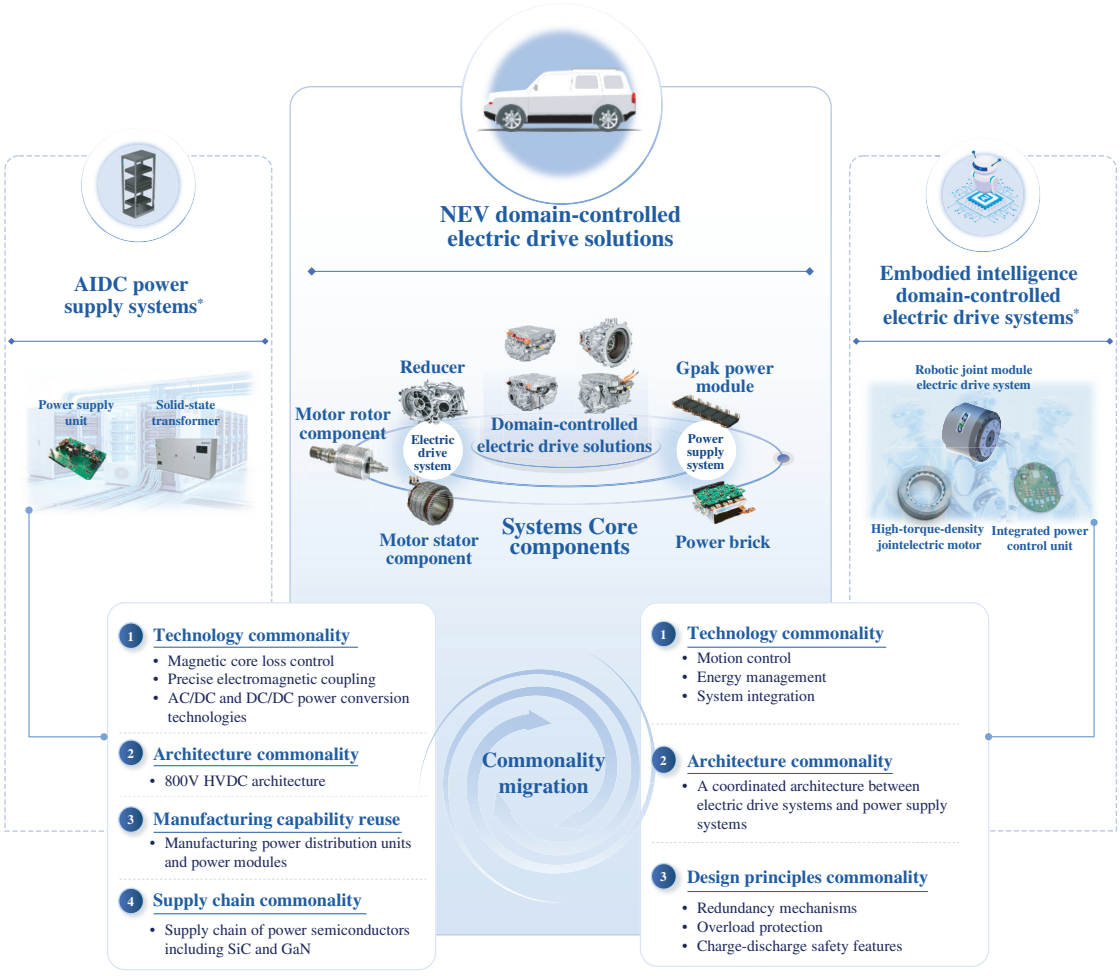
OVERVIEW

Who We Are

We are a global provider of intelligent domain-controlled electric drive solutions and standardized 800V HVDC power supply architecture solutions. Centered on our core technologies in high-performance power electronics, electric motors, software, thermal management and platform-based integration, we deliver highly competitive integrated hardware-and-software solutions through vertical integration and system-level optimization. We primarily served the NEV domain-controlled electric drive solution market during the Track Record Period and are expanding into the AI computing infrastructure power supply system market and the embodied intelligence domain-controlled electric drive systems market. In doing so, we are committed to driving global energy transition and enabling low-carbon and intelligent transformation across industries globally.

During the Track Record Period, our main product was our NEV domain-controlled x-in-one electric drive solution which primarily integrates an electric drive system and a power supply system. Subject to our customers' needs, our x-in-one solution can also integrate a thermal management system and a vehicle control system.

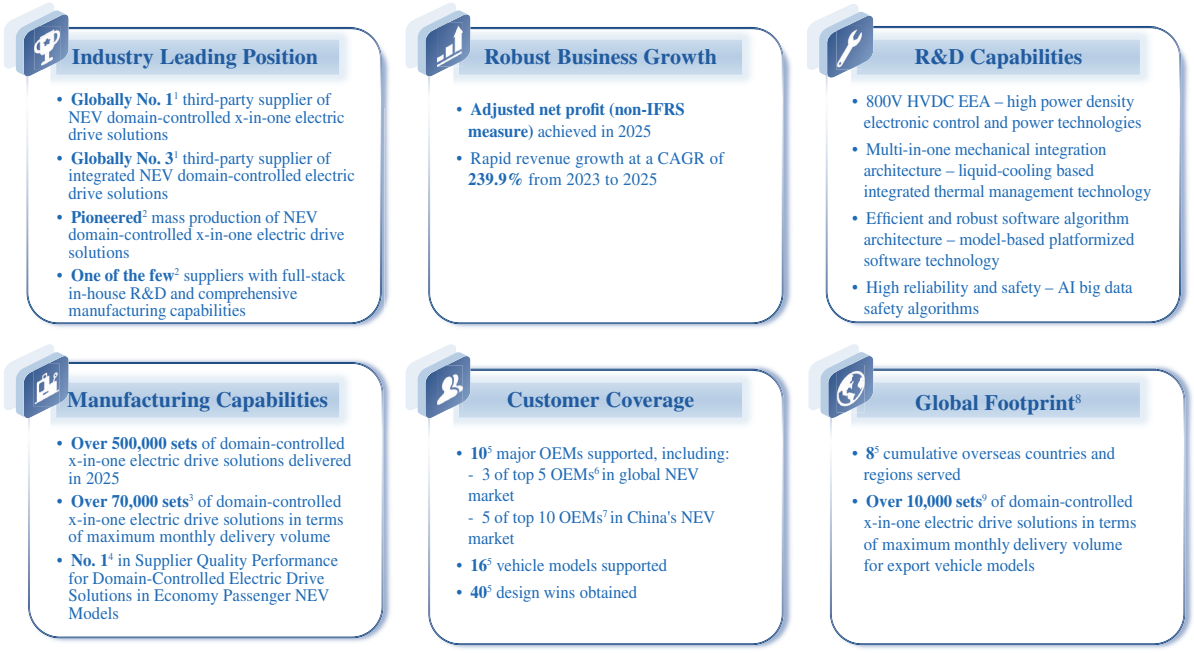
Leveraging our core technologies, we are developing: (i) power supply systems for AIDC, and (ii) domain-controlled electric drive systems for embodied intelligence. The diagram below illustrates our primary offerings and how our core technologies can be transferred and applied in the AIDC and embodied intelligence sectors.



* We did not generate revenue from AIDC power supply systems and embodied intelligence domain-controlled electric drive systems during the Track Record Period.

A Leading Supplier in the NEV Sector

To meet the diverse needs of customers and vehicle models across domestic and overseas markets, we offer solutions with varying levels of integration, including domain-controlled x-in-one electric drive solutions, other electric drive solutions, as well as the related components. Our solutions are developed in response to the industry trend toward increasing integration and high-voltage vehicle architectures. Our solutions and components support vehicles of various energy architectures, including battery electric vehicles ("BEVs"), plug-in hybrid electric vehicles ("PHEVs") and range-extended electric vehicles ("REEVs"), and accommodate the configuration requirements of NEV models across a full range of vehicle segments from A0 to D-class.



Notes:

(1) In terms of installation volume in 2025 and according to CIC.

(2) According to CIC.

(3) As of August 2025.

(4) According to the 2025 China NEV Three-Electric Solutions Quality Research.

(5) As of the Latest Practicable Date.

(6) In terms of global NEV sales volume in 2025 and according to CIC.

(7) In terms of NEV sales volume in China in 2025 and according to CIC.

(8) During the Track Record Period, our global footprint was primarily expanded by supporting the international production and sales of certain vehicle models of our domestic OEM customers, rather than through our independent overseas market expansion initiatives.

(9) As of December 2025.

Our achievements in the NEV sector are attributable to our core client strategy which leads to our capabilities in R&D and production. Since our establishment, we have focused on satisfying the needs of leading NEV manufacturers (mainly OEMs) for their vehicle models. These NEV manufacturers demand domain-controlled electric drive solutions with high level of integration, advanced technology features, high product quality and reliable supply. In order to satisfy such demand, we build up our R&D and production capabilities at both the component level and the integrated solution level. We believe that our capabilities developed through serving leading NEV manufacturers will serve as a strong foundation for expanding our business into broader customer segments and emerging sectors.

An Explorer in Emerging Sectors

We are actively exploring new emerging application scenarios for our key components and solutions, such as the AIDC power supply systems and the embodied intelligence domain-controlled electric drive systems. The migration and reuse of our core technologies are built on our deep technological expertise in high-performance power electronics, electric motors, thermal management and platform-based integration.

As of the Latest Practicable Date, we had made concrete progress in developing and early commercialization of our AIDC power supply system business line, including (i) completed deliveries of power semiconductor devices, which are core components of AIDC power supply systems, (ii) commencing the supply of sample auxiliary power supply systems to a leading American power electronics company specializing in solid-state transformer solutions for AIDC and grid applications, with sample units expected to be delivered in Q3 2026, (iii) entering into a memorandum of understanding with a leading Danish engineering company specializing in energy-efficient technologies, pursuant to which the parties intend to collaborate in the AIDC power supply system sector, and (iv) entering into a joint laboratory cooperation agreement with a leading domestic university covering new power supply systems for AIDC applications.

As of the Latest Practicable Date, our embodied intelligence domain-controlled electric drive systems had reached the customer sampling stage, with sample units of our robotic joint module electric drive systems delivered to customers.

Our Market Opportunities

Automotive Industry Transition to Electrification. NEV domain-controlled electric drive solutions serve as the "power core" of NEVs and have become a key enabler supporting the automotive industry's comprehensive transition towards electrification. According to CIC, the market size of global NEV domain-controlled electric drive solution industry is projected to grow from RMB197.7 billion in 2025 to RMB486.0 billion in 2030, at a CAGR of 19.7%, and the market size of China's NEV domain-controlled electric drive solution industry is projected to grow from RMB127.8 billion in 2025 to RMB323.0 billion in 2030, at a CAGR of 20.4%. The key trends in NEV domain-controlled electric drive solution design are summarized as follows:

- ***Increasing Level of Integrated Design***. Technological development in the NEV domain-controlled electric drive solution design is characterized by increasing system integration and platform-based design across vehicles with different energy architectures, including BEVs, PHEVs and REEVs. Key components such as electric drive system and power supply systems are progressively integrated and upgraded through platform-based, modularized and standardized design.

- ***Adaptation to High-Voltage Architecture***. Our core underlying technologies, namely 800V HVDC EEA and integrated drive-control architecture, have emerged as core drivers for enhancing overall vehicle energy efficiency. Driven by the increasing adoption and penetration of integration designs and high-voltage architecture, NEV power technologies are entering a new stage characterized by "high voltage, high efficiency and high integration." According to CIC, the market size of global NEV domain-controlled x-in-one electric drive solution industry is projected to grow from RMB62.0 billion in 2025 to RMB275.1 billion in 2030, at a CAGR of 34.7%. The penetration rate of domain-controlled x-in-one electric drive solutions in global NEV domain-controlled electric drive solution industry grew rapidly from 1.4% in 2020 to 31.4% in 2025, and is expected to reach 56.6% by 2030. According to CIC, the market size of China's NEV domain-controlled x-in-one electric drive solution industry is projected to increase from RMB43.3 billion in 2025 to RMB199.7 billion by 2030, at a CAGR of 35.8%. The penetration rate of domain-controlled x-in-one electric drive solutions in China's NEV domain-controlled electric drive solution industry reached 33.9% in 2025 and is expected to increase to 61.8% by 2030.

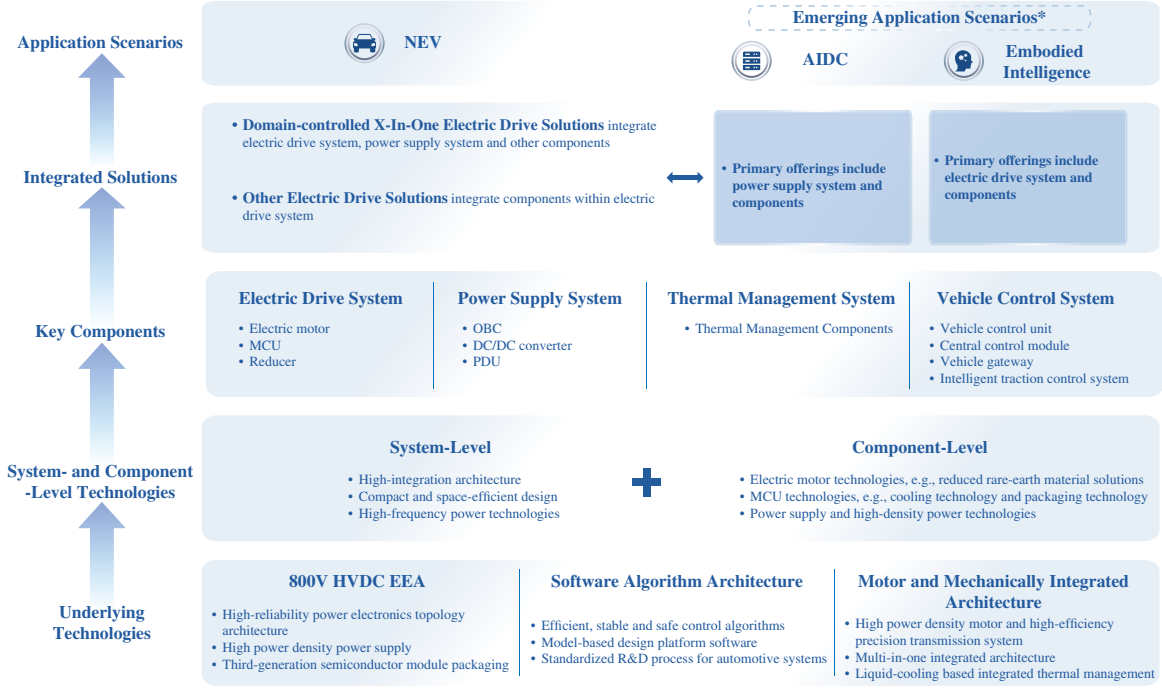
Rapid Growth in Emerging Sectors. Breakthroughs and large-scale deployment of AI technologies are driving rapid growth in computing demand, accelerating the build-out and upgrade cycles of AI infrastructure such as data centers and AI servers. Relatedly, emergence of embodied intelligence is driving the accelerated adoption of intelligent terminals, such as robots and smart equipment across diverse applications, including industrial production, urban governance, and consumer services. Certain core technologies used in our NEV domain-controlled electric drive solutions have significant migration and reuse potential and high adaptability in these emerging applications, and we are well positioned to capture the rapid market growth in these sectors:

- ***Market Size of AIDC Power Supply System Industry***. According to CIC, the market size of global AIDC power supply system industry is expected to increase from RMB54.9 billion in 2025 to RMB301.1 billion in 2030, at a CAGR of 40.5%, and the market size of China's AIDC power supply system industry is projected to grow from RMB8.9 billion in 2025 to RMB68.6 billion in 2030, at a CAGR of 50.4%.

- ***Market Size of Embodied Intelligence Domain-controlled Electric Drive Systems Industry***. According to CIC, the market size of global embodied intelligence domain-controlled electric drive systems industry is projected to increase from RMB1.3 billion in 2025 to RMB43.1 billion in 2030, at a CAGR of 102.2%, and the market size of China's embodied intelligence domain-controlled electric drive systems industry is projected to increase from RMB1.2 billion in 2025 to RMB34.5 billion in 2030, at a CAGR of 96.4%.

Our Technologies and Solutions

With deep expertise in three core disciplines, i.e., (i) electrical, electronic and power electronics, (ii) software and (iii) mechanical engineering, we have established a technology framework centered on the 800V HVDC EEA, software algorithm architecture as well as motor and mechanically integrated architecture with strong transferability and scalability. The diagram below illustrates our major technologies and solutions.



* We did not generate revenue from AIDC power supply systems and embodied intelligence domain-controlled electric drive systems during the Track Record Period.

Our core technologies can be extended to AIDC power supply system applications due to common requirements in high-power electrical systems, energy conversion and system control, as summarized below:

High-voltage power architecture. The 800V HVDC EEA developed for NEVs, which enables efficient power transmission, reduced energy loss and improved thermal performance, can be adapted to AIDC environments that require stable and efficient high-voltage power distribution for servers and computing clusters.

Power electronics and energy conversion. Core NEV electric drive solution components such as inverters, converters and power modules share similar design principles with power supply units in AIDCs, including high-efficiency switching, power density optimization and reliability under continuous operation.

Thermal management technologies. Cooling solutions originally developed for batteries and electric drive solutions, including liquid cooling and thermal control algorithms, can be applied to AIDCs to manage heat dissipation in high-performance computing environments.

Integrated system design and modularization. Our expertise in integrating multiple functions into domain-controlled x-in-one electric drive solutions can be leveraged in AIDCs to design standardized, scalable power supply and distribution modules.

Control systems and software. Real-time control algorithms and system management capabilities developed for vehicle powertrains, including energy management and fault detection, can be adapted to optimize power allocation, efficiency and system reliability in AIDC operations.

Similarly, we are expanding into the embodied intelligence sector due to shared technologies in motion control, energy management and system integration. Through such technological overlap, we have been able to leverage our existing R&D capabilities to support the development of products in the AIDC and embodied intelligence sectors, while reducing incremental development costs and time-to-market.

Our R&D Capabilities

Rooted in Basic Disciplines, Highly Transferable Technologies. Our R&D team is organized based on three core disciplines, i.e., electrical, electronic and power electronics, software and mechanical engineering, enabling us to focus on underlying technologies rather than individual products. Leveraging our full-stack in-house R&D and vertical integration capabilities, we have established a technology framework centered on the 800V HVDC EEA, software algorithm architecture as well as motor and mechanically integrated architecture with strong transferability and scalability. This enables us to respond effectively to rapid technological changes in the NEV industry and supports the deployment of our products and solutions across new emerging application scenarios.

Flat and Collaborative Team Structure. We foster a "ONE TEAM" culture and maintain a highly flat and collaborative organizational structure, which significantly reduces internal communication costs and management inefficiencies and enhances R&D efficiency. This structure also ensures a high level of consistency in our product design. As a result, we have been able to achieve agile product development and rapid iteration, providing solid support for maintaining our competitiveness.

Modular R&D Framework. We have established a well-defined and layered R&D framework, i.e., (i) the software layer serves as the top-level architecture responsible for defining system functionalities and intelligent control of the system; (ii) the circuit layer serves as the core execution platform and enables the efficient processing and transmission of commands; and (iii) the mechanical layer provides reliable physical hardware support. Under different application scenarios, we prioritize solutions at the software layer wherever feasible. By defining system functionalities through advanced algorithms, simplifying circuit structures and reducing reliance on mechanical components, we aim to lower system complexity and failure rates, thereby enhancing reliability and continuously improving cost efficiency.

In-House Capacities with Demonstrated Results. We are committed to developing an industry-leading platform-based, modularized and standardized R&D system to effectively control R&D costs, continuously optimize R&D productivity and accelerate the commercialization of our technologies. Notably, we develop all of our key components in-house, and our major products demonstrate high efficiency, performance and reliability, with competitive performance indicators. Our R&D capabilities are further illustrated below:

- *System-level R&D capabilities*. At the system level, we focus on highly integrated design of domain-controlled electric drive solutions and power supply systems as well as vehicle-level performance optimization. In particular, we emphasize compact design and space optimization, addressing industry challenges of oversized electric drive systems, and apply high-frequency power electronics technologies across our system designs.

  Our advanced solution-level technical capabilities allow our integrated domain-controlled electric drive solutions to achieve high integration, high stability and high safety, while continuously enhancing the overall driving and riding experience.

- *Component-level R&D capabilities*. At the component level, we have developed (i) advanced electric motor design technologies, covering rotor and stator structures, materials and manufacturing process; (ii) two key proprietary technology capabilities for our proprietary power modules, i.e., cooling technology and packaging technology; and (iii) proprietary packaging and power design solutions to improve power density and thermal performance.

- *Underlying technologies*. Our underlying technologies mainly include (i) 800V HVDC EEA, which is extendable to higher voltage levels; (ii) software algorithm architecture, leveraging highly reliable and safety-critical control algorithms to enable intelligent real-time control; and (iii) liquid cooling thermal management technologies encompassing water cooling, oil cooling and hybrid oil-water cooling configurations, with optimized cooling circuit designs enabling precise thermal control of motor stators and rotors.

See "— Our Technologies" for details.

Our Production and Delivery Capabilities

As NEV domain-controlled electric drive solutions continue to evolve towards higher levels of integration, industry participants face increasingly stringent requirements in design consistency, component coupling, process precision and production synergy. Leveraging our deep technical expertise in electrical, electronic and power electronics, software and mechanical engineering, we have established an industry-leading production and quality management system for integrated domain-controlled electric drive solutions and auxiliary components, enabling scalable, stable and efficient production of complex systems and components.

Intelligent Production Bases Supporting In-House Production. As of December 31, 2025, we operated two intelligent production bases, with end-to-end production capabilities covering domain-controlled electric drive solutions as well as key components such as electric motors and MCUs. In terms of domain-controlled electric drive solutions, we had a designed annual production capacity of nearly 700,000 sets of NEV domain-controlled electric drive solutions in 2025. For components, we have achieved in-house production capability for the majority of key components in our NEV domain-controlled electric drive solutions during the Track Record Period. Such in-house production capability ensures responsive capacity support and high-quality delivery for industrial projects across different technical routes and production scales.

In-House Development and Production of Key Equipment Ensuring Supply Consistency and Quality. We adhere to our in-house development, validation and manufacturing of key equipment, particularly for critical process stages. This strategy significantly enhances our production consistency and automation levels, while also laying a solid foundation for rapid capacity replication and flexible production expansion, thereby effectively supporting customers' ramp-up needs.

Stringent Quality Control and In-House Laboratories. We have built an industry-leading quality control system, covering testing, certification and traceability from integrated domain-controlled electric drive solutions to key components, thereby ensuring high-quality product delivery. We maintain our quality management systems based on IATF 16949 standards. We have also established laboratories that are CNAS 17025 certified and have received recognition as a Class A laboratory by OEM partners.

Large-Scale Production with Short Lead Time. Leveraging our extensive mass production experience and outstanding operational efficiency, we have been able to fulfil delivery requests of varying complexity, including those with large volumes or demanding timelines. Notably, we have an industry-leading overall equipment effectiveness ("OEE"), and we have achieved efficient inventory turnover and operations, benefiting from our supply chain coordination mechanism. In 2025, our inventory turnover days achieved 20 days, significantly shorter than the industry average. At the same time, our standard lead time from order confirmation to product delivery has been shortened to a level much shorter than the industry average. Therefore, we can respond quickly to customers' volume ramp-up demands and ensure timely execution of industrial projects.

Demonstrated Results. As a result, we have achieved strong performance in delivery. In terms of NEV domain-controlled electric drive solutions, we delivered over 500,000 sets of domain-controlled x-in-one electric drive solutions in 2025, with an outstanding field failure rate of less than 120 PPM, according to CIC. For components, we have commenced sales of key components, including stators and rotors, as standalone products as of the Latest Practicable Date. In addition, we have achieved a zero-kilometer failure rate of less than 30 PPM for the delivery of MCUs and OBCs as of December 31, 2025.

Our Commercialization Progress

Leveraging our deep technological expertise in core underlying technologies, we have positioned ourselves as a leading global third-party supplier of highly integrated domain-controlled electric drive solutions for the NEV sector. We have pursued a customer strategy of prioritizing partnership with top OEM customers, initially focusing on achieving a leading supplier position in selected vehicle models before expanding into broader application scenarios. As a result, we successfully secured a diversified OEM customer base comprising both established and emerging global and domestic OEMs, covering a wide range of vehicle application scenarios. As of the Latest Practicable Date, we had cumulatively secured 40 design wins with ten OEMs, either directly or through tier-1 suppliers, and our solutions and components had been adopted in 16 commercially launched vehicle models across 12 vehicle brands.

Notably, we have also expanded our global footprint during the Track Record Period by primarily supporting the international production and sales of certain vehicle models of our domestic OEM customers, rather than through our independent overseas market expansion initiatives. Notably, we delivered over 10,000 sets of domain-controlled x-in-one electric drive solutions in terms of maximum monthly delivery volume for export vehicle models in December 2025. We have also established collaborations with international OEMs, such as a global leading manufacturer of automobiles and commercial vehicles headquartered in Wolfsburg. In addition, we have supplied NEV domain-controlled x-in-one electric drive solutions and components directly to an international OEM in Malaysia with our monthly delivery volume reaching 1,000 sets. As of the Latest Practicable Date, we have also entered into a memorandum of understanding with a leading Danish engineering company specializing in energy-efficient technologies, pursuant to which the parties intend to collaborate in the AIDC power supply system sector.

Our standardized and platform-based R&D and production capabilities further enable us to efficiently extend our product offerings across different customers and vehicle platforms and achieve profitability. During the Track Record Period, our operating performance experienced rapid growth. Our revenue increased by 134.9% from RMB314.1 million in 2023 to RMB737.9 million in 2024, and further increased by 391.7% from RMB737.9 million in 2024 to RMB3,628.2 million in 2025. We recorded gross loss in 2023 with gross loss margin of 6.8%, and recorded gross profit starting 2024, with gross profit margin increased from 1.0% in 2024 to 7.2% in 2025. We also recorded adjusted net profit (non-IFRS measure) of RMB36.5 million in 2025, demonstrating the successful commercialization of our products and the scalability of our business model.

OUR STRENGTHS

An Industry Leader with Deep Expertise and Strategic Positioning

Deeply rooted in the NEV domain-controlled electric drive solution sector for over 10 years, we have accumulated strong technological expertise and extensive operational experience. Benefiting from our in-depth understanding of the evolving trends of electrical, electronic and power electronics technologies, we have pioneered the industry transformation and development through continuous technology standard-setting and product innovation.

Industry leader in the NEV domain-controlled electric drive solution sector. In the NEV domain-controlled electric drive solution sector, we were one of the first suppliers to develop NEV domain-controlled x-in-one electric drive solutions, according to CIC. In particular, we have successfully completed mass production of domain-controlled x-in-one electric drive solutions, demonstrating our forward-looking vision in identifying the industry trend toward greater system integration, as well as our ability to rapidly scale up the production. Leveraging our established first-mover advantages in both technology and business development, our market share has continued to increase, and our commercialization progress has accelerated. In 2025, we delivered over 500,000 sets of domain-controlled x-in-one electric drive solutions and our adjusted net profit (non-IFRS measure) turned positive. In 2025, we were the largest third-party supplier of domain-controlled x-in-one electric drive solutions in the global NEV market and the third-largest third-party supplier of integrated domain-controlled electric drive solutions in the global NEV market, in terms of installation volume, according to CIC.

Strategic expansion into emerging applications. Building on our deep insights into industry technology trends and our proven track record of strategic positioning, we have formulated a business expansion pathway that combines industry leadership with commercial viability. We believe this will enable us to further consolidate our leading position, expand into multiple high-growth and high-margin sectors, and establish and reinforce our first-mover advantages in emerging fields, including AIDC power supply systems and embodied intelligence domain-controlled electric drive systems.

This pathway is grounded in our electromechanical integration technology system, which has been validated through large-scale commercial deployment, providing a solid foundation for technology migration and a feasible commercialization plan.

A Highly Migratable and Scalable Platform-Based Technology System

Generalization R&D Approach with A Focus on Underlying Technologies. We focus on the continuous advancement of underlying technologies rather than individual products. Leveraging our platform-based, modularized and standardized R&D system, we are able to generalize core technologies and components to achieve adaptation cross multiple products for an R&D project, which enhances our R&D efficiency and shortens our development cycles. In addition, the generalization approach enables us to quickly deliver high-performance, customized domain-controlled electric drive solutions by flexibly adjusting and adapting existing solutions to meet customer demands for specific vehicle models and application scenarios. As a result, we are well-positioned to address diversified and differentiated market demands, improving customer reliance on our technologies and long-term customer stickiness in the process of product iteration and development.

Cross-Disciplinary Collaboration Mechanism. In addition, we have established a "ONE TEAM" cross-disciplinary collaboration mechanism to deeply integrate R&D resources across electrical, electronic and power electronics, software and mechanical engineering. This mechanism allows us to reduce internal coordination costs and enhance development efficiency. Supported by our robust technical middle platform for electric drive systems and power supply systems, we are able to effectively advance the platformization, standardization and rapid iteration of our technologies as well as products and solutions, allowing us to respond swiftly to differentiated customer needs.

Extension Across Emerging Application Scenarios. Furthermore, we actively drive the transfer and replication of our core technology system centered on the 800V HVDC EEA, software algorithm architecture as well as motor and mechanically integrated architecture into emerging application scenarios. In particular, we have extended core technologies accumulated in the NEV domain-controlled electric drive solution sector, such as the high-frequency power technologies, MCU technologies including the cooling technology and packaging technology, and power supply and high-density power technologies, to new emerging electrical applications such as AIDC power supply systems and embodied intelligence domain-controlled electric drive systems. Through technology standardization and enablement across multiple application scenarios, we continue to expand our business scope and establish a sustainable multi-track business layout.

Comprehensive Product Matrix Meeting Diverse Customer Needs, with Rich Joint Development Experience

Comprehensive Product Matrix. We have established a comprehensive product matrix of NEV domain-controlled electric drive solutions, covering a full value chain including highly integrated domain-controlled x-in-one electric drive solutions, other electric drive solutions, and their key components. Based on our platform-based, modularized and standardized technology architecture, we provide key components, including electric motors, MCU (including its power module), reducers, OBC, DC/DC converter and PDU, enabling customers to flexibly select solutions with different levels of integration according to vehicle positioning.

Broad Applications with Strong Compatibility. Our solutions are compatible with vehicles with different energy architectures, including BEVs, PHEVs and REEVs. Such compatibility, together with our internationally competitive technology system, enables us to flexibly adapt to varying new energy infrastructure conditions across different global markets and assist customers in formulating and implementing product strategies tailored to diverse markets, effectively meeting a wide range of end-user demands. Currently, our products cover a full range of power levels and voltage platforms (400V/800V) and have been validated at scale and continuously adopted by leading automotive OEMs in terms of integration levels, efficiency and cost control.

Extensive Customer Collaborations and Joint Development. We have transcended the traditional role of an automotive component supplier by deeply engaging with our strategic customers since the early stage of vehicle design and planning. We collaborate with selected customers throughout the entire development process, covering domain-controlled electric drive solution definition, system architecture design and engineering implementation. We have achieved strong performance through our cooperation with multiple strategic customers, such as Geely Related Group and Leapmotor.

Comprehensive Coverage of Vehicle Models. Notably, we have provided highly integrated domain-controlled electric drive solutions for several best-selling or flagship vehicle models across multiple energy architectures, including BEVs, PHEVs and REEVs. Covering a diverse array of market segments from mass-market and mid-range passenger vehicles to premium, high-end models, these vehicle offerings are engineered to meet the specific configuration requirements across a full spectrum of vehicle classes from A0 to D-class. Our solutions have also been adopted in commercial vehicle applications, beginning to generate revenue since 2025. By aligning our advanced technical solutions with customers' requirements for performance and cost at the early stage of project planning, and achieving industry-leading execution efficiency during the project development, we have effectively supported the rapid ramp-up and mass production of these models.

Our successful track record with strategic customers' projects demonstrates the significant value we create through collaboration with these customers to support their market competitiveness. This lays a solid foundation for us to continuously expand our customer base and penetrate additional strategic vehicle models and customer platforms.

Industry-Leading System Integration and In-House Component Development and Production Capabilities

System Integration Capabilities. Our integrated solutions help OEM customers enhance overall vehicle performance by improving power efficiency, reducing size and weight, simplifying wiring harness systems and optimizing vehicle layout, while also enabling more cost-efficient vehicle architectures.

We possess full-stack in-house R&D capabilities and leading vertical integration capabilities, enabling us to independently develop and mass produce key components of domain-controlled electric drive solutions, including stator and rotor, electric motor, MCU (including its power module), reducer and power distribution unit. Accordingly, we have established a rare integrated production and delivery system in the market, under which we are able to complete the entire process, from key component production to integrated assembly and testing and validation, within the same intelligent production facility. This system not only enables us to achieve industry-leading delivery responsiveness and effectively support customers' rapid ramp-up needs, but also helps our customers reduce supply chain management costs and improve overall operational efficiency.

Full-Spectrum Supplier of Domain-Controlled Electric Drive Solutions. Leveraging these capabilities, we are able to adopt a flexible supplier role and provide OEMs with a full spectrum of offerings, ranging from highly integrated solutions to key components and R&D services, thereby comprehensively addressing customers' diverse needs. This model has been successfully validated in multiple customer projects, including those with Geely Related Group and Leapmotor. Through platform-based integration, conducting core processes in-house and effective supply chain management, we are able to deliver high-performance and reliable products while maintaining a competitive cost structure.

Extensive Quality Control. We have also established a high-standard quality control system and established proprietary laboratories. For key components such as electric motors and MCUs, we provide comprehensive testing and certification data covering component dimensions, materials, performance, reliability and durability, ensuring effective quality inspection, analysis and continuous improvement. At the same time, we consistently ensure robust product quality and achieve delivery demands to a high standard. During the Track Record Period, we received multiple recognitions from the industry and our customers, including being awarded as No. 1 in Supplier Quality Performance for Domain-Controlled Electric Drive Solutions in Economy Passenger NEV Models according to the 2025 China NEV Three-Electric Systems Quality Research and the 2025 Distinguished Contribution Award awarded by Hunan Geely Automobile Components Co., Ltd. in January 2026.

A Young, Insightful and Diligent Management Team Endorsed by Renowned Investors

Our management team is led by seasoned professionals with deep industry knowledge and extensive experience.

Our co-founder, Mr. Guan Bo, is our technology leader with a background highly aligned with our business. Mr. Guan holds a doctoral degree in electrical engineering and automation from The Ohio State University in the United States, and he received the first prize for outstanding academic paper from the Industry Applications Society of the Institute of Electrical and Electronics Engineers, which is among the highest international academic recognitions in this field. Mr. Guan was deeply involved in the key technology project for electric vehicles under the National High Technology Research and Development Program of China, also known as the 863 Program, and, in the early stage of his career, engaged in the development of advanced electrification technologies in the United States. His cross-disciplinary experience spanning major national projects and leading international industrial practices has equipped him with a global perspective, strong systematic engineering capabilities and forward-looking management insights.

Our other core management members and key R&D personnel also possess academic backgrounds aligned with our business or have experience from leading domestic and international OEMs and top-tier component suppliers, with an average of over ten years of industry experience. At the same time, our team maintains a relatively young age profile with dynamic thinking, combining solid experience with strong learning and innovation capabilities. Our stable, experienced, energetic and diverse management team with a forward-looking vision ensures our ability to accurately capture technological trends, respond rapidly to customer needs and successfully translate technological capabilities into commercial outcomes.

We are well recognized by renowned investment institutions and industry participants. Since our inception, leveraging our strong technological capabilities and clear commercialization pathway, we have attracted investments from leading domestic and international financial investors and industry participants. Our shareholders not only provide strong financial support for our R&D and capacity expansion, but also contribute valuable resources in terms of strategic industry insights, industry connections and corporate governance.

OUR STRATEGIES

Continuous R&D of Integrated NEV Domain-Controlled Electric Drive Solutions and Key Components

We will continue to deepen system-level innovation and key component technological advancements in the NEV domain-controlled electric drive solution sector to consolidate our market position. We will focus on the R&D of next-generation integrated domain-controlled electric drive solutions, with an emphasis on enhancing system integration. We aim to advance our products from current domain-controlled x-in-one electric drive solutions toward cross-domain integrated platforms incorporating additional functions such as chassis control.

In addition, we will continue to strengthen our in-house key component development capabilities, focused on the in-depth development of key technologies such as next-generation motor technologies and in-house production of high-power power modules. We believe these initiatives will provide foundational support for the evolution of our integrated domain-controlled electric drive solutions toward higher voltage, power density and energy efficiency, and enable us to continuously reinforce first-mover advantages in the NEV domain-controlled electric drive solutions sector.

Continuous Technology Reuse and Migration into New Emerging Application Scenarios

We will actively promote the migration and reuse of our underlying technologies to empower new emerging application scenarios and build growth drivers across industry cycles, with a view to realizing our long-term vision of promoting the low-carbon and intelligent transformation of global energy systems.

Based on our deep understanding of underlying technologies across electrical, electronic and power electronics, software and mechanical engineering, we believe that our platform-based technology system has strong potential for migration and reuse in emerging industries such as AIDC power supply systems and embodied intelligence domain-controlled electric drive systems. Accordingly, we are strategically extending and replicating our core technological capabilities into these frontier fields to build a forward-looking second revenue growth engine.

- ***AIDC power supply systems***. We will carry out targeted optimization and secondary development of underlying technologies, such as high-voltage architecture designs and advanced power semiconductor applications validated in onboard power systems. In doing so, we expect to rapidly respond to the rigid demand for power supply solutions with high power density and efficiency to be applied in large-scale AI computing clusters.

- ***Embodied intelligence domain-controlled electric drive systems***. At the same time, we are exploring the application of technologies such as high-precision electric drive control and dynamic energy distribution in the embodied intelligence sector, aiming to provide high-performance and reliable embodied intelligence domain-controlled electric drive systems, thereby transforming our technological strengths into sustainable growth drivers across industry cycles.

Driven by such horizontal expansion, we will continue to strengthen technological capabilities and expand growth boundaries. We believe this strategy will enable us to establish and reinforce first-mover advantages across new emerging sectors, i.e., AIDC power supply systems and embodied intelligence domain-controlled electric drive systems.

Continuous Vertical Integration of Supply Chain and Intelligent Production Capacity Expansion

We will continue to advance our supply chain vertical integration strategy and deepen our in-house development and production capabilities for key components, building a stable, efficient and cost-competitive supply chain system. Our integration strategy will focus on extending into key upstream technologies, such as the design and testing of power modules with high power density, enabling deeper control over materials, components and overall system. Through these efforts, we aim to effectively shorten our supply chain, ensure the security and stability of key material supply, while continuously enhancing cost control efficiency and gross profit margins through internal coordination optimization and economies of scale in procurement.

We have formulated a clear capacity expansion roadmap to systematically enhance our global production and delivery capabilities in a modular and intelligent manner. Our plan is based on a standard annual capacity of 500,000 sets of integrated domain-controlled electric drive solutions. Leveraging our in-house R&D capabilities for key production equipment, we are able to rapidly replicate and deploy such standardized capacity units, providing strong support for production ramp-up. At present, we are planning to establish a third production base in Chinese Mainland and will advance the establishment of overseas production facilities in phases based on customer demand, thereby better serving our global customers.

In addition, we will continue to upgrade the automation and digitalization of our existing production bases in Xuzhou and Ningbo. By introducing advanced production execution systems and intelligent equipment, we aim to enhance production efficiency and quality control capabilities, providing strong delivery support for our continued business expansion.

Deepening Strategic Customer Relationships and Expanding Customer Base

We believe that deepening our strategic customer relationships is critical to driving business growth and enhancing our operating performance.

Retaining existing customers. Currently, we have established a solid customer foundation with leading OEMs, such as Geely Related Group, Leapmotor, Seres, HYCET (a subsidiary of GWM), and a global leading manufacturer of automobiles and commercial vehicles headquartered in Wolfsburg. We will continue to strengthen these strategic customer relationships through joint R&D and supply chain coordination.

- On the one hand, we aim to engage early in the vehicle development process of OEMs and leverage our full value-chain product portfolio to respond to their diverse development needs. We will also ensure the execution of industrial projects through our high-quality and rapid production capabilities.

- On the other hand, we strive not only to meet customer demands, but also to position ourselves as a trusted innovation partner. By jointly defining next-generation domain-controlled electric drive solution architecture, developing new product categories and leading technological standard setting, we will actively participate in market development and ecosystem building.

In addition to enabling our customers' commercial success, we will continue to enhance our technological leadership and market influence. Through these deep collaborations, we aim to further strengthen customer stickiness and build a solid foundation for sustainable business growth.

Expanding customer base. At the same time, we are actively expanding a diversified base of potential customers to develop a more balanced customer portfolio and optimize our customer mix.

- From a vertical expansion perspective, we will continue to develop domestic and international customers in the NEV integrated domain-controlled electric drive solution market. Leveraging our strong industry resources, efficient market intelligence capabilities and extensive benchmark project experience, we aim to continue securing additional design-win and mass production projects.

- From a horizontal expansion perspective, we are advancing our business presence in new emerging electrical application scenarios, including AIDC power supply systems and embodied intelligence domain-controlled electric drive systems. We intend to extend our deep technological expertise in electric drive systems and power supply systems, as well as our experience in meeting stringent validation standards and delivering high-quality products at scale for leading OEMs, into these new application scenarios. These capabilities and experience will enable us to meet the high standards of leading customers in the AIDC and embodied intelligence sectors in terms of product performance, reliability and supply chain capabilities. We believe this will lay a solid foundation for us to establish long-term partnerships with global leading partners.

Through this combined vertical and horizontal customer development strategy, we aim to build a diversified and balanced customer base to capture growth opportunities across different markets, thereby continuously optimizing our customer mix and enhancing our resilience against business and market risks.

Continuously Advancing Global Expansion

We will actively follow the global trend toward automotive electrification and value chain restructuring by systematically advancing our international expansion strategy to capture global market growth opportunities. Building on our existing collaborations with international customers such as a global leading manufacturer of automobiles and commercial vehicles headquartered in Wolfsburg, as well as our experience in supporting leading domestic OEMs in their overseas expansion, we have formulated a clear globalization strategy.

Integrated domain-controlled electric drive solutions. In this regard, we will leverage our technologically advanced integrated domain-controlled electric drive solutions to drive systematic global market expansion. In mature markets, we plan to establish localized R&D and production bases to deeply integrate into local supply chain systems, enabling us to respond quickly to customer demand for high-end integrated solutions. In emerging markets, we intend to prioritize the partnership with strategic customers in their overseas expansion, engaging in technical collaborations and production lines establishment, to achieve rapid adaptation and localized delivery of our products and solutions.

Components. Leveraging our in-house key component production capabilities and deep technological expertise, we will further expand the global footprint of our components offering. Building on our existing cooperation with international Tier 1 suppliers such as Horse Powertrain, we will continue to promote the standardization and adaptation of key components, including stators and rotors, controllers and power modules. In doing so, we expect to meet the diverse needs of global Tier 1 suppliers and OEM customers, thereby efficiently and flexibly integrating into the global supply chain system and strengthening our global supply for key components.

Through this dual-track international expansion strategy, we aim to deeply integrate our leading integrated domain-controlled electric drive solutions and auxiliary components into the vehicle platforms of major global OEMs, continuously enhance our brand recognition and market share in overseas markets, and further solidify our strategic position in the global automotive electrification development.

Attracting Talent Aligned with Our Corporate Culture to Optimize Team Structure and Continuously Enhance Core Competitiveness

We regard talent as the cornerstone of long-term innovation and sustainable business growth. Accordingly, we are committed to building a high-performance team through systematic talent development to bring together global expertise, incentivize excellence and encourage continuous learning.

Attraction and retention of Top talent. We plan to continuously attract top-tier R&D, production and management talent from leading OEMs, technology companies and research institutions by offering market-competitive compensation packages, incentive schemes aligned with our long-term value creation, and opportunities to participate in the development of cutting-edge industry technologies.

Cross-industry talent integration strategy. In parallel, we will focus on building a multidisciplinary team that combines deep automotive engineering expertise with capabilities in applications such as the AIDC power supply systems and embodied intelligence domain-controlled electric drive systems, thereby supporting our innovative breakthrough and commercialization in the convergence of new energy and intelligent technologies.

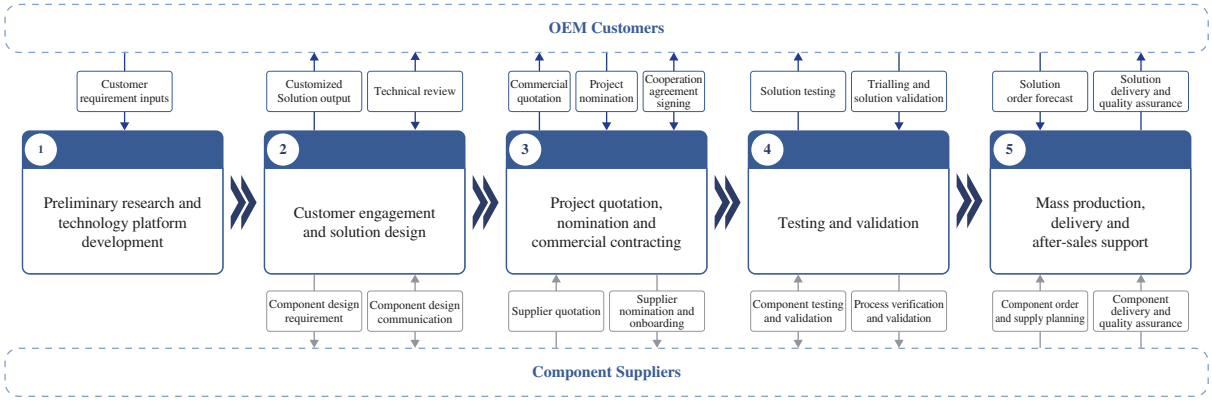
Flat team structure with enhanced operational efficiency. We will continue to strengthen our "ONE TEAM" culture of cross-discipline collaboration. Through a flat organizational structure and agile, project-based management, we aim to enhance knowledge sharing and collaboration efficiency, while attracting talent suited to diverse business application scenarios.

We believe that our comprehensive talent strategy encompassing talent attraction, development and deployment will provide a solid and sustainable foundation for enhancing our core competitiveness in core technology breakthroughs, new business segment expansion and global operations.

OUR BUSINESS MODEL

Our NEV Sector Business Model

During the Track Record Period, we deeply collaborated with OEM customers to design and manufacture customized NEV domain-controlled electric drive solutions tailored to specific vehicle models. Our collaboration typically comprises the following stages:



- **Preliminary research and technology platform development**

  We conduct forward-looking research on OEM customers' technological roadmaps and industry trends to establish standardized and platform-based technology architectures, which serve as the foundational infrastructure supporting our NEV domain-controlled electric drive solutions. We focus on the independent development of electric drive systems and power supply systems and have accumulated core technologies across system-level, component-level and underlying-level. Such technologies enable us to provide scalable and adaptable solution frameworks to address diverse customer requirements. See "— Our Technologies." As preliminary research forms the foundation for subsequent commercialization, this process typically spans two to three years.

- **Customer engagement and solution design**

Our dedicated business development team identify OEM customers' needs and translate our technology reserves into customized NEV domain-controlled electric drive solutions. We provide diversified NEV domain-controlled electric drive solutions allowing OEM customers to select varying levels of system integration and modular configurations, as well as standalone components, according to their vehicle platform design and cost positioning. To meet bespoke customer needs, we may also deliver customized software for vehicle functions and control parameters calibrated via real-vehicle testing, which are flashed into hardware components and flexibly delivered as standalone components or integrated solutions.

- **Project quotation, nomination and commercial contracting**

We submit comprehensive proposals comprising technically advanced solution designs, competitive pricing structures and efficient delivery schedules to OEM customers. By leveraging our system integration capabilities and in-house component advantages, we convert our technological strengths into design wins and customer orders. Upon receiving the nomination letter, we are considered to have obtained a design win project and will further enter into project agreements that define the scope of cooperation, technical specifications, delivery requirements and commercialization milestones.

- **Testing and validation**

We conduct a structured validation process, including engineering confirmation verification, design verification and production verification, while our software undergoes regulatory and industry-standard testing, such as on-board diagnostics testing and electrical and electronic testing to ensure that our solutions meet design specifications, regulatory standards and vehicle compatibility requirements prior to mass production. Depending on customer requirements, we may engage third-party service providers to perform testing, validation and other related services.

- **Mass production, delivery and after-sales support**

Following successful validation, we commence large-scale mass production supported by our standardized manufacturing systems and supply chain management framework. We maintain a balance among capacity, efficiency and quality to ensure stable and compliant delivery. Through ongoing after-sales technical support and quality control mechanisms, we support customers throughout the product lifecycle and foster long-term cooperative relationships. This includes supporting ongoing vehicle functional upgrades after mass production, when new requirements for our domain-controlled electric drive solutions arise, we deliver incremental software iterations to customers in stages for their over-the-air (OTA) deployment. It typically takes around one to two years from customer engagement and solution design to mass production.

Our Business Model in Emerging Application Scenarios

Our business model in emerging application scenarios, comprising the AIDC power supply system segment and the embodied intelligence domain-controlled electric drive system segment, is highly similar to that of our NEV domain-controlled electric drive solution business, generally comprising stages including preliminary research and technology development, customer engagement and solution design, and project quotation, nomination and commercial contracting.

We believe we are well-positioned to execute this business model, given (i) its close resemblance to the cooperation model of our NEV business, under which we have accumulated extensive full-cycle solution design and manufacturing experience; and (ii) our track record of serving large-scale OEM customers with stringent performance, reliability and delivery requirements. See "— Overview — Who We Are — An Explorer in Emerging Sectors."

OUR OFFERINGS

Our NEV Sector Offerings

The following table sets forth a breakdown of our revenue by solution or product types, in absolute amounts and as percentages of the total revenue, for the years indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
NEV Domain-controlled Electric Drive Solutions[(1)]						
– Domain-controlled x-in-one electric drive solutions	–	–	381,405	51.7	3,136,455	86.5
– Other electric drive solutions	312,006	99.3	348,619	47.2	359,886	9.9
Subtotal	**312,006**	**99.3**	**730,024**	**98.9**	**3,496,341**	**96.4**
NEV Domain-controlled Electric Drive Solution Components	**978**	**0.3**	**3,686**	**0.5**	**109,093**	**3.0**
Others[(2)]	**1,114**	**0.4**	**4,201**	**0.6**	**22,799**	**0.6**
Total	**314,098**	**100.0**	**737,911**	**100.0**	**3,628,233**	**100.0**

Notes:

(1) Including R&D service revenue generated from various R&D service contracts with our customers.

(2) Primarily including the sale of materials assessed as no longer usable and waste generated during the manufacturing process, such as copper flat wires and dismantled components from defective products.

As of the Latest Practicable Date, we had cumulatively secured 40 design wins with ten OEMs, either directly or through tier-1 suppliers, and our solutions and components had been adopted in 16 commercially launched vehicle models across 12 vehicle brands. As of the same date, we had 24 projects in the customer engagement and solution design stage. The following table sets forth the information of our design wins, additional vehicle models deployed with our solutions and ongoing commercially launched vehicle models deployed with our solutions for the years indicated:

	Year Ended December 31,		
	2023	2024	2025
Design wins obtained in each year[(1)]	3	4	17
Additional vehicle models deployed with our solutions that commenced commercial sales in each year[(2)]	1	3	8
Ongoing commercially launched vehicle models deployed with our solutions in each year	5	8	15

Note:

(1) Our design wins includes projects for commercialized vehicle models, vehicle models under development and expected to be commercialized, vehicle models subsequently terminated by customers, vehicle platform development and proof of concept.

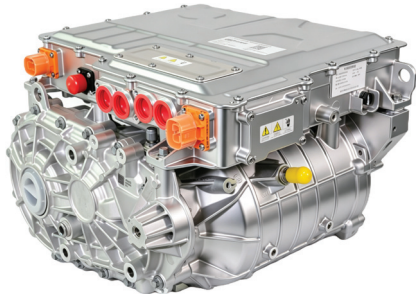
(2) The number of vehicle models that commenced commercial sales in each year represents the additional vehicle models that were commercially launched and commenced sales during the respective years, excluding models that had commenced commercial sales in prior years and models based on upgrades or iterations of previous-generation vehicles.

The following table sets forth the sales volume by solution type for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	Sales volume	Sales volume	Sales volume
NEV Domain-Controlled Electric Drive Solutions			
Domain-Controlled X-in-One Electric Drive Solutions (sets)	–	63,507	548,309
Other Electric Drive Solutions (sets)	69,370	80,992	105,401
Subtotal	**69,370**	**144,499**	**653,710**
NEV Domain-Controlled Electric Drive Solutions Components (units)	585	2,291	69,700
Total	**69,955**	**146,790**	**723,410**

Domain-Controlled X-in-One Electric Drive Solution

Our domain-controlled x-in-one electric drive solutions offer a wide range of component selections in addition to the traditional electric drive system components (electric motor, MCU and reducer), including power supply system components (OBC, DC/DC converter and power distribution unit), vehicle control system components (VCU, CCM, GW and intelligent traction control system), thermal management system components (TMS) and other components. Our domain-controlled x-in-one electric drive solutions are compatible with multiple energy architectures and can be applied across a full spectrum of vehicle classes, ranging from A0-class models such as Xingyuan to D-class models such as the Lynk & Co 900.



Domain-controlled x-in-one electric drive solution

Our domain-controlled x-in-one electric drive solutions are designed to deliver a range of features that support diverse NEV architectures and vehicle requirements:

- **High Integration:** The solution integrates multiple functional components within a single assembly, resulting in a compact structure with reduced Z-axis dimensions and lower weight compared to traditional distributed architectures. Where applicable, the solution further achieves composite integration across multiple vehicle domains, including the powertrain domain and vehicle body domain, enabling coordinated cross-domain-controlled and improved system-level efficiency;

- **Voltage Compatibility:** The solution is compatible with both 400V and 800V vehicle architectures, allowing it to address the diverse requirements of different OEM customers and vehicle models, while positioning us to capture the growing market opportunity driven by the industry-wide transition towards high-voltage platforms;

- **High Efficiency:** Equipped with high-efficiency oil-cooled or water-cooled motors and paired with high-efficiency reducers designed to reduce churning losses, the solution enhances overall assembly efficiency. The solution further incorporates multi-operating-condition efficiency optimization, enabling real-time parameter adjustment, where applicable, across diverse driving conditions to continuously enhance operating efficiency and responsiveness;

- **Common Housing Design:** The electric motor housing, MCU housing and reducer housing are integrated into a single common housing, enabling higher integration, reduced overall weight and a more compact structure that minimizes packaging space requirements;

- **High reliability:** Leveraging big data analytics to proactively identify potential failure patterns and optimize system performance, together with AI-enabled redundancy design that incorporates backup components and fail-safe mechanisms to ensure maximum continuity of operation in the event of component failure, the solution supports stable long-term operation;

- **High Safety:** Adhering strictly to industrial functional safety standards during the software design phase, we implement a multi-layered safety architecture. By integrating AI-enabled redundancy with data-driven fail-safe mechanisms, our domain-controlled electric drive solutions satisfy the rigorous safety requirements at the vehicle level;

- **Enhanced ride comfort**: The application of electric motor NVH active suppression technologies improves vibration and noise control, contributing to a more refined driving experience; and

- **Technological advancement:** Supported by our self-developed and self-manufactured Gpak power modules, the system achieves an increase in current-carrying capacity of over 30% and a reduction in volume of over 20% as compared to conventional modular solutions according to CIC.

Our NEV domain-controlled electric drive solutions integrate both hardware and software. Our proprietary control software and real-time control algorithms are embedded in our control hardware components, in particular our MCU and other vehicle control components, and are delivered to customers as an integral part of these components rather than as standalone software. This hardware-software integration enables our control algorithms to operate in close coordination with the underlying hardware, delivering precise, real-time control and dynamic energy management across the power domain. Our software also incorporates AI-enabled redundancy design and data-driven fail-safe mechanisms, which are designed to enhance the reliability, operational safety and service life of our NEV domain-controlled electric drive solutions.

As of the Latest Practicable Date, we have obtained design win for our newly launched distributed dual-motor drive solution. The dual-motor drive solution addresses the design pain points of structural complexity, weight and high cost associated with traditional four-wheel-drive systems, as well as the system performance limitations of single-motor configurations, addressing the power demands of high-performance vehicle models. It adopts a dual-motor independent drive architecture, which enables four-wheel independent drive and torque vectoring control when integrated into the vehicle, thereby enhancing vehicle dynamic stability, traction efficiency and adaptability across complex driving conditions. Based on our distributed high-efficiency electric drive platform and a modular system architecture, the solution supports flexible switching across 400V, 800V voltage platforms and different power configuration levels, to meet varying OEM requirements. Its strong compatibility also enables the solution to be applied across a broad range of vehicle model development programs.

Case Study — Xingyuan (星願): the Best-selling Passenger Vehicle Model in Chinese Mainland by Sales Volume in 2025

In 2023, Geely Related Group initiated the development of the Xingyuan (星願), a strategic key model targeting the highly competitive BEV market, where electric drive and power supply system compactness and cost efficiency are critical determinants of commercial viability. In developing the vehicle's electric drive system, Geely Related Group sought a solution capable of delivering strong performance within the stringent spatial and cost constraints characteristic of compact electric vehicles and selected our Company as its core technology partner based on our established expertise in NEV domain-controlled electric drive solution integration. Through close collaboration with Geely Related Group' research and development, quality and procurement teams, we developed a highly integrated domain-controlled x-in-one electric drive solution, which consolidates multiple key electric drive system, power supply system and vehicle control system components into a single integrated architecture to minimize solution volume, reduce weight and lower overall solution cost while maintaining high performance. According to CIC, following its launch in October 2024, the Xingyuan achieved strong market recognition, becoming the best-selling passenger vehicle model in the Chinese Mainland by sales volume in 2025.

We believe that the strong market performance of the vehicle was, in part, attributable to the adoption of our domain-controlled x-in-one electric drive solution. The solution developed for this model delivered measurable improvements in system-level performance, integration efficiency and overall reliability. Key value contributions include:

- **Space and weight optimization through ultra-high integration**

  By consolidating multiple key components into a single housing, the solution achieves a compact system volume of approximately 66L, as confirmed by CIC, this represents a reduction of over 30% compared to conventional distributed electric drive systems. According to CIC, this ultra-high level of integration also significantly reduces system weight by more than 15%, enables rear-wheel-drive layouts, frees up front cabin and chassis space, and provides greater flexibility for vehicle packaging, contributing to improved driving range and enhanced interior space utilization.

- **Balanced efficiency and performance through hardware — software co-optimization**

  By combining optimized hardware design with intelligent control algorithms, the solution achieves a balanced outcome of high energy efficiency and strong power output, addressing the core requirements of mass-market BEV. The integrated architecture reduces energy losses, and boosts system-level efficiency. Together with advanced energy management algorithms that dynamically optimize motor operating points and regenerative braking strategies, the solution can substantially extend driving range under the same battery capacity. At the same time, a high power-density design with instantaneous torque response and intelligent torque vectoring significantly enhances acceleration performance and driving stability, providing a refined yet responsive driving experience.

- **Cost efficiency through integration and scale**

  The highly integrated x-in-one architecture reduces component count and wiring complexity, lowering component costs by approximately 15% compared to traditional discrete solutions, according to CIC. Proprietary power semiconductor packaging and automated motor manufacturing further reduce unit costs and enhance production efficiency.

- **High reliability and technology validation**

  The domain-controlled x-in-one electric drive solution has passed rigorous validation, including 3,000 hours of bench durability testing, real-world road tests, and multiple extreme-condition tests such as water immersion, high-temperature endurance, and electromagnetic compatibility. Moreover, the Xingyuan, equipped with the domain-controlled x-in-one electric drive solution provided by us, has obtained the "High-Reliability Electric Drive" certification issued by China Automotive Technology & Research Center Co., Ltd. (CATARC) in 2024, effectively reducing vehicle recall risks and after-sales costs.

Overall, our domain-controlled x-in-one electric drive solution enables OEM customers to achieve higher levels of system integration, functional optimization and cost efficiency, supporting the development of competitive NEV models with balanced performance, efficiency, reliability and user experience, and ultimately resulting in its strong market recognition.

Other Electric Drive Solutions

Our other electric drive solutions integrate electric drive system components, including the electric motor, MCU and reducer, to meet customer requirements and the specific energy architecture demands of vehicle models.

During the Track Record Period, we have launched an integrated range extended generator solution specifically for REEV models, in which the internal combustion engine functions solely as a power generation unit and does not participate in driving the wheels. Under this architecture, an electric motor assumes full responsibility for vehicle propulsion, whilst the internal combustion engine drives a generator motor to produce electricity. In a conventional REEV configuration, the generator motor and its MCU are deployed as discrete, standalone components, resulting in a more complex front-compartment layout and

higher energy transmission losses. Our integrated range-extended generator solution addresses this by consolidating the (i) generator motor and (ii) MCU into a single cohesive unit, eliminating the need for separate transmission mechanisms between the engine and the generator.

Integrated range-extended generator solution

According to the CIC, our integrated range-extended generator solution represents one of the range-extended generator system with the highest level of integration for REEVs. This integrated design significantly simplifies the overall powertrain structure, reduces energy losses along the power transmission path, and optimizes front-compartment space utilization. The system is applicable to B- and C-segment REEV models and is designed to achieve an effective balance among performance, cost and reliability. The key functional and technological advantages of our integrated range-extended generator solution include:

- **High efficiency:** The range extender generation system achieves peak generation efficiency of over 95%, supporting improved fuel economy and extended driving range.

- **High performance and electromagnetic compatibility:** The system incorporates comprehensive electromagnetic radiation and conduction optimization strategies and achieves stringent EMC performance that effectively limits electromagnetic emissions, ensuring compatibility with sensitive on-board electronics and supporting application in high-end vehicle models.

- **High ride comfort:** The electric drive assembly achieves a low sound pressure level, effectively reducing operating noise transmitted into the cabin and contributing to enhanced ride comfort for vehicle occupants. In terms of software control, we optimize motor control strategies to suppress noise and mitigate specific-order vibrations of the internal combustion engine, thereby delivering a near-imperceptible driving experience.

In addition, as of the Latest Practicable Date, we obtained design win for our newly launched integrated rear-drive axle solution for commercial vehicles. The solution combines electric motor with MCU into an integrated solution. Our motor adopts an oil-less ring-type oil-cooling solution combined with flat wire windings, with precision oil spray directed at the winding ends, achieving highly efficient heat dissipation at a lower cost. The solution is equipped with silicon carbide ("**SiC**") power modules, which feature lower losses and superior high-temperature tolerance compared to conventional silicon-based power modules, according to CIC. This feature makes it well-suited for the high-load operating conditions of commercial vehicles. The solution is engineered for the demanding requirements of commercial vehicle operations, including complex road conditions and sustained high-load duty cycles, delivering enhanced reliability and reduced system loss.

Domain-Controlled Electric Drive Solution Components

During the Track Record Period, in addition to offering domain-controlled electric drive solutions, we also supplied standalone domain-controlled electric drive solution components and its key parts as spare parts in connection with our domain-controlled electric drive solutions. Building upon our in-house research and development capabilities and vertically integrated production capacity, we have commenced sales of key parts, including stators and rotors, as standalone products as of the Latest Practicable Date. We intend to expand the sales of our domain-controlled electric drive solution components and its key

parts, including power modules, OBC, DC/DC converter and PDU. The table below sets forth the key domain-controlled electric drive solutions components and its key parts that we developed and manufactured in-house during the Track Record Period.

NEV Domain-Controlled Electric Drive Solution Components	Function	Key parts	Key Features
Electric Motor . .	An electric motor is a key component of a NEV that converts electrical energy into mechanical power to drive the vehicle, as well as converts mechanical energy back into electrical energy and its performance directly affects the vehicle's acceleration capability and driving range.	• Stator: the stationary part of an electric motor, which generates a rotating magnetic field when energized • Rotor: the rotating part of an electric motor, which rotates in response to the magnetic field generated by the stator and outputs mechanical torque • During the Track Record Period, we sold electric motors, as well as their key parts including stators and rotors.	• Our electric motors are developed on a platform-based architecture with multi-variant compatibility, spanning both passenger and commercial vehicle applications. We have launched multiple motor platforms with full coverage across BEV, PHEV and REEV energy architectures, enabling broad market reach and cross-segment adaptability without fundamentally new design from scratch. • Compatible with both 400V and 800V voltage architectures and support multiple cooling solutions, including liquid cooling and hybrid cooling structures. • Our stator supports both three-phase permanent magnet synchronous motors for primary drive applications and three-phase asynchronous motors for auxiliary drive applications, and by pairing with different types of rotors, enabling flexible integration across different vehicle systems.
MCU	An MCU is a key component of a NEV that controls motor operation by outputs three-phase alternating current and control commands based on vehicle operating conditions.	• Power module: core constituent parts of MCU, whose core function is to convert the high-voltage direct current output from the power battery into three-phase alternating current with variable frequency and variable voltage, thereby controlling and regulating the torque and rotational speed of the electric motor. • We sold MCU as spare parts during the Track Record Period, and did not sell power module as standalone products during the Track Record Period and up to the Latest Practicable Date.	• Built on proprietary Gpak power modules, our MCUs combine high integration, a compact form factor, and robust reliability while fulfilling stringent functional safety standards. Backed by advanced in-house control software, our MCUs achieve optimized energy efficiency, precise torque management, and consistent performance across diverse operating conditions — contributing to extended driving range, enhanced ride comfort, and broad application versatility. • As the power foundation of the MCU, Gpak power modules integrate switching devices, gate drivers, and protection circuitry into a single optimized package, significantly reducing system complexity, minimizing parasitic inductance, and enabling higher power density — allowing the overall electric drive system to operate with greater efficiency, thermal stability, and responsiveness.

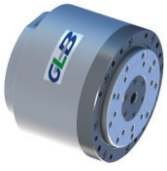
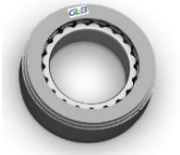
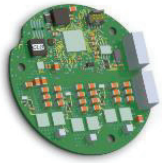
NEV Domain-Controlled Electric Drive Solution Components	Function	Key parts	Key Features
Reducer . .	A reducer is a component of an electric drive system that adjusts torque and rotational speed between the drive motor and the wheels.	• Gearset • Differential • Housing • Thermal management module	• We utilize AI-enabled forward design methods to optimize gear structures, enhancing load distribution and overall transmission performance. • We apply low churning loss designs that minimize viscous drag between rotating components and lubricating oil — reducing parasitic energy losses under high-speed operating conditions and improving overall system efficiency. • We adopt high contact ratio gear designs that distribute load across more simultaneously engaged teeth, enabling higher torque transmission while reducing per-tooth stress variation, suppressing gear-induced noise and vibration for improved NVH performance.
OBC	An OBC is a core charging component of a NEV that converts AC power from external sources (such as 220V household AC or AC from charging piles) into high-voltage direct current acceptable to the power battery, enabling safe and efficient charging while accommodating the voltage and current requirements of various charging scenarios.	• Power chips • Rectifier bridges • Filter capacitors • Transformers	• Compared to multi-stage designs, our OBC adopts a single-stage topology to enhance power density. • For thermal management, we combine our proprietary power modules with a junction temperature estimation algorithm to achieve precise real-time temperature monitoring, addressing industry-wide thermal failure challenges.
DC/DC Converter.	A DC/DC converter is a key voltage-conversion component of a NEV that, based on the vehicle's electrical demand, converts the high-voltage DC output from the power battery (such as 300V—400V) into the lower-voltage direct current required by the vehicle's low-voltage system (such as 12V/24V), supplying power to low-voltage loads including in-vehicle electrical appliances, electronic control systems and lighting systems, while achieving efficient energy conversion and distribution	• Power switching devices • Inductors • Capacitors • Control chips	• We developed a DC/DC power module integrating magnetic components, power semiconductors and capacitors into a single optimized unit, overcoming insulation and thermal constraints while improving power density. • We applied planar transformer technology, enhancing efficiency while reducing overall dimensions.

NEV Domain-Controlled Electric Drive Solution Components	Function	Key parts	Key Features
PDU	A PDU serves as the "power distribution hub" of a NEV's high-voltage system. It connects high-voltage components including the power battery, MCU, OBC and DC/DC converter, achieving the distribution, control and protection of high-voltage electrical energy, ensuring that each high-voltage component receives power as required, while interrupting fault currents to safeguard the safe operation of the vehicle's overall high-voltage system.	• Relays • Fuses • Copper busbars • Wiring terminals	• Based on highly reliable power distribution modules and an integrated design, our PDU features a compact structure, convenient wiring and precise protection, while complying with vehicle-level high-voltage safety standards and EMC requirements.

Our Pipeline Products

Leveraging the common and underlying technologies we have accumulated in our NEV domain-controlled electric drive solution business, we have developed a pipeline of products targeting emerging application scenarios, including AIDC power supply systems and embodied intelligence domain-controlled electric drive systems. As of the Latest Practicable Date, we had made concrete progress in developing and early commercialization of these pipeline products. See "— Overview — Who We Are — An Explorer in Emerging Sectors." We did not generate revenue from AIDC power supply systems and embodied intelligence domain-controlled electric drive systems during the Track Record Period.

Pipeline products	Introduction	Key features	Emerging application scenarios
Solid-state transformer ("SST") system . . . . . 	SST system is a medium-voltage power electronics product designed for hyperscale AI and high-performance computing applications, which converts medium-voltage power input (such as 35kV or 10kV) directly into 800V, ±800V or ±400V direct current at the rack level.	Our SST system eliminates multiple conversion stages, offering (i) higher conversion efficiency from medium-voltage input to rack-level 800V, ±800V or ±400V direct current; (ii) enhanced uptime through modular redundancy and serviceability; (iii) high power density supporting 1MW+ racks; and (iv) a substantially reduced electrical footprint, freeing up space for computing servers within AIDC facilities.	AIDC power supply systems
Auxiliary power supply system	Auxiliary power supply system is designed to power the thermal management and control systems of SST systems, such as air-conditioning, cooling fans and central control systems.	Our auxiliary power supply system is compatible with multi-level inputs of 800V, ±800V or ±400V and 24V and supports multiple grid output types of 110Vrms, 220Vrms and 380Vrms, and achieves a conversion efficiency of over 99% through the use of high-frequency planar magnetics and GaN power modules.	AIDC power supply systems

Pipeline products	Introduction	Key features	Emerging application scenarios
Power supply unit ("PSU") . . . . . 	A high-voltage and high-performance PSU designed for HVDC sidecar racks in AIDC applications, which, positioned at the rack level of the AIDC power supply chain, converts the high-voltage 800V, ±800V or ±400V DC output from the upstream power conversion stage into an intermediate bus voltage that supplies downstream computing equipment.	Our PSU offers (i) compatibility with 800V, ±800V or ±400V output voltages; (ii) continuous power output of up to 30kW; (iii) a long-life, high-reliability design; (iv) structural compatibility enabling pin-to-pin replacement of conventional PSU shelves; (v) the adoption of third-generation semiconductors and our proprietary power modules; and (vi) high conversion efficiency.	AIDC power supply systems
HVDC power supply system DC/DC power brick . . .	A DC/DC power brick designed for AIDC applications, which, positioned at the DC voltage stage of the AIDC power supply chain, converts the intermediate bus voltage (such as 800V, ±800V or ±400V DC) supplied by the upstream SST into the 12V and 48V required by computing boards, delivering power in close proximity to the point of load.	Our HVDC power supply system DC/DC power brick is designed to match our proprietary HVDC platforms, which are available in 800V, ±800V or ±400V configurations, and supports the multi-level inputs of tertiary power supply, such as 12V and 48V, delivering power in close proximity to the point of load. It addresses the rising power demand and shrinking system power supply space of AI computing platforms, as well as the low efficiency and large footprint of conventional data center power systems.	AIDC power supply systems
Robotic joint module electric drive system . . . 	The robotic joint is a core actuating component of robots. Our robotic joint module electric drive system consolidates the power drive, transmission, control and sensing functions into a unified design and supports varying load capacities, dynamic response requirements and motion control needs across applications ranging from precision assembly to heavy-load handling.	A high-torque-density joint motor, which serves as the power source driving the motion of the robotic joint and adopts advanced electromagnetic designs, including a Halbach array, a separated tooth-yoke structure and an amorphous alloy core, thereby enhancing torque density and efficiency while reducing temperature rise. A highly integrated power control unit tailored to control high-torque-density joint motors, which integrates GaN power modules, gate drivers, current-sensing and logic control circuits into a single compact package through co-packaging technology, thereby enhancing power density and dynamic response.	Embodied intelligence domain-controlled electric drive systems
• *high-torque-density joint motor* 			
• *highly integrated power control unit* 			

OUR TECHNOLOGIES

Our core technologies are all developed in-house and are proprietary to us, and are not jointly owned with or by any OEM customers. Our core technologies are organized into three tiers, namely system-level integration technologies, component-level technologies and underlying technologies, underpinned by three core engineering disciplines spanning (i) electrical, electronic and power electronics, (ii) software engineering and (iii) electric machinery mechanical engineering.

Our System Level Technologies

High-Integration Architecture

We adopt a highly integrated, x-in-one architecture for our domain-controlled electric drive solutions, addressing the industry challenges of poor space utilization and difficult vehicle packaging inherent in traditional distributed architectures, as well as the system compatibility issues, high failure rates and elevated maintenance costs arising from independently designed discrete components. This architecture enables the deep integration of key components across electric drive system, power supply system and terminal management system and vehicle control system. Through integrated architecture design, including shared housing and common cooling channel configurations across multiple systems and components, we reduce redundant interfaces and wiring harnesses, improve component co-packaging efficiency and improve overall system reliability. Our integrated architecture further enables cross-domain functional coordination, improving system compatibility, reducing potential failure points and lowering maintenance costs compared to traditional distributed designs. In addition, our highly integrated electric drive system technologies demonstrate strong applicability in the embodied intelligence domain-controlled electric drive systems products, underpinned by an electromechanical-control integrated topology, compact structural design and shared housing packaging — design principles that are well-suited for the space-constrained, high-precision actuation requirements of robotic joint modules and similar applications.

Compact and Space-Efficient Design

We emphasize compact design and space optimization, addressing industry challenges of oversized electric drive systems that constrain vehicle lightweighting, complex assembly processes that limit production efficiency, and tight chassis packaging that restricts battery capacity and component layout. Our axial integration approach unifies the motor shaft and reducer input shaft into a single structure, eliminating NVH issues from separated configurations while reducing component count and streamlining high-volume assembly. We further adopt coaxial layouts and shared housing designs for distributed dual-motor drive solution, and our structural design reduces vertical (Z-axis) height, lowering the vehicle center of gravity, enhancing chassis layout flexibility and expanding available in-vehicle space.

High-Frequency Power Technologies

We apply high-frequency power electronics technologies across our system designs, including optimization of topology and control algorithms, high EMC performance and the use of high power-density magnetic components and wide bandgap semiconductor devices based on materials such as gallium nitride ("**GaN**") and SiC. These technologies contribute to improved power conversion efficiency, reduced system size and enhanced performance consistency under high-frequency operating conditions.

Our Component-Level Technologies

Electric Motor Technologies

We have developed advanced electric motor design technologies covering rotor and stator structures, materials and manufacturing process. In particular, we adopt reduced rare-earth material solutions that enable equal performance while lowering rare-earth usage, thereby reducing material costs and supply chain risks. We also utilize multi-branch balanced flat wire winding designs, which balance AC resistance

and inductance across parallel branches, mitigating circulating current effects that may otherwise lead to uneven temperature distribution and reduced efficiency. We have also developed prototype motors incorporating amorphous materials and core designs using 0.1–0.2mm self-bonded silicon steel laminations, further reducing iron losses and enhancing peak motor efficiency. In addition, we have developed high-speed drive motor prototypes featuring carbon-fiber-wrapped rotors and high-strength silicon steel sheets, designed to meet future high-speed application requirements. These electric motor technologies contribute to improved motor efficiency, thermal performance and operational stability.

MCU Technologies

Power modules represent a critical building block of our MCUs, directly influencing thermal performance, power density and overall system reliability. We have developed two key proprietary technology capabilities for our proprietary power modules: cooling technology and packaging technology.

In terms of cooling, we adopt shared water-cooling channel designs for capacitors and power module to enable direct liquid cooling across key devices, reducing junction temperatures and enhancing system reliability. We have further developed proprietary water-cooling channel structures and pin-fin designs to optimize coolant flow and minimize flow resistance.

In terms of packaging, we have developed high-compatibility, high-performance power module packaging solutions underpinned by our proprietary Gpak architecture, which adopts a half-bridge configuration as the basic building block. This design supports multiple circuit topologies, including buck-boost, three-phase full bridge and H-bridge configurations, enabling flexible system integration across diverse applications, including 800V and 1200V HVDC platforms.

Power Supply and High-Density Power Technologies

We have developed proprietary packaging and power design solutions to improve power density and thermal performance. We use top-side cooling package to replace conventional structures, and reduce assembly steps from no less than 18 steps generally to seven steps. The design meets insulation and creepage requirements for high-voltage systems, which are compatible with 400V to 800V within the same size. The package design also reduces parasitic inductance and enables high-frequency switching and efficiency. We develop DC/DC power modules which integrate magnetic components, power semiconductors and capacitors into one package unit, addressing insulation and thermal constraints and increasing power density for both our NEV domain-controlled electric drive solutions and AIDC power supply systems. We also apply planar transformers technologies to these applications to improve efficiency and reduce size.

For OBCs, we adopt single-stage topology to increase power density up to 10kW/L compared with multi-stage designs. We use model-based design and automated code generation for control software. Our development covers modeling, simulation, code generation and hardware-in-the-loop validation, improving iteration speed and test coverage, and supporting compact and high integration level design of domain-controlled electric drive solutions.

Our Underlying Technologies

800V HVDC EEA

We have developed an 800V HVDC EEA for our domain-controlled electric drive solutions, which is extendable to higher voltage levels. Under this EEA, our DC/DC converter departs from conventional phase-shifted full-bridge topologies, adopting a Buck-Boost and LLC resonant topology to achieve wide-range 800V voltage input compatibility and high conversion efficiency. For thermal management of our OBCs and DC/DC converters, we employ junction temperature estimation algorithms in conjunction with our proprietary power modules to enable precise real-time temperature monitoring, directly addressing the industry challenge of thermal failure in OBC and DC/DC. Our 800V HVDC EEA also demonstrates strong technological extensibility, with potential applications in solid-state transformers and AIDC power supply domains.

Software Algorithm Architecture

Our control software is developed through model-based development, enabling comprehensive test coverage and enhanced software stability. For system safety and reliability, we employ highly reliable and safe control algorithms that enable intelligent, real-time control, and adopt sensorless redundancy algorithms to reconstruct sensor signals under failure scenarios to ensure system reliability, and leverage AI feedforward neural network algorithms trained on big data, implemented in our control software, for real-time full-lifecycle monitoring, early fault diagnosis and proactive protection. Our software architecture meets Automotive Safety Integrity level-D functional safety requirements and satisfies the information security standards applicable to vehicle export markets.

Mechanical Thermal Management Technology

We develop liquid cooling thermal management technologies encompassing water cooling, oil cooling and hybrid oil-water cooling configurations, with optimized cooling circuit designs enabling precise thermal control of motor stators and rotors. We employ AI-driven thermal management algorithms that dynamically adjust cooling intensity based on operating conditions, balancing thermal performance, energy efficiency and NVH targets. Beyond automotive applications, our liquid cooling technologies are extensible to AIDC power supply system and embodied intelligence domain-controlled electric drive systems, where the same thermal management and load balancing capabilities can be applied to multi-level networked configurations to achieve uniform temperature distribution, optimized energy consumption and maximized computing performance.

RESEARCH AND DEVELOPMENT

We are dedicated to technological innovation, which is crucial in advancing our capabilities and delivering value to our customers, and in turn drives our sales and profitability. Our R&D focus is on the system-level integration technologies, component-level technologies and underlying technologies, as well as expansion into adjacent applications, including AIDC power supply systems and embodied intelligence domain-controlled electric drive systems. By adhering to a platform-based and modular R&D approach, we support agile development of industrialization projects, enabling rapid iteration and effectively shortening the nomination-to-mass-production cycle to around six months, thereby accelerating product launches.

Our R&D center is located in our Shanghai office premise, which has a GFA of approximately 9,200 square meters. We have developed a substantial portion of our R&D equipment internally, including high-performance testing rigs capable of speeds of up to 30,000 rpm, and cost-efficient durability testing rigs, enabling us to replicate extreme operating conditions and address evolving and customized development requirements. The laboratories are CNAS 17025 certified and have received recognition as a Class A laboratory by OEM partners.

We independently develop all core software integrated into our domain-controlled electric drive solutions, supported by a dedicated software R&D team possessing deep industry expertise and cutting-edge technical capabilities. Our core team members bring extensive experience from renowned global and domestic OEMs and leading Tier 1 suppliers, with comprehensive proficiency across the entire automotive software development lifecycle and mainstream toolchains. Throughout the development and production of our domain-controlled electric drive solutions, our software R&D team works in close, organic alignment with our hardware engineering department to ensure seamless hardware-software compatibility. Furthermore, we have developed proprietary testing software specifically designed to safeguard solution performance and quality.

We have made, and will continue to make, substantial investments in R&D activities. During the Track Record Period, our R&D costs amounted to RMB77.2 million, RMB93.4 million and RMB111.3 million in 2023, 2024 and 2025, respectively, accounting for 24.6%, 12.7% and 3.1% of our revenue for the same periods, respectively.

R&D Team

Our R&D team is the cornerstone of our technological capabilities, and we operate under a "One Team" culture, which emphasizes a single, cohesive R&D team responsible for the design of key NEV components. This structure ensures consistency in design language, preserves the integrity of our technical DNA, and minimizes communication overhead, maximizing efficiency and avoiding duplication typical of traditional divisional structures. Such an organizational model is particularly advantageous for the development of our domain-controlled x-in-one electric drive solutions, which require high levels of mechatronic integration across more than ten interdependent key components.

Within the One Team framework, we deploy a dual R&D personnel structure to maximize module reuse and accelerate project delivery:

- ***Module R&D personnel*** are responsible for iterative optimization of standardized modules, codifying proven solutions for motors, electromagnetic designs, cooling modules, and control software algorithms into platform modules with a reuse rate of up to 95%, allowing quick adaptation to other OEM models with only interface adjustments.

- ***Integration R&D personnel*** focus on customer-specific requirements, adapting and combining standardized modules to meet vehicle-specific installation and performance needs. By leveraging pre-validated modules such as reducers and MCU algorithms, they can customize solutions efficiently and reducing development cycles.

In addition, we have adopted a three-tier organizational structure to support efficient product development and system integration.

- ***Product Development Department (Top Tier):*** The product development department is responsible for overall project advancement, with a primary focus on key performance indicators including cost, quality and delivery, and ensures effective coordination across functions throughout the project lifecycle.

- ***System Integration and Management Department (Middle Tier):*** The middle tier comprises the electric drive and power supply integration, system and attribute management teams, which are responsible for interfacing with customer requirements, system architecture design, system integration and system-level validation.

- ***Core Technology and Discipline Department (Foundational Tier):*** The foundational tier consists of discipline-based teams, including hardware, mechanical, software and laboratory functions, which focus on internal technology development and provide technical support for product development.

Our platform-based and modular R&D approach

We adopt a platform-based and modular approach to enhance R&D efficiency throughout the project lifecycle of NEV domain-controlled electric drive solutions. Under our platform-based approach, we employ unified technological frameworks and shared tools and resource libraries. Consequently, the underlying technology platforms of our products are highly adaptable and can be extensively reused across various OEMs' vehicle platforms. With our modular strategy, we divide complex software and hardware systems into independent modules or components, each with specific functions and well-defined interfaces that can be independently designed, developed, tested and maintained.

The advantages of our platform-based and modular approach include:

- ***Shortened development cycles***: Validated modules may be directly deployed in subsequent projects, thereby reducing detailed design work and reliability validation time. We maintain a centralized database of NEV component design data that has successfully passed project testing and system-level verification, which facilitates efficient reuse in future development programs. On the software side, our unified development environment minimizes duplicated efforts and enables parallel development of different functional modules, thereby enhancing overall development efficiency and expediting project timelines;

- ***Reduced development costs***: Through the reuse of existing software and hardware modules, we are able to substantially lower the incremental investment required for functional development, testing and validation in new R&D projects, thereby improving overall cost efficiency;

- ***Enhanced product stability***: Mature modules that have undergone validation across multiple mass production programs generally demonstrate higher operational reliability and lower failure rates, thereby contributing to improved overall product performance and consistency;

- ***Greater flexibility and scalability:*** Our platform-based and modular architecture enables new and updated NEV components to be efficiently integrated into existing domain-controlled electric drive solutions without requiring substantial redesign. This approach supports streamlined system expansion and iterative upgrades, allowing our NEV domain-controlled electric drive solutions to adapt to evolving technical requirements while maintaining architectural consistency.

PRODUCTION

With over 10 years of operational experience, we have developed robust production capabilities that enable us to meet OEM customers' requirements for the timely delivery of large-volume NEV domain-controlled electric drive solutions. For example, the time required for cumulative production volume to increase from 100,000 units to 200,000 units was approximately 76 days, representing an average daily output of over 1,300 units and, according to CIC, which reflects a leading ramp-up speed among domestic NEV domain-controlled electric drive solution providers. See "— Overview — Our Production and Delivery Capabilities."

Our Production Bases

As of December 31, 2025, we operated the following two production bases within Chinese Mainland to support the high-quality, stable and large-scale delivery of our solutions and products:

Xuzhou Production Base

Ningbo Production Base

Production Base	Commencement Time	GFA in use as of December 31, 2025	Main Products Manufactured
		(sq.m.)	
Xuzhou Production Base	March 2023	43,315.9	NEV domain-controlled electric drive solutions and its components
Ningbo Production Base[(1)]	August 2025	14,632	NEV domain-controlled electric drive solutions and its components

Note:

(1) Our existing production facilities at our Ningbo Production Base are situated on leased premises. We plan to cease the current lease arrangement and relocate our production operations to our newly constructed factory, which is located within the same site in the fourth quarter of 2026.

The following table sets forth the details of the production capacity, actual production volume and utilization rate by product categories for the years indicated:

	Year Ended December 31,		
	2023	2024	2025
NEV Domain-Controlled Electric Drive Solutions			
Production capacity[(1)] (sets)	80,852	159,885	668,993
Actual production volume[(2)] (sets)	70,045	147,966	629,639
Utilization rate[(3)] (%)	86.6	92.5	94.1
NEV Domain-Controlled Electric Drive Solutions Components[(4)]			
Production capacity[(1)] (units)	161,704	319,770	1,381,185
Actual production volume[(2)] (units)	140,579	297,924	1,302,613
Utilization rate[(3)] (%)	86.9	93.2	94.3

Notes:

(1) Production capacity is calculated assuming that (i) all production lines operate at full theoretical capacity; (ii) the annual operating days of our production facilities are 250 days; (iii) each facility operates approximately 20 hours per day, taking into account downtime for shift changes and product model adjustments. This approach is in line with market practice, according to CIC.

(2) The actual production for the year refers to the total volume of solutions produced during that year.

(3) The utilization rate for the year equals the actual production volume divided by the designed production capacity for the same year.

(4) The production capacity and actual production volume of NEV domain-controlled electric drive solutions components represents the total components produced during each year, the substantial majority of which were used internally as components of our domain-controlled electric drive solutions while the remaining produced components were sold directly.

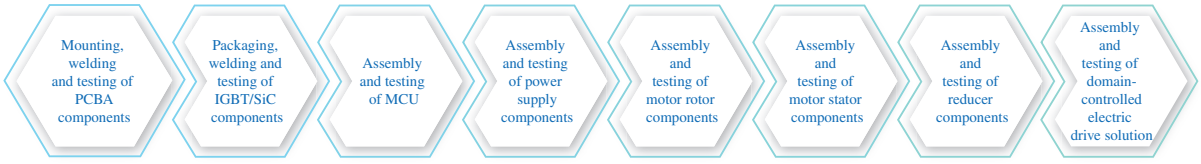
We formulate annual production schedules and plan according to the market demand, taking into consideration the level of our stock and utilization rates of our production facilities. We also review our estimated delivery plan every month to further improve the prediction accuracy of our production schedules.

Our Production Process

We adopt a well-structured production process for our domain-controlled electric drive solutions, with each stage executed in accordance with our standard operating procedures, which are designed to ensure product quality, production consistency and operational efficiency.

Our production process can be divided into eight principal units, all of which are carried out in-house by us. Prior to the commencement of each production unit, we conduct comprehensive incoming quality control on components to ensure that only qualified materials proceed to subsequent stages. Upon completion of each production unit, in-line testing is performed to ensure quality consistency and the durability of the assemblies produced. In addition, prior to delivery, we conduct comprehensive inspections of customer interface information, as well as implement strict controls over packaging and shipment processes.

The following flowchart illustrates the eight principal units of the production process of domain-controlled electric drive solutions:



(1) **Mounting, welding and testing of PCBA components**: We first mount electronic components onto printed circuit boards (PCBs), followed by hot-air reflow soldering, and subsequently conduct optical appearance inspection and electrical functional testing.

(2) **Packaging, welding and testing of IGBT/SiC components**: We mount solder sheets and direct bonded copper substrates onto copper baseplates, respectively, followed by vacuum formic acid reflow soldering, and subsequently conduct ultrasonic void inspection, vacuum encapsulation and electrical functional testing.

(3) **Assembly and testing of MCU**: We fix capacitor assemblies and busbar assemblies onto metal housings, respectively, and then carry out precision laser welding to achieve reliable connection of the main current circuit. We then install PCBA components and conduct selective wave soldering to achieve reliable connection of the control signal circuit, followed by sealing tests. Subsequently, we flash customized testing software onto MCU to complete parameter calibration, automatically execute a pre-determined sequence of test conditions, and perform aging tests.

(4) **Assembly and testing of power supply components**: We fix PCBA components and inductor assemblies onto metal housings, respectively, and then carry out thermally conductive medium potting. Subsequently, we flash customized testing software onto power supply component to complete parameter calibration, automatically execute a pre-determined sequence of test conditions, and perform aging tests.

(5) **Assembly and testing of motor rotor components**: We fix permanent magnets into silicon steel laminations, and then carry out press-fitting and assembly of motor shafts and laminations, followed by dynamic balancing calibration, and subsequently conduct overall magnetization and surface magnetic performance testing.

(6) **Assembly and testing of motor stator components**: We bend and form flat copper wires, and then insert the formed wires into silicon steel laminations, followed by wire twisting and laser welding, and subsequently conduct insulation treatment and electrical performance testing.

(7) **Assembly and testing of reducer components**: We press-fit bearings and multi-stage gears into metal housings, and then carry out dynamic loaded measurement of operating clearances and select appropriate adjustment shims, followed by sealant dispensing on sealing surfaces and upper housing fixation, and subsequently conduct sealing tests and starting torque tests.

(8) **Assembly and testing of domain-controlled electric drive solution**: We fix stator components into metal housings, and then carry out integrated assembly of rotor components and stator components, followed by the assembly of MCU components and reducer components, and subsequently conduct external characteristic tests and NVH tests.

Our Production Equipment

Production equipment and production lines form the foundational backbone for our production operations. Our production lines are equipped with cutting-edge manufacturing equipment. We procure machinery and equipment from third-party reputable suppliers from Chinese Mainland, we have a dedicated production line design team that enables us to flexibly configure and adjust our production lines in response to downstream market demand, thereby enhancing manufacturing flexibility, improving production line utilization and supporting overall operational efficiency. We conduct regular servicing and maintenance for our major production equipment and machinery according to predefined schedules. The major equipment involved in our production process is as follows:

Major equipment	Functions	Production Process
Precision Surface-Mount Soldering Equipment	Mounting and soldering of control components	Mounting, welding and testing of PCBA components
Vacuum Formic Acid Soldering Equipment	Mounting and soldering of power devices	Packaging, welding and testing of IGBT/SiC components
Precision Laser Welding Equipment	Welding of copper busbars in the main electric control circuit	Assembly and testing of MCU
Calibration and Aging Test Equipment	OD and MCU calibration, aging testing	Assembly and testing of MCU and assembly and testing of power supply components
Precision Online Unbalance Removal and Dynamic Balancing Equipment	Dynamic balancing calibration of high-speed rotors	Assembly and testing of motor rotor components
Flat Copper Wire Forming Equipment	Flat wire bending and 3D forming	Assembly and testing of motor stator components
Reducer Gear Shaft Shim Selection Equipment	Dynamic load clearance calibration of gear shafts	Assembly and testing of reducer components
End-of-Life Test Bench	External characteristics and NVH inspection	Assembly and testing of domain-controlled electric drive solution

We have implemented a set of internal production and operation policies to promote our compliance with applicable national and international industry standards. We carry out regular inspections to assess the conditions of our production facilities and conduct necessary repairs and maintenance. We have also introduced and implemented a stringent reporting system for the accidents and malfunctioning of the equipment and keep the relevant records. During the Track Record Period and up to the Latest Practicable Date, we did not encounter any major interruptions in the production process due to facility or equipment failures or malfunctions, nor did we incur any major accidents.

Production Automation

We are dedicated to developing an automated, digitalized and intelligent production process. Our component-level products follow platform-based design principles, and our production lines are designed with a focus on achieving a high level of automation through advanced technologies. We designed specialized end-of-line (EOL) testing software tailored for different solution and develop automated execution software across various EOL testing equipment, thereby enabling fully automated testing processes for our solutions. The automation rate of our component-level production lines exceeds 85%. For our domain-controlled electric drive solutions, as they are required to accommodate interface requirements from multiple customers, our production lines are designed with an emphasis on high flexibility and robust quality error-proofing technologies. The automation rate of our domain-controlled electric drive solutions ranges between 58% to 85%. Our manual workstations are fully equipped with our self-developed vision-based error-proofing systems.

In addition, we deployed MES system in our entire production process, enabling closed-loop traceability of product materials and key process parameters throughout the full cycle. We comprehensively apply lean production management tools and methodologies, including value stream mapping, systematic continuous improvement, shop-floor management cycles and quality assurance matrices, together with structured on-site talent development and coaching programs.

To support our fast-growing business and increasing downstream demand, we plan to progressively enhance our overall production capacity by expanding our existing production bases and establishing new production facilities. The following table summarizes details of our upcoming key production expansion plan. The designed annual production capacity for our Ningbo Production Base is approximately 500,000 sets of NEV domain-controlled electric drive solution and its components.

Production Base	Major Product(s) Category	GFA	Expected Completion Year
		(sq.m.)	
Ningbo Production Base	domain-controlled electric drive solutions and its components	64,168.6	Q4 2026

In addition, we also plan to further increase our production capacity after the [**REDACTED**]. See "Future Plans and Use of [**REDACTED**]" in this document for more details.

SALES AND MARKETING

Our sales model is a purely business-to-business ("**B2B**") approach, focusing on global leading automotive OEMs. Given the highly technical and customized nature of our solutions, we do not rely on a large conventional sales force or extensive marketing networks. Instead, our customer engagement and business development efforts are led primarily by our senior management and technical teams, who possess deep industry expertise and are closely involved throughout the customer decision-making and product development processes.

During the Track Record Period, we sold all of our products through direct sales in Chinese Mainland. Under our direct sales model, we engage customers through our in-house sales and technical teams, who work closely with end-users to understand their production needs and provide tailored product configurations and automation solutions. This model enables us to exercise tighter control over pricing, product quality, delivery schedules and after-sales services, while also facilitating deeper customer relationships and faster feedback loops for product optimization.

The customers typically organize a bidding process and upon a successful bid, we typically enter into framework sales agreements with our OEM customers. Salient terms of our typical sales agreements are as follows:

- ***Term and termination.*** We typically do not set a specific term with our customers. Termination may occur by mutual agreement or by either party upon prior written notice under specified events, including insolvency, material breach, or change of control.

- ***Specifications***. Our customers typically set forth specific specification requirements for the products or solutions ordered, such as name, model and configuration. For design win projects with our major customers, we also enter into separate engineering statements of work to specify the technical specifications and requirements of the relevant products.

- ***Payment and credit term***. We generally require our customers to pay upon receipt of invoice based on the product quantity on the monthly settlement statement. Payments shall be made via bank transfer or bank acceptance notes. We typically provide a credit period of up to 60 days from the date of invoice.

- ***Delivery***. We are generally responsible for delivering the products and solutions to locations designated by the customers.

- ***Confidentiality and IP protections***. Both parties shall consciously adhere to confidentiality requirements and take measures to protect each other's confidential information. We retain ownership of the intellectual property rights held by us as of the effective date of the relevant sales agreements. Any new intellectual property rights, know-hows, and technical information created for the purpose of fulfilling the sales agreements shall be owned by our OEM customers.

- ***Product warranty.*** We provide warranty periods for our products and solutions based on time or mileage, as specified in the contracts.

In terms of customer expansion, we typically prioritize customers who are leading OEMs, enabling us to build a track record and enhance our reputation through close collaboration with industry leaders and successful execution of benchmark projects. Leveraging our proven mass-production track record and industry reputation, we are able to further attract additional customers through referrals and inbound engagement. In the B2B market, we aim to strengthen our market position by becoming a preferred supplier to top-tier customers and by establishing technological leadership in selected product categories, thereby enhancing our brand recognition within professional and industrial customer segments.

Marketing

Our marketing efforts are strategically structured to enhance brand visibility and drive customer engagement through both market-driven and opportunity-driven channels. Our sales team engages with customers to understand their requirements and advance customer project development. Under the opportunity-driven approach, our sales team actively leverages industry resources and market intelligence to identify potential opportunities at an early stage and coordinates with our research and development team to engage customers through technical exchanges, thereby enhancing project acquisition. Following the establishment of cooperation, we maintain ongoing customer engagement and support product iteration to participate in customers' subsequent product planning and secure long-term business relationships.

Our sales and marketing team is responsible for identifying market opportunities, analyzing industry trends, and managing client relationships. Leveraging their industry expertise, our sales and marketing team effectively communicates the value proposition of our products and solutions, with a strategic focus on strengthening long-term partnerships with existing customers while actively expanding outreach to potential clients.

Customer Support and After-Sale Services

We believe it is our responsibility to support our customers throughout the entire product lifecycle, from initial engagement to post-delivery and ongoing use. To this end, we have established an after-sales support mechanism to address customer feedback, product quality matters and related enquiries in a timely and systematic manner. Upon receiving customer feedback relating to product quality, we respond promptly and initiate handling in accordance with established procedures. Where necessary, we conduct on-site investigations to verify the circumstances of the issue. Once confirmed, the matter is analyzed internally through a structured process, including assessment of potential issues in R&D understanding, technical support execution and related impacts, with a view to implementing corrective and preventive measures.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material customer complaints, reports, returns, adverse evaluations or other incidents relating to product quality that resulted in order cancellations, product returns or early termination of services.

Pricing

We are committed to providing competitive prices and continuously optimizing our cost structure by adopting more efficient technical designs and utilizing our supply chain resources. We generally adopt a cost-plus pricing policy for our products and solutions. Product pricing is determined through fair negotiation based on a comprehensive assessment of multiple factors, including the market positioning of the relevant vehicle models, the value contribution of our solutions within the overall vehicle, specified technical requirements, the long-term strategic value of the customer relationship and prevailing market price levels, with full reference to the cost base established through preliminary cost evaluation. To address the time lag between raw material price fluctuations and price negotiations with customers, we generally adopt a dynamic pricing adjustment mechanism. Under this mechanism, product prices are periodically reviewed and re-confirmed on a quarterly or monthly basis by reference to prevailing raw material market prices, allowing us to respond in a timely manner to cost changes.

OUR CUSTOMERS

Our customers primarily consist of automotive OEM customers and automotive Tier 1 supplier during the Track Record Period. In 2023, 2024 and 2025, revenue generated from our five largest customers in each year amounted to RMB313.2 million, RMB737.1 million and RMB3,609.8 million, respectively, accounting for 99.7%, 99.9%, and 99.5% of our total revenue in the same years, respectively. Geely Related Group has been our largest customer in each year during the Track Record Period, Revenue from the Geely Related Group, amounted to RMB190.9 million, RMB556.4 million and RMB3,162.1 million in 2023, 2024 and 2025, respectively, accounting for 60.8%, 75.4% and 87.2% of our total revenue in the same years, respectively.

During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge, except for Geely Related Group, Customer B and Customer F, being associates of Mr. Li Shufu, none of our Directors, their associates or any of our shareholders (who owned or, to the knowledge of our Directors, had owned more than 5% of our issued share capital) had any interest in any of our five largest customers.

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

Rank	Customer	Sales Amount	Percentage of Total Revenue	Products/Services Purchased	Customer Background	Credit Term	Business Relationship Since
		(RMB'000)	*(%)*				
Year Ended December 31, 2023							
1	Geely Related Group[(1)]	190,860	60.8	Domain-controlled electric drive solutions, domain-controlled electric drive solution components, research and development services	A leading multinational automotive conglomerate, primarily engaged in the research and development, design and production of vehicles	Within 60 days	2020
2	Leapmotor	121,260	38.6	Domain-controlled electric drive solutions and domain-controlled electric drive solutions components	A Hangzhou-based company listed on Hong Kong Stock Exchange, primarily engaged in the research and development, design and production of NEVs	Within 60 days	2023
3	Customer A	561	0.2	Scrap materials	A Xuzhou-based private company, primarily engaged in the recycling and processing of renewable resources	Not applicable	2023
4	Customer B	313	0.1	Domain-controlled electric drive solutions and research and development services	A Chongqing-based private company, primarily engaged in the research and development and wholesale of vehicle components	Within 60 days	2023
5	Customer C	227	0.1	Scrap materials	A Jiangsu-based private company, primarily engaged in the recycling and processing of renewable resources	Not applicable	2023
Total		**313,222**	**99.7**				

Rank	Customer	Sales Amount	Percentage of Total Revenue	Products/Services Purchased	Customer Background	Credit Term	Business Relationship Since
		(RMB'000)	*(%)*				
Year Ended December 31, 2024							
1 . . .	Geely Related Group[(1)]	556,431	75.4	Domain-controlled electric drive solutions, domain-controlled electric drive solutions components, research and development services	A leading multinational automotive conglomerate, primarily engaged in the research and development, design and production of vehicles	Within 60 days	2020
2 . . .	Leapmotor	177,327	24.0	Domain-controlled electric drive solutions and domain-controlled electric drive solution components	A Hangzhou-based company listed on Hong Kong Stock Exchange, primarily engaged in the research and development, design and production of NEVs	Within 60 days	2023
3 . . .	Customer A	2,520	0.3	Scrap materials	A Xuzhou-based private company, primarily engaged in the recycling and processing of renewable resources	Not applicable	2023
4 . . .	Customer D	413	0.1	Scrap materials	A Jiangsu-based private company, primarily engaged in supply chain management	Not applicable	2024
5 . . .	Customer E	392	0.1	Domain-controlled electric drive solution components	A Hubei-based private company, primarily engaged in the research and development, consulting and transfer of new-energy technology	Not applicable	2022
Total		**737,082**	**99.9**				

Rank	Customer	Sales Amount	Percentage of Total Revenue	Products/Services Purchased	Customer Background	Credit Term	Business Relationship Since
		(RMB'000)	*(%)*				
Year Ended December 31, 2025							
1 . . .	Geely Related Group[(1)]	3,162,069	87.2	Domain-controlled electric drive solutions, domain-controlled electric drive solution components, research and development services	A leading multinational automotive conglomerate, primarily engaged in the research and development, design and production of vehicles	Within 30 days	2020
2 . . .	Leapmotor	312,819	8.6	Domain-controlled electric drive solutions and domain-controlled electric drive solution components	A Hangzhou-based company listed on Hong Kong Stock Exchange, primarily engaged in the research and development, design and production of NEVs	Within 60 days	2023
3 . . .	Customer F[(1)]	105,358	2.9	Domain-controlled electric drive solutions and domain-controlled electric drive solution components	A Zhejiang-based private company, primarily engaged in the research and development, design and production of automotive components	Within 30 days	2025
4 . . .	Customer G	22,233	0.6	Research and development services	A German-based company listed on Frankfurt Stock Exchange, primarily engaged in the research and development, design and production of vehicles	Not applicable	2024
5 . . .	Customer H	7,313	0.2	Scrap materials	A Jiangsu-based private company, primarily engaged in the recycling and processing of renewable resources	Not applicable	2025
Total		**3,609,792**	**99.5**				

Note:

(1) To the best knowledge and belief of our Directors, Customer B and Customer F are associates of Mr. Li Shufu, the ultimate beneficial owner of Geely Related Group, who holds more than 30% equity interest in each of Customer B and Customer F. Neither Customer B nor Customer F is under the control of Mr. Li Shufu. Accordingly, we recognized revenues from Customer B and Customer F separately, which have not been aggregated with revenue from Geely Related Group during the Track Record Period.

OUR BUSINESS RELATIONSHIP WITH GEELY RELATED GROUP

Business Relationship and Nature of Reliance between Us and Geely Related Group

Geely Related Group is a leading multinational automotive conglomerate principally engaged in R&D, manufacturing and trading of automobiles, automobile parts and related automobile components. According to CIC, the Geely Related Group adopts a multi-brand strategy and owns multiple automobile brands, with different brands catering to different customer groups. Geely Related Group is a connected person of our Company, see "Connected Transactions" for details.

Since 2019, we have been engaged by Geely Related Group as a supplier to provide NEV domain-controlled electric drive solution and its components. As our solution performance and technical capabilities were increasingly recognized, our collaboration with Geely Related Group expanded to cover eight vehicle models as of December 31, 2025. Our collaboration with Geely Related Group has deepened over time. Among the best-selling NEV models launched by Geely Related Group in 2024 and 2025, Xingyuan ("星願") and Lynk & Co 900 ("领克900"), are both equipped with our domain-controlled x-in-one electric drive solutions. The table below sets forth a breakdown of our revenue from Geely Related Group and other associates of Mr. Li Shufu by solution and product types, in absolute amounts and as percentages of our total revenue, for the years indicated. Our business arrangements with other associates of Mr. Li Shufu are substantially the same as our business arrangements with the Geely Related Group.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
NEV Domain-Controlled Electric Drive Solutions[(1)]						
– NEV Domain-Controlled X-in-One Electric Drive Solutions	–	–	381,406	51.7	3,136,230	86.4
– Other Electric Drive Solutions	190,239	60.6	171,263	23.2	24,863	0.7
Subtotal	**190,239**	**60.6**	**552,669**	**74.9**	**3,161,093**	**87.1**
NEV Domain-Controlled Electric Drive Solution Components	759	0.2	3,548	0.5	106,167	2.9
Others	175	0.1	236	0.0	167	0.0
Total	**191,173**	**60.9**	**556,453**	**75.4**	**3,267,427**	**90.0**

Note:

(1) Including R&D service revenue generated from various R&D service contracts with our customers.

Geely Related Group has established a strong commercial presence in the NEV market, ranking second in terms of NEV passenger vehicle sales in Chinese Mainland in 2025, according to CIC. Its Xingyuan and Lynk & Co 900 models have achieved significant sales performance since launch, which we believe supports the sustainability and continued growth of our collaboration with Geely Related Group. In 2025, Xingyuan ranked first among all passenger vehicle models in Chinese Mainland in terms of the sales volume in 2025, according to CIC. The successful commercialization of Xingyuan contributed to our increased revenue contribution from Geely Related Group from 2024 to 2025. We are the supplier of the domain-controlled x-in-one electric drive solution for Xingyuan, which delivers strong efficiency, quiet operation, and smooth power response. See "— Case Study – Xingyuan (星願)" for details. In addition, we are the supplier of the domain-controlled x-in-one electric drive solution for Lynk & Co 900, which is a flagship plug-in hybrid SUV launched in 2025 and ranked fourth in terms of sales volume among large size (D-segment) passenger NEV in Chinese Mainland in 2025, according to CIC. This further contributed to our increased revenue contribution from Geely Related Group in 2025. Given the success of our collaboration with Geely Related Group with respect to the Xingyuan and Lynk & Co 900 models, which have achieved significant sales performance since launch, we believe we will be able to continue to grow and deepen our relationship and collaboration with the Geely Related Group.

Details of the Arrangements Between us and Geely Related Group

A purchase contract between us and a target OEM within Geely Related Group (the "**buyer**") typically comprises (i) nomination letter, (ii) a framework purchasing agreement, (iii) general terms and conditions, which is required for all suppliers before being engaged by Geely Related Group, (iv) monthly purchase orders, and (v) other ancillary documents that may be executed between the buyer and us (such as price summaries and quality agreements). For each specific domain-controlled electric drive solutions we supply to Geely Related Group for deployment in its vehicle models, we typically enter into a framework purchasing agreement with the specific buyer. The buyer then issues monthly purchase orders to us for procurement. Set out below is a summary of the key terms in our purchase contracts with Geely Related Group, which are generally applicable across our projects with Geely Related Group:

Pricing	The price of our products is agreed between the buyer and us, which is set forth in the price summary. We shall guarantee that the prices of all products supplied to the buyer will not exceed the prices of the same products sold to any third party during the same period.
Payment arrangements	We typically grant the buyer a credit period of within 60 days from the date of invoice. Payments may be made via bank acceptance drafts.
Liability for compensation	For non-conforming products, despite remedial measures we may take, the scope of our liability for compensation includes but not limited to direct losses and lost profits caused by abnormal procedures, production line interruptions or delays, slowed production rates, and factory shutdowns due to non-conforming products during the automobile production process. The buyer retains the right of recourse if non-conformity is discovered after product delivery.
Termination	The purchase contract may be terminated by mutual agreement between the parties. The buyer shall have the right to notify us in writing of the unilateral termination of the purchase contract in whole or in part if we commit certain breach of the purchase contract, including but not limited to (i) failure to achieve the agreed development or delivery milestone and failure to remedy within 30 days after notice; (ii) delays in the delivery, resulting in downtime or production shutdown for more than three times, which affects the production; (iii) defects in the design and manufacture of our products, resulting in personal injury or death, or the buyer or a third party is responsible for "three guarantees" or vehicle recall due to the reasons of us. Termination by the buyer shall take effect on the date when we receive a written notice with respect to termination of the purchase contract, unless such effective date is otherwise specified in the written notice. We shall not unilaterally propose to terminate the purchase contract.

The prices paid by Geely Related Group for our NEV domain-controlled electric drive solutions have been determined after arm's length negotiations with reference to the prevailing market price (having taken into account various factors, such as our manufacturing costs and the technical complexity required for these solutions). Our Directors believe such prices and the other terms of our agreements with Geely Related Group to be fair and reasonable without being less favorable than those with independent third parties. In particular, while we guarantee that the prices of all solutions supplied to Geely Related Group will not exceed the prices of the same products sold to any third party during the same period under the purchase contracts, we also make sure the relevant prices paid by Geely Related Group are comparable to those we offer to independent third parties under similar product specifications, order scale and supply arrangements. According to CIC, the prices paid by Geely Related Group are in line with the then-current prevailing market price for NEV domain-controlled electric drive solutions, and the overall pricing terms of our purchase contracts with Geely Related Group are common within the NEV domain-controlled electric drive solutions industry.

While we do not set any capacity guarantee and minimum purchase amount in our purchase contracts with Geely Related Group, we work closely with Geely Related Group before and during the mass production stage to determine the appropriate capacity we should have for the specific products and purchase amount for each vehicle model. Given the significant R&D investment required for the development of NEV domain-controlled electric drive solutions for a specific vehicle model, we selectively collaborate on vehicle models of Geely Related Group that demonstrate strong growth potential and are aligned with our overall business development strategies.

In addition to the purchase contracts for specific product supplies, we also entered into a strategic supplier cooperation framework agreement with Geely Related Group in September 2025, pursuant to which we became one of the strategic supplier of Geely Related Group and are entitled to collaborate deeply with Geely Related Group in joint design, quality standards setting, testing standards formulation and slow-moving inventory management.

During the Track Record Period and up to the Latest Practicable Date, we maintained a stable relationship with Geely Related Group and there was no material interruption or dispute in respect of our cooperation with Geely Related Group. Furthermore, we did not receive material product return requests from Geely Related Group, nor did we have any incident that could have triggered the unilateral termination rights of Geely Related Group under our agreements with Geely Related Group during the Track Record Period and up to the Latest Practicable Date.

The relationship between us and Geely Related Group is unlikely to materially adversely change or terminate

We believe that the relationship between us and Geely Related Group is unlikely to materially adversely change or terminate. This is primarily because of the following factors:

Our relationship with Geely Related Group is based on win-win collaboration.

NEV domain-controlled electric drive solutions are highly bespoke. According to CIC, NEV domain-controlled electric drive solutions 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). The NEV domain-controlled electric drive solutions are also required to deeply integrate with a vehicle's EEA, power supply system, thermal management system and vehicle control software. We typically work with OEMs, including Geely Related Group, since the early stage in developing a new vehicle model to better understand their needs and required technical specifications for domain-controlled electric drive solutions and other components and conduct necessary joint R&D activities.

It is industry practice to engage one or two suppliers of NEV domain-controlled electric drive solutions for each vehicle model. According to CIC, during the development stage, the domain-controlled electric drive solutions is generally customized, calibrated and validated for the specific vehicle model, including performance, efficiency, NVH, durability and regulatory homologation requirements. Because of such vehicle-level customization, calibration and validation and the high degree of system integration, each NEV model generally adopts its domain-controlled electric drive solutions from one or two suppliers in practice, resulting in a deep collaboration supply arrangement throughout the model lifecycle. Furthermore, changing suppliers during the production lifecycle would typically require substantial time and costs for redesign, re-testing and re-certification and may potentially affect the existing production schedule. Therefore, it is an industry practice that the existing domain-controlled electric drive solutions suppliers of a specific vehicle model will generally not be replaced by the OEMs during the lifecycle of such model, unless there are major quality defects or major disputes between the OEMs and such suppliers. Accordingly, the sourcing of NEV domain-controlled electric drive solutions commonly results in 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.

We have demonstrated delivery capabilities and extensive mass production experience. Our ability to serve as a supplier is further underpinned by our demonstrated delivery capabilities and extensive mass production experience. Through our successful scale production for Geely Related Group, we have established a robust supply chain management system, highly automated production lines, and comprehensive quality traceability mechanisms. This operational infrastructure has enabled us to maintain a stable yield rate exceeding 99.5% and to achieve production ramp-up cycles approximately 30% shorter than the industry average, according to CIC. Our proven track record in managing production peaks and providing rapid after-sales support demonstrates our ability to meet the demanding requirements of large-scale NEV production. According to CIC, the ability to sustain high-volume production while maintaining stringent quality standards is a critical factor in OEM supplier selection and retention decisions, as production disruptions or quality issues can result in significant financial losses and reputational damage to vehicle manufacturers. See "— Production."

As a result of our proven delivery and performance track record with Geely Related Group across multiple projects, we understand Geely Related Group' needs and work towards achieving its desired results in a more efficient and cost-effective manner. The win-win collaboration with Geely Related Group is also directly reflected in the rapid growth of sales volume of Xingyuan since its launch in 2024. As Geely Related Group further solidifies its position in the NEV market and increases its market share in the NEV industry through the successful commercialization and continuous growth in sales of Xingyuan, we are also able to enhance our reputation, generate sustainable revenue and strengthen the track record required to collaborate with other OEMs. This approach has been consistent with our business development strategy. As a result, our revenue from customers other than Geely Related Group increased by 47.3% from RMB123.2 million in 2023 to RMB181.5 million in 2024, and further increased by approximately 156.9% to RMB466.2 million in 2025.

We have an established relationship with Geely Related Group.

We have an established relationship with Geely Related Group since we obtained our first design win from Geely Related Group in 2019. In our early stage of development, due to constraints in funding, personnel, production capacity, and organizational scale, we strategically focused our resources on building a deep and stable relationship with Geely Related Group, which is a leading multinational automotive conglomerate. We believe this approach enabled us to achieve rapid growth in product deployment, technological validation, and market share. As our solution performance and R&D capabilities were increasingly recognized by Geely Related Group, our collaboration with Geely Related Group expanded to cover eight vehicle models as of December 31, 2025. In addition, we entered into a strategic supplier cooperation framework agreement with Geely Related Group in September 2025, pursuant to which we become one of the few selected strategic suppliers of Geely Related Group for NEV domain-controlled electric drive solutions.

In particular, we have supplied our products for eight vehicle models of Geely Related Group that have been launched. These vehicle models were launched between 2019 and 2025 and have been contributing to our revenue since their respective commencement of mass production. As of the Latest Practicable Date, certain of the vehicle models for which we provide NEV domain-controlled electric drive solutions and its components have been discontinued following the conclusion of their respective vehicle life cycles. Certain other models within our customer portfolio remain in active production or have been more recently launched, and continue to generate sales orders for our NEV domain-controlled electric drive solution and its components. In addition, we have various ongoing projects with Geely Related Group, from January 2025 to the Latest Practicable Date, we obtained six more design wins from Geely Related Group for the development of NEV domain-controlled electric drive solution and its components.

Customer concentration is an industry norm.

Close cooperation between OEMs and NEV domain-controlled electric drive solutions providers. As advised by CIC, automotive OEMs typically form stable, long-term relationships with suppliers of critical NEV domain-controlled electric drive solutions, due to (i) highly rigorous supplier selection and validation requirements for safety-critical and performance-determining components, (ii) significant engineering investment in co-development and platform integration, and (iii) high industry entry barriers for new suppliers. Due to the highly integrated nature of NEV domain-controlled electric drive solutions, as advised by CIC, it is an standard business strategy for OEM customer to engage a supplier at an early stage in the definition of electric drive system and continue to collaborate with such supplier throughout the model lifecycle. Once an domain-controlled electric drive solution is designed into a vehicle platform following extensive design verification, integration testing and durability validation, it generally remains installed throughout the model lifecycle, which typically spans two to five years. As these processes require substantial cost, time and engineering resources, OEMs tend to limit the number of qualified suppliers per platform and allocate increasing volumes to proven partners, thereby concentrating procurement volumes.

Reliance on major OEM customers. In addition, according to CIC, reliance of NEV domain-controlled electric drive solutions providers on major OEM customers is common in the industry, which is mainly attributable to the following reasons:

- The NEV industry in Chinese Mainland exhibits a relatively concentrated market structure, with a limited number of leading OEMs accounting for a substantial portion of overall vehicle sales. As an upstream supplier, solution providers typically derive a significant portion of their revenue from these leading OEMs, and their customer base therefore tends to be concentrated among such major market participants.

- NEV domain-controlled electric drive solutions are typically deeply integrated with the overall vehicle architecture. Differences in EEA, software platforms and performance specifications among OEMs require solution providers to conduct highly customized development for specific customers, which may result in a certain degree of technological integration and customer-specific design.

- The development of mature domain-controlled electric drive solutions generally requires substantial upfront research and development investment. Domain-controlled electric drive solutions suppliers often collaborate with large OEM customers to commercialize such technologies and achieve economies of scale through mass production, thereby enabling them to amortize their development costs and improve cost efficiency.

- Entry into an OEM's supply chain typically involves extensive qualification procedures, technical validation and product testing processes. Once a supplier has been approved, the cooperation relationship is usually relatively stable, while switching to new customers may involve significant time and resource commitments.

Furthermore, as a strategic direction, we have not entered into exclusivity or non-compete agreements with Geely Related Group, which means that our initial reliance on Geely Related Group does not limit our further business growth. We have also been able to continuously improve our technology as we work with Geely Related Group on their iteration of various vehicle models, which serves as a foundation for our development of NEV domain-controlled electric drive solutions for other OEM customers, enabling us to achieve our strategic development objectives.

We will be able to effectively mitigate the relevant exposure

We will be able to effectively mitigate the relevant exposure through the following approaches:

We have and will continue to expand our OEM customer base leveraging the quality of our products and our R&D capability.

Geely Related Group is highly selective in terms of its suppliers. Having been selected as a supplier to Geely Related Group since 2019, we have built a track record demonstrating the quality of our solutions and our R&D capabilities, and our continued close collaboration with Geely Related Group has further enabled us to enhance both, in line with our business development strategy.

Furthermore, we adopted a platform-based and modular R&D approach, which enables rapid development and deployment across different vehicle models of different OEMs. This approach allows us to rapidly adjust key parameters and configurations to meet specific customer and vehicle requirements while maintaining our proven core technical architecture. See "— Research and Development — Our Platform-Based and Modular R&D Approach." Our research and development framework encompasses multiple components across electric drive and power supply systems, which can be efficiently configured to support rapid development and iteration across different OEMs and vehicle segments. This technical capability significantly reduces our reliance on any single vehicle model's success, as our platform-based and modular R&D approach has been successfully deployed across multiple collaborative vehicle models. According to CIC, this platform-based and modular R&D approach has reduced average project development cycles for new customers and new vehicle models by over 30% compared to traditional bespoke development approaches. The standardization and economies of scale achieved through our platform-based and modular R&D approach have also enabled us to reduce R&D costs for new customer projects by approximately 25% to 30% and supply chain costs by approximately 15% to 20%, thereby enhancing our price competitiveness when pursuing new customer opportunities while maintaining quality standards. This technical reusability and operational efficiency provide us with the flexibility to diversify our customer base and vehicle model coverage without compromising our ability to deliver highly customized solutions that meet specific OEM requirements.

Our efforts in customer expansion have yielded positive results, design wins obtained from non-Geely OEMs and tier-1 supplier continued to increase during the Track Record Period. As of the Latest Practicable Date, we had obtained 19 design wins from nine non-Geely OEMs or tier-1 supplier with eight vehicle models that deployed our solutions entered into market.

We have strategically expanded into the AIDC power supply system and embodied intelligence domain-controlled electric drive system segments to further diversify our solution portfolio.

Centered on a standardized 800V HVDC EEA, we continue to advance the migration and reuse of our core technologies, thereby expanding the application of our solutions into diversified scenarios, including AIDC power supply system and embodied intelligence domain-controlled electric drive systems. See "Our Strategies — Continuous Technology Reuse and Migration into New Emerging Application Scenarios." Through these efforts, we aim to provide a broader customer base with advanced electrification and intelligent power technologies, and to support the global transition toward low-carbon and intelligent energy systems.

During the Track Record Period, we commenced research and development of AIDC power supply system, leveraging our deep technological expertise in high-performance power electronics, EEA, electric motors, thermal management and platform-based integration. According to CIC, this transition from NEV domain-controlled electric drive solutions to AIDC power supplies system aligns with industry trends, given the commonality in underlying technologies between these two applications. See "Industry Overview — Commonalities between the NEV Domain-controlled Electric Drive Solution Industry and the AIDC Power Supply System Industry." In particular, we are developing plastic-encapsulated power devices suitable for data center power supplies, including Vienna (AC-to-DC) and LLC (DC-to-DC) topologies and covering both traditional data center and AIDC application scenarios. As of the Latest Practicable Date, we had made concrete progress in developing and early commercialization of these pipeline products. See "— Overview — Who We Are — An Explorer in Emerging Sectors."

We will continue to build relationships with additional leading OEMs in Chinese Mainland and to develop AIDC power supply systems and embodied intelligence domain-controlled electric drive systems to diversify our customer base and revenue streams.

BUSINESS SUSTAINABILITY

We achieved sustained business growth but had been loss-making during the Track Record Period. Throughout the Track Record Period, we executed several growth strategies aiming to drive revenue growth, improving cost efficiency and strengthening operating leverage. During the Track Record Period, we observed significant improvements in our operational metrics:

- Business Growth: Our design wins for solutions and components that have been adopted in commercially launched vehicle models have all shown consistent growth. Specifically, the number of design wins obtained each year was three in 2023, four in 2024, and 17 in 2025; the number of ongoing commercially launched vehicle models that have deployed our domain-controlled electric drive solutions grew from five in 2023 to eight in 2024, and further to 15 in 2025; and as of the Latest Practicable Date, we had cumulatively secured 40 design wins with ten OEMs, either directly or through tier-1 suppliers, and our solutions had been adopted in 16 commercially launched vehicle models across 12 vehicle brands. This reflects the quality and sustainability of our business model;

- Revenue Growth: The growth in our design win and mass production projects led to a robust increase in our revenue. Our revenue has experienced rapid growth, growing by 134.9% from RMB314.1 million in 2023 to RMB737.9 million in 2024, and further increased by 391.7% to RMB3,628.2 million in 2025. Additionally, our strong pipeline of design win projects is expected to contribute continued growth in future revenues and positions us well for sustained future revenue expansion; and

- Decreased Loss for the Year: While we recorded loss for the year during the Track Record Period, it is important to note that our financial performance has been steadily improving. In terms of profit/loss from operations, we recorded a loss from operations of RMB154.1 million in 2023 and RMB155.5 million in 2024, before achieving a turnaround to a profit from operations of RMB50.3 million in 2025. Our loss for the year decreased by approximately 16.5% from RMB345.1 million in 2024 to RMB288.1 million in 2025, reflecting the continued improvement in our financial performance as our business scales.

Despite our strong revenue growth momentum and improvement in results of operations and financial condition during the Track Record Period, we recorded net losses throughout the Track Record Period, primarily because (i) our cost of revenue had not yet fully realized economies of scale given the rapid ramp-up of our business, as we strategically prioritized building a resilient supply chain with reputable suppliers to ensure product reliability and support customer validation, which entailed higher early-stage procurement costs, (ii) we incurred research and development costs as we made early-stage R&D investments to build a solid foundation of core technologies and continuously invested in enhancing our product performance and expanding our solution portfolio, and (iii) we recorded changes in carrying value of redemption liabilities measured at the highest amount possible that we could be required to pay to the investors with redemption rights.

We aim to secure long-term financial success by focusing on the following strategies: (i) driving revenue growth, (ii) cost optimization and (iii) enhancing operating leverage.

Driving Revenue Growth

We experienced significant revenue growth during the Track Record Period and we expect our revenue to continually grow, driven by the following factors:

Harnessing the Positive Momentum in the Industry

Driven by performance improvement, increased consumer demand, enhanced reliability brought by higher integration, and the ongoing electrification of the global automotive industry, the NEV domain-controlled electric drive solution industry is expected to experience rapid growth in the future, according to CIC. The market size of China's NEV domain-controlled electric drive solution industry is projected to grow from RMB127.8 billion in 2025 to RMB323.0 billion in 2030, representing a CAGR of 20.4% between 2025 and 2030, according to CIC. See "Industry Overview — Analysis of Global NEV Domain-controlled Electric Drive Solution Industry — Market Size of Global NEV Domain-controlled Electric Drive Solution Industry."

Equipped with our in-house R&D and commercial production capabilities, we have secured a pioneering position in the NEV domain-controlled electric drive solution market. We are the third largest third-party NEV domain-controlled electric drive solution provider globally with a market share of 2.6% based on the installation volume of integrated NEV domain-controlled electric drive solutions in 2025, and the largest third-party NEV domain-controlled electric drive solution provider globally with a market share of 8.2% based on the installation volume of NEV domain-controlled x-in-one electric drive solutions in 2025, according to CIC. Benefiting from such positive industry trends, our established capabilities in this business will enable us to capture market potential and continue to grow.

Overseas Market Expansion

Currently, substantially all of our revenue is derived from Chinese Mainland. We plan to reinforce our global footprint through strengthening our overseas sales and marketing capabilities and enhancing strategic partnerships with leading international OEM customers and tier-1 suppliers. We also believe that our strategic partnerships with domestic OEM customers can turn into great revenue growth potential worldwide due to their increasing international presence. To capitalize on this trend, we intend to deepen our collaborations with domestic OEMs to jointly expand into international markets, supporting their global vehicle launches with our localized solution delivery. As of the Latest Practicable Date, we had been engaged as an engineering service provider by a tier-1 customer based in Europe. The market size of global NEV domain-controlled electric drive solution industry is projected to grow from RMB197.7 billion in 2025 to RMB486.0 billion in 2030, with a CAGR of 19.7% between 2025 and 2030, according to CIC. As the demand for NEV domain-controlled electric drive solutions grows worldwide, we can capitalize on such opportunities by expanding our presence globally.

For our NEV domain-controlled electric drive solutions, our expertise and technologies in meeting the high-integrated standards of top OEMs and tier-1 suppliers in Chinese Mainland have laid a solid foundation for further enhancing our international presence. According to CIC, we commenced mass production of one of the world's most integrated domain-controlled x-in-one electric drive solutions in 2024. We aim to continue to bring our well-recognized solutions in cooperation with our customers to overseas markets.

Expanding our OEM Customer Base by Leveraging our Products, R&D and Manufacturing Capability

As part of our strategy to cultivate a diversified customer base, we have continuously expanded our business relationships with a broad range of OEMs and industry participants across both passenger vehicle and commercial vehicle markets. Leveraging our technological capabilities, product quality and platform-based R&D architecture, we have progressively broadened the application and market recognition of our NEV domain-controlled electric drive solutions, which has enabled us to further diversify our customer base and reduce reliance on any single customer or vehicle model.

Our customer expansion efforts have covered multiple vehicle categories and application scenarios, including PHEV, BEV and REEV models for both passenger and commercial vehicles, and have resulted in increasing engagement with OEMs and tier-1 suppliers across different geographic markets and vehicle segments. See "— Our Business Relationship with Geely Related Group — We will be Able to Effectively Mitigate the Relevant Exposure — Our Efforts in Customer Expansion have Yielded Positive Results" for details.

Strategically Expanding into the AIDC Power Supply System and Embodied Intelligence Domain-Controlled Electric Drive System Segments

Centered on our standardized 800V HVDC EEA integrated drive-control architecture, we continuously advance the migration and replication of our core technologies across multiple emerging application scenarios, thereby broadening the application of our solutions to diversified end markets, including AIDC power supply systems and embodied intelligence domain-controlled electric drive systems. See "— Our Business Relationship with Geely Related Group — We will be Able to Effectively Mitigate the Relevant Exposure — We have Strategically Expanded into the AIDC Power Supply System and Embodied Intelligence Domain-Controlled Electric Drive System Segments to Further Diversify our Solution Portfolio" for details.

Cost Optimization

We are committed to cost optimization to improve our margin profile and strengthen our path toward sustainable profitability. Our cost of revenue increased from RMB335.4 million in 2023 to RMB730.4 million in 2024 and further to RMB3,366.7 million in 2025, broadly in line with our revenue ramp-up. Benefiting from economies of scale, automated production, bulk procurement with more favorable terms and process optimization, we improved from a gross loss margin of 6.8% in 2023 to a gross profit margin of 1.0% in 2024, and further to 7.2% in 2025. Building on this progress, we plan to undertake further measures to continue controlling our costs and improving our gross margin:

Reducing Costs through Product Design Optimization

Our in-house R&D capabilities enable us to continuously optimize our products and improve cost efficiency. With our ongoing R&D efforts, we are able to rapidly respond to customers' requirements and provide customized solutions while continuously improving product design and technical performance. We plan to continue allocating resources to R&D initiatives aimed at fostering innovation and enhancing product competitiveness. By doing so, we are able to flexibly optimize our products and further improve the cost structure of our solutions, thereby enhancing our gross margin performance.

Leveraging on our technical expertise, we have developed a highly cost-efficient domain-controlled x-in-one electric drive solution. The highly integrated x-in-one architecture reduces component count and wiring complexity, which lowers component costs by approximately 15% compared to traditional discrete solutions, according to CIC. Proprietary power semiconductor packaging and automated motor manufacturing further reduce unit costs and enhance production efficiency.

Enhancing Economies of Scale through Production Capability Expansion

We are committed to leveraging economies of scale to enhance our cost efficiency as we grow. As our production volume increases, we anticipate significant cost reductions through production capability expansion. With increased production capability, we expect to negotiate more favorable terms for our suppliers with more competitive pricing terms, further reducing costs. In addition, larger-scale production enables us to achieve more efficient allocation of production resources and greater operational efficiency and reducing production costs. Such decrease was primarily attributable to economies of scale achieved through increased production volumes, which lowered our per-unit production costs.

Higher sales volumes also enabled us to allocate fixed costs across a larger number of units, thereby improving our operating leverage and profitability. By maximizing economies of scale, we aim to lower unit costs, improve profit margins, enhance our pricing competitiveness, thereby enhancing our competitive edge in the market. We believe such economies of scale will continue to support improvements in our overall gross margin and profitability.

Increasing Portion of Self-Manufactured Components

Building on our existing in-house production capabilities, we intend to further expand the scope of our self-manufactured components. We plan to (i) bring in-house the production of the limited number of key components that are currently sourced from third-party suppliers; and (ii) progressively increase the proportion of in-house production for the constituent parts of our key components. By increasing the proportion of in-house production we are able to reduce our reliance on external suppliers and improve supply chain coordination, resulting in shorter lead times and improved operational efficiency. In addition, self-produced components generally have a lower production cost compared to externally procured components, which further enhances our cost competitiveness and profitability.

Optimizing Supply Chain Capabilities

We are dedicated to bolstering our supply chain capabilities to ensure stable and cost-effective supplies. By diversifying our supplier base, we expect to secure a reliable supply chain, even in times of demand spikes or supply disruptions, supporting our long-term profitability goals. We also plan to refine our inventory and supply chain management to maintain optimal stock levels aligned with our profitability objectives. This includes implementing advanced inventory management techniques and utilizing data analytics to forecast demand accurately and manage stock efficiently.

As our business has scaled, we adopted a platform-based and modular approach, dividing complex software and hardware systems into independent modules or components, each with specific functions and well-defined interfaces that can be independently designed, developed, tested and maintained. Under such approach, we employ unified technological frameworks and shared tools and resource libraries, and the underlying technology platforms of our products are highly adaptable and can be extensively reused across various OEMs' vehicle platforms. These strategies will help us minimize inventory holding costs, reduce lead times, and ensure the timely availability of essential materials and components, ultimately optimizing our supply chain operations.

Enhancing Operating Efficiency

During the Track Record Period, we incurred operating expenses, including research and development costs, selling and marketing expenses, and administrative expenses. Our operating expenses as a percentage of total revenue decreased substantially from 42.4% in 2023 to 21.6% in 2024, and further to 5.8% in 2025, primarily attributable to the enhancement of our operational efficiencies and the significant increase in total revenue. This improvement in operating leverage was a key driver behind our achievement of a profit from operations in 2025, compared to losses from operations in 2023 and 2024, respectively.

We expect to continuously increase the operating efficiency of our R&D, sales and marketing, and administrative activities as we continue to ramp up our production and achieve revenue growth. While we remain committed to investing in research and development to maintain our technological leadership — with R&D costs of RMB77.2 million, RMB93.4 million and RMB111.3 million in 2023, 2024 and 2025, respectively — the absolute increase in R&D spending has been modest relative to our revenue growth, reflecting our platform-based and modular R&D approach, which enables efficient reuse and adaptation of core technologies across product lines. See "— Research and Development — Our Platform-Based and Modular R&D Approach."

OUR SUPPLY CHAIN MANAGEMENT

Raw Material Procurement

Our procurement is generally based on our customized production plan and mainly covers electronic components and structural components. Electronic components include, among others, printed circuit boards, main chips, passive components and wiring harnesses, while structural components mainly comprise casings, base plates, copper busbars and other auxiliary materials. Based on the production schedules provided by our OEM customers, we provide our suppliers with both long-term and short-term demand forecasts. Long-term forecasts cover a period of more than six months and are updated on a rolling monthly basis, while short-term forecasts are updated monthly based on real-time demand and converted directly into purchase orders.

To mitigate supply chain risks and price volatility, we closely monitor raw material costs through market trend analysis, supplier negotiations, and periodic price assessments. We strategically adjust inventory levels based on anticipated price fluctuations, ensuring an optimal balance between cost control and supply stability. For further details of our inventory management, see "— Warehousing, Logistics and Inventory Management."

In addition, we have also established a supplier network and maintained a comprehensive procurement system in Chinese Mainland and overseas to support out successful operation. For certain raw materials, such as integrated circuits and chips, we source from both leading international and domestic suppliers to mitigate supply chain and trade restriction risks.

During the Track Record Period and up to the Latest Practicable Date, we did not experience quality issues or shortages with our procurement that materially affected our operations. During the Track Record Period and up to the Latest Practicable Date, we did not have any hedging policies for fluctuations in the prices of raw materials.

Suppliers

Supplier Selection and Management

Our suppliers primarily comprise (i) semiconductor power device suppliers, (ii) enameled wire suppliers, (iii) power supply system component suppliers, (iv) electric drive system component suppliers and (v) die-cast housing suppliers. We maintain a structured and systematic supplier selection and management framework designed to ensure consistent quality across raw materials, components and outsourced manufacturing processes.

When selecting suppliers, we take into account diverse factors, primarily including the suppliers' reputation, credentials, techniques, qualifications, experience, supply volume capacity, price and delivery time. 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. During our preliminary supplier evaluation, we review the basic information of potential suppliers, including their company address, registered capital, supply capabilities and relevant official certificates. After these requirements are met, we review their production processes,

product quality and market conditions. We may have on-site visits to production sites of potential suppliers. Potential suppliers are also required to provide samples for our testing and assessment. Successful suppliers are then admitted to our list of qualified suppliers.

Furthermore, prior to mass production, we conduct technical and quality alignment with suppliers for specific components. This includes technical communication, clarification of design drawings, identification of special characteristics and confirmation of quality assurance requirements, with the objective of ensuring that suppliers' understanding and implementation are fully aligned with our specifications.

Our supplier management practices are integrated into our overall quality management system, which is built upon a documented quality manual and supported by procedures covering supplier management, inspection management, non-conforming product control and management review. We believe such framework enables us to maintain consistent product quality across procurement, production and delivery processes.

We generally do not enter into long-term supply agreements with fixed price arrangements or minimum purchase amount, which is in line with the industry norms. We typically enter into a procurement framework agreement with our suppliers. Salient terms of our typical procurement agreements are as follows:

- ***Duration***. The duration of our framework procurement agreements with suppliers is typically one year.

- ***Specifications.*** We typically set forth specific specification requirements for products or components ordered, such as name, model and configuration.

- ***Payment and credit term.*** Payments are made according to the terms set out in the purchase orders or agreements. We also provide prepayments to some of our major suppliers. We generally receive credit terms of up to 90 days.

- ***Pricing policy***. The agreements include clauses for price adjustment mechanisms in response to fluctuations in raw material costs or market conditions, subject to a maximum pre-tax price.

- ***Delivery and logistics***. The suppliers are generally responsible for delivery of raw materials and/or components to our warehouse, and the freight charges shall be borne by the suppliers.

- ***Products return***. We have the right to return or replace any products that do not meet our product standard or quality requirements, at the expense of suppliers.

- ***Product warranty.*** The warranty period is usually one year from the date of our acceptance.

- ***Termination.*** These framework agreements