OVERVIEW

Prior to the [**REDACTED**], our Company has entered into a number of transactions with our connected persons in our ordinary and usual course of business. Upon the [**REDACTED**], the transactions disclosed in this section will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSONS

Connected Persons	Connected Relationship
Geely Entities	Geely Holding is owned as to approximately 82.23% by Mr. Li Shu Fu, the de facto controller of Qianjiang Motorcycle (one of our substantial shareholders). Zhejiang Yizhen New Energy Automobile Co., Ltd. (浙江翼真新能源汽車有限公司) ("**Zhejiang Yizhen**") is indirectly controlled by Mr. Li Shufu. Aurobay Technology Co., Ltd. (極光灣科技有限公司) ("**Aurobay**") is ultimately owned as to more than 30% by Mr. Li Shu Fu and his associates. Therefore, each of (i) Geely Holding and its subsidiaries, (ii) Zhejiang Yizhen and its subsidiaries, and (iii) Aurobay and its subsidiaries (together with Geely Holding and its subsidiaries, and Zhejiang Yizhen and its subsidiaries, collectively, "**Geely Entities**") is a connected person of our Company under the Listing Rules.
Longquan Xiazhi Thermal Management Systems Co., Ltd. (龍泉夏芝熱管理系統有限公司) ("**Longquan Xiazhi**")	Longquan Xiazhi is an indirect subsidiary of Geely Holding and therefore is a connected person of our Company under the Listing Rules

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

Transactions	Applicable Listing Rules	Waiver Sought	Historical Amounts for the Year ended December 31,			Proposed Annual Caps for the Year ending December 31,		
			2023	2024	2025	2026	2027	2028
					(RMB'000)			
Non-exempt Continuing Connected Transaction								
Continuing Connected Transactions with Geely Entities:								
1 Supply Framework Agreements	14A.35 14A.36 14A.105	Announcement, circular, independent Shareholders' approval requirements	190,533	556,423	3,162,069	3,400,000	3,896,050	4,396,050
Continuing Connected Transactions with Longquan Xiazhi:								
2 Procurement Framework Agreement	14A.35 14A.36 14A.105	Announcement, circular, independent Shareholders' approval requirements	—	—	83,806	224,000	200,000	—

NON-EXEMPT CONTINUING CONNECTED TRANSACTION

Supply Framework Agreements

Principal Terms

On [●], our Company (for itself and on behalf of its subsidiaries) entered into comprehensive supply framework agreements with Geely Holding, Zhejiang Yizhen and Aurobay, respectively (the "**Supply Framework Agreements**"). Pursuant to the Supply Framework Agreements, we agreed to sell NEV domain-controlled electric drive solution, NEV components, and provide R&D services and other related services to Geely Entities.

The initial terms of the Supply Framework Agreements will commence on the [**REDACTED**] until December 31, 2028 and may be renewed subject to the relevant requirements under the relevant laws, regulations, and the Listing Rules. Under the terms of Supply Framework Agreements, our Group and Geely Entities will enter into specific agreements or purchase orders to set out the detailed terms and conditions for NEV domain-controlled electric drive solution, NEV components, R&D services and other related services. The consideration payable by Geely Entities under the Supply Framework Agreements will be paid at the time and according to the method to be agreed in specific agreements or purchase orders.

Reasons for the Transaction

This procurement arrangement is an indication of Geely Entities' recognition of the importance of our Group as Geely Entities rely on us to develop NEV domain-controlled electric drive solution for deployment on its certain vehicles for its operations and future growth. NEV domain-controlled electric drive solution are highly bespoke and require a lengthy and costly process of design verification, integration testing and durability validation before being installed into a vehicle model throughout the model lifecycle (from the launch date to the discontinuation of sales). Accordingly, the sourcing of NEV domain-controlled electric drive solution commonly results in a deep collaboration supply relationship between the OEM and the selected supplier for the relevant vehicle model over its production lifecycle, which typically ranges from approximately two to five years, based on its sales performance. Therefore, we expect to have continued and stable source of revenue in the upcoming years for such vehicles.

On the other hand, Geely Entities is one of the leading multinational automotive conglomerate in the PRC. As Geely Entities further solidifies its position in the NEV market and increases its market share in the NEV, we are also able to enhance our reputation, generate sustainable revenue and strengthen the track record required to collaborate with other OEMs.

