Mini Program Software V1.0.0 (智租推薦官小程序軟件V1.0.0)	2023SR0905707	2023-08-08
19	智租有限	Zhizu Enterprise Management Platform V1.0.0 (智租企業管理平台V1.0.0)	2023SR0313408	2023-03-10

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Registered owner	Copyright	Registration number	Date of registration
20	智租有限	Zhizu Full-Process Risk Control System V2.1.0 (智租全流程風控系統V2.1.0)	2021SR1335554	2021-09-07
21	智租有限	Zhizu SaaS Backend Management System V1.0 (智租SaaS後台管理系統V1.0)	2025SR2296106	2025-11-27
22	智租有限	Zhizu Battery Swap APP V4.0.0 (智租換電APP V4.0.0)	2025SR2294601	2025-11-27
23	智租有限	Zhizu Battery Swap Mini Program V2.0.0 (智租換電小程序V2.0.0)	2025SR2530007	2025-12-30
24	智租有限	Zhizu Operations Analysis Platform V1.0 (智租運營分析平台V1.0)	2025SR2289581	2025-11-27
25	智租有限	Zhiba Lithium Battery Mini Program V1.0.0 (智霸鋰電小程序V1.0.0)	2025SR2530051	2025-12-30

(c) Domain names

As of the Latest Practicable Date, our Group had registered the following domain names which, in the opinion of our Directors, are material to our business:

No.	Domain Name	Name of Registered Proprietor	Date of Registration	Date of Expiry
1	zhizukj.top	智租有限	2018-02-05	2023-03-01
2	zhizukj-bi.com	智租有限	2024-02-19	2029-02-19
3	zzhd.cc	智租有限	2025-08-01	2029-08-01
4	zhizukj.vip	智租有限	2022-03-01	2032-03-01
5	zhizutech.com	智租有限	2022-11-08	2029-11-08
6	zhizukj.com	智租有限	2018-02-05	2029-02-05
7	exiu99.com	智租創能	2017-11-07	2029-11-07
8	zhixingxn.com	智行新能	2020-10-08	2026-10-08

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Particulars of Directors’ service contracts and appointment letters

(a) Executive Directors

Each of our executive Directors has entered into a service contract with our Company. The principal particulars of these service contracts comprise (i) a term of three years commencing from the date of appointment; and (ii) termination provisions in accordance with their respective terms. The service contracts may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

(b) Non-executive Director and Independent Non-executive Directors

Each of the non-executive Director and independent non-executive Directors has entered into an appointment letter with our Company. The initial term for their appointment letters shall be three years from the date of their appointments or until the third annual general meeting of the Company since the [REDACTED], whichever ends earlier (subject always to re-election as and when required under the Memorandum and Articles of Association), until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months’ prior notice in writing.

Save as disclosed above, none of the Directors has or is proposed to have entered into any service contract or appointment letter with any member of the Group (other than contracts expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

2. Remuneration of Our Directors

For details of the remuneration of Directors, see “Directors and Senior Management — Compensation of Directors and Senior Management”.

3. Disclosure of Interests of Directors and Chief Executive of our Company

Save as disclosed below, immediately following the completion of the [REDACTED], so far as our Directors are aware, none of our Directors or chief executive has any interests or short positions in our Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

Interests in our Company

Name of Director	Nature of interest	Number of Shares interested ⁽¹⁾	Approximate percentage of interest
Mr. Li	Beneficial owner	27,750,000	[REDACTED]%
	Interests in controlled corporations ⁽²⁾	11,450,840	[REDACTED]%
Mr. Du	Beneficial owner	7,000,000	[REDACTED]%
Mr. Zhou	Beneficial owner	5,000,000	[REDACTED]%

Note:

- (1) As of the Latest Practicable Date, the total issued share capital of our Company was 100,133,457 Unlisted Shares.
- (2) Mr. Li is the general partner of Shanghai Xingchi and Shanghai Zhizu. Therefore, under the SFO, Mr. Li is deemed to be interested in the 8,950,840 H Shares held by Shanghai Xingchi and 2,500,000 H Shares held by Shanghai Zhizu.

Save as disclosed above, none of the Directors or the chief executive of the Company will, immediately following completion of the [REDACTED], has any interests and/or short positions in the Shares, underlying Shares and debentures of our Company’s associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

4. Substantial Shareholders

(a) Interests in our Company

For information on the persons who will, immediately following the completion of the [REDACTED], having or be deemed or taken to have beneficial interests or short position in our Shares or underlying shares which would fall to be disclosed to our Company under the provisions of 2 and 3 of Part XV of the SFO, or directly or

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

indirectly be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group, see the section headed “Substantial Shareholders.”

(b) *Interests of substantial shareholders of other members of our Group*

As of the Latest Practicable Date, the following persons (other than our Directors or chief executive) held, directly or indirectly, 10% or more of the voting share capital of other members of our Group:

Name of shareholder	Name of Subsidiary	Approximate Percentage of shareholding
Anqing Economic Development Zone Fund	Zhixing Xinneng	26.67%
Shanghai Zhiwang Xinneng Technology Partnership (Limited Partnership) (上海智網新能科技合夥企業(有限合夥))	Shanghai Xiaozhi Changpao Technology Co., Ltd. (上海小智暢跑科技有限責任公司)	49%
Suzhou Xingheng Investment Management Co., Ltd. (蘇州星恆投資管理有限公司)	Anhui Zhixing Advanced Battery Manufacturing Co., Ltd. (安徽智星先進電池製造有限公司)	40%
Wang Xingdong	Anqing Zhizu	50%
Xuzhou Runhui	Xuzhou Zhizu	20%

5. Disclaimers

Save as disclosed in this document:

- (a) none of our Directors or any of the parties listed in “Qualifications of Experts” below is:
 - (i) interested in our promotion, or in any assets which, within the two years immediately preceding the date of this document, have been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company;

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (ii) materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our business;
- (b) save in connection with the [REDACTED] and the [REDACTED], none of the parties listed in “Qualifications of Experts” below:
 - (i) is interested legally or beneficially in any shares in any member of our Group; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group;
- (c) none of our Directors or their close associates or any shareholders of our Company who to the knowledge of our Directors owns more than 5% of our issued share capital has any interest in our top five customers or suppliers; and
- (d) none of our Directors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are listed on the Hong Kong Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO.

D. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

2. Litigation

During the Track Record Period and as of the Latest Practicable Date, we had not been involved in any litigation, arbitration or administrative proceedings which could have a material adverse impact on our business, financial condition or results of operations. As of the Latest Practicable Date, we were not aware of any pending or threatened litigation, arbitration or administrative proceedings against us which may have a material and adverse impact on our business, financial condition or results of operations.

3. Sole Sponsor

The Sole Sponsor has made an application on our Company’s behalf to the [REDACTED] for the [REDACTED] of, and permission to [REDACTED] in, the H Shares to be [REDACTED] pursuant to the [REDACTED]. All necessary arrangements have been made for the Shares to be admitted into [REDACTED].

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor will receive a fee of HK\$4.0 million for acting as the sponsor for the [REDACTED].

4. Preliminary expenses

Our Company has not incurred any material preliminary expenses for the purpose of the Listing Rules.

5. Consents and Qualification of Experts

The following experts have each given and have not withdrawn their respective written consents to the issue of this document with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

Name	Qualifications
Shenwan Hongyuan Capital (H.K.) Limited	Licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) of regulated activities as defined under the SFO
Deloitte Touche Tohmatsu	Certified Public Accountants under Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Commerce & Finance Law Offices	PRC Legal Advisor
Frost & Sullivan	Independent industry consultant

Save as disclosed in this document, as of the Latest Practicable Date, none of the experts named above has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

6. Promoters

The promoters of our Company were all the then Shareholders as of April 20, 2026 immediately before our conversion into a joint stock limited company. Save as otherwise disclosed in this document, within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters of our Company in connection with the [REDACTED] or the related transactions as described in this document.

7. Binding effect

This document shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

8. Bilingual document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

In case of any discrepancies between the English language version and Chinese language version of this document, the English language version shall prevail.

9. Compliance Advisor

Our Company has appointed Red Solar Capital Limited as our Compliance Advisor in compliance with Rule 3A.19 of the Listing Rules.

10. No material adverse change

The Directors confirm that there has been no material change in our financial or trading position since December 31, 2025.

11. Taxation of holders of H Shares

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.10% on the higher of the consideration for or the market value of the H Shares, will be payable by the purchaser on every purchase and by the seller on every sale of any Hong Kong securities, including H Shares (in other words, a total of 0.20% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed stamp duty of HK\$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to 10 times the duty payable may be imposed.

12. Miscellaneous

- (a) Save as disclosed in this document, within the two years immediately preceding the date of this document:
 - (i) no share or loan capital or debenture of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid other than in cash or otherwise; and
 - (ii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries.
- (b) Save as disclosed in this document:
 - (i) there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;
 - (ii) no share or loan capital or debenture of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) there are no arrangements under which future dividends are waived or agreed to be waived;
 - (iv) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;
 - (v) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;
 - (vi) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;
 - (vii) no part of the equity or debt securities of our Company, if any, is currently listed on or dealt in on any stock exchange or trading system, and no such listing or permission to list on any stock exchange other than the Stock Exchange is currently being or agreed to be sought; and
 - (viii) our Company has no outstanding convertible debt securities or debentures.

APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

- (i) a copy of each of the material contracts referred to in “Appendix IV – Statutory and General Information – B. Further Information about our Business – 1. Summary of Material Contracts” in this document; and
- (ii) the written consents referred to in “Appendix IV – Statutory and General Information – D. Other information – 5. Consents and Qualification of Experts” in this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of our Company at www.zhizukj.com and on the website of the Stock Exchange at www.hkexnews.hk up to and including the date which is 14 days from the date of this document:

- (a) the Articles of Association;
- (b) the accountants’ report prepared by Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this document;
- (c) the audited consolidated financial statements of our Group for the three years ended December 31, 2023, 2024 and 2025;
- (d) the report prepared by Deloitte Touche Tohmatsu on the unaudited [REDACTED] financial information of our Group, the text of which is set out in Appendix II to this document;
- (e) the industry report issued by Frost & Sullivan referred to in “Industry Overview” in this document;
- (f) the PRC legal opinions issued by Commerce & Finance Law Offices, our PRC Legal Advisors, in respect of, among other things, the general matters and property interests of our Group under the PRC laws;
- (g) the material contracts referred to in “Appendix IV – Statutory and General Information – B. Further Information about our Business – 1. Summary of Material Contracts” in this document;

**APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR OF
COMPANIES AND AVAILABLE ON DISPLAY**

- (h) the service contracts and appointment letters referred to in “Appendix IV – Statutory and General Information – C. Further Information about Our Directors and Substantial Shareholders – 1. Particulars of Directors’ service contracts and Appointment Letters” in this document;
- (i) the written consents referred to in “Appendix IV – Statutory and General Information – D. Other Information – 5. Consents of Experts” in this document; and
- (j) the PRC Company Law, the PRC Securities Law and the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, together with unofficial English translations thereof.