Pricing Policy

The terms of the Supply Framework Agreements are not less favorable than terms available to independent third parties and the prices charged by our Group to Geely Entities are determined on arm's length negotiation and with reference to, among others, (i) the prevailing market prices (having taken into account our manufacturing costs and the technical complexity required for these solutions); (ii) quotations offered by our Group to independent third party customers for similar product and solutions; (iii) the cost, technical specifications and product configurations required for the relevant products; and (iv) project-specific and commercial factors, including, among others, project scale, estimated delivery schedule, logistics considerations and the nature of long-term cooperation between the parties.

Historical Transaction Amounts

For the years ended December 31, 2023, 2024 and 2025, the aggregate amount for the sales of NEV domain-controlled electric drive solution, NEV components and the provision of R&D services and other related services from our Group to Geely Entities amounted to RMB190.5 million, RMB556.4 million and RMB3,162.1 million, respectively.

Annual Caps and Basis of Annual Caps

Our proposed annual caps for the transactions under the Supply Framework Agreements for the years ending December 31, 2026, 2027 and 2028 are RMB3,400.0 million, RMB3,896.1 million and RMB4,396.1 million, respectively.

The proposed annual caps were determined with reference to, among others, (i) the historical transaction amounts with Geely Entities during the Track Record Period; (ii) the expected sales volume and production plans of the relevant vehicle models of Geely Entities on which our NEV domain-controlled electric drive solution are deployed; (iii) the anticipated demand for our NEV domain-controlled electric drive solution, NEV components, R&D services and other related services arising from Geely Entities' pipeline of new and existing vehicle models; (iv) the expected changes in unit prices driven by product configuration, technical specifications and cost fluctuations; and (v) the possible increases in production, logistics and installation costs.

Listing Rules Implications

As one or more of the applicable percentage ratios in respect of the transactions under the Supply Framework Agreements are expected to exceed 5% on an annual basis, such transactions will, upon the [**REDACTED**], be subject to the reporting, annual review, announcement, circular and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Procurement Framework Agreement

On [●], our Company (for itself and on behalf of its subsidiaries) entered into a procurement framework agreement with Longquan Xiazhi, pursuant to which our Group agreed to procure from Longquan Xiazhi certain products as our Group may require from time to time (the "**Procurement Framework Agreement**"). Such products and services mainly include OBC and DC/DC modules and related support services (including after-sales services) (the "**Procured Products and Services**").

The term of the Procurement Framework Agreement will commence on the [**REDACTED**] until December 31, 2027, and may be renewed subject to the requirements under applicable laws, regulations and the Listing Rules. Under the terms of the Procurement Framework Agreement, our Group and Longquan Xiazhi will enter into specific agreements or purchase orders to set out the detailed terms and conditions for the procurement of the relevant products and services. The consideration payable by our Group under the Procurement Framework Agreement will be paid at the time and according to the method to be agreed in specific agreements or purchase orders.

Reasons for the Transaction

During the Track Record Period, we have procured the Procured Products and Services from Longquan Xiazhi and we expect that we will continue to procure such Procured Products and Services after the [**REDACTED**]. Longquan Xiazhi is familiar with the products we require and supply these for our operational needs. We are not and will not be bound to collaborate with Longquan Xiazhi, and we will only procure the required products and services from Longquan Xiazhi if we consider it is in the interests of our Company and Shareholders as a whole. Such collaboration with Longquan Xiazhi not only ensures a reliable supply chain but also provides opportunities to optimize our procurement processes and cost efficiency.

Pricing Policy

The terms of the Procurement Framework Agreement are no less favorable than those available from independent third parties, and the prices and fees paid by our Group to Longquan Xiazhi are determined on an arm's length basis with reference to, among others, (i) the prevailing market prices for the Procured

Products and Services of the same or similar type, nature and quality; (ii) quotations offered by independent third parties for comparable products and services; and (iii) other commercial factors, including order volume, delivery arrangements and the nature of the long-term cooperation between the parties.

Historical Transaction Amounts

For the years ended December 31, 2023, 2024 and 2025, the historical transaction amounts purchased from Longquan Xiazhi amounted to nil, nil and RMB83.8 million, respectively.

Annual Caps and Basis of Annual Caps

Our proposed annual caps for the transactions under the Procurement Framework Agreement for the years ending December 31, 2026 and 2027 are RMB224.0 million and RMB200.0 million, respectively. The proposed annual caps were determined with reference to, among others:

(i) the historical transaction amounts between our Group and Longquan Xiazhi during the Track Record Period in respect of the procurement of relevant products and services;

(ii) the anticipated procurement requirements of our Group for Procured Products and Services, taking into account our Group's expected business growth and expansion plans during the next two years; and

(iii) the potential impact of inflation and increases in raw material, labour, manufacturing and logistics costs, as well as other market trends affecting the prices of comparable products.

Listing Rules Implications

As one or more of the applicable percentage ratios in respect of the transactions under the Procurement Framework Agreement are expected to exceed 5% on an annual basis, such transactions will, upon the [**REDACTED**], be subject to the reporting, annual review, announcement, circular and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTERNAL CONTROL MEASURES FOR CONTINUING CONNECTED TRANSACTIONS

We have established the following internal control measures to closely monitor connected transactions and ensure that our existing and future connected transactions are on normal commercial terms that are no less favorable to our Group than terms available to or offered by independent third parties:

- We have adopted and implemented a management system for connected transactions. Under such system, our Audit Committee is responsible for overseeing compliance with relevant laws, regulations, our Group's internal policies, and the Listing Rules in respect of the connected transactions. In addition, our Audit Committee, our Board, and the internal departments of our Group (including but not limited to our internal audit department and procurement department) are jointly responsible for evaluating the terms under the framework agreements for continuing connected transactions;

- With respect to the fairness of the pricing policies and annual caps under the framework agreements with connected persons, our management team will regularly review them through the following procedures: (i) if a comparable market price is available, we will compare the proposed product price or service fee with the market price to ensure that the proposed product price or service fee will not be less favorable to us than the market price; and (ii) if no comparable market price is available, our procurement or sales department will conduct arm's length negotiation with the relevant connected persons to determine the terms in line with the relevant pricing policies based on a number of factors including prices offered by independent third parties, competition landscape, production costs and expenses, transaction volumes and etc.;

- After arm's length negotiation with the relevant connected persons and several rounds of internal assessment conducted on individual transactions based on the above factors by our Company's internal departments, a final report will be made to our senior management who will approve individual transactions;

- Our internal audit department will regularly collect and monitor the transaction amount of continuing connected transactions to ensure timely assessment of whether the annual caps are exceeded or about to be exceeded; and

- Our independent non-executive Directors will also conduct an annual review on the non-exempt continuing connected transactions to ensure that such transactions have been entered into on normal commercial terms, are fair and reasonable, and are conducted according to the terms of the relevant framework agreements. The auditor of our Company will also conduct an annual review on the pricing and annual caps of non-exempt continuing connected transactions.

WAIVERS

In relation to the continuing connected transactions above, we have applied for, and the Stock Exchange has granted to us, waivers from strict compliance with the relevant requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.105 of the Listing Rules, subject to the condition that the aggregate value of such continuing connected transactions for the years ended December 31, 2026, 2027 and 2028 (as applicable) shall not exceed relevant annual amounts stated above.

DIRECTORS' CONFIRMATION

Our Directors (including independent non-executive Directors) are of the view that: (i) the continuing connected transactions set out above for which waiver has been sought have been and will be entered into in our ordinary and usual course of business on normal commercial terms, on terms that are fair and reasonable, and in the interests of our Company and our Shareholders as a whole; and (ii) the proposed annual caps of the continuing connected transaction for which waivers have been sought are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

SOLE SPONSOR'S CONFIRMATION

Based on the documentation, information and data (including historical transaction amounts) provided by the Company and participation in the due diligence and discussion with the Company, the Sole Sponsor is of the view that: (i) the aforesaid continuing connected transaction for which waiver has been sought has been and will be entered into in the Company's ordinary and usual course of business on normal commercial terms, that are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole; and (ii) the proposed annual caps of the continuing connected transaction for which waiver has been sought are fair and reasonable and in the interests of the Company and the Shareholders as a whole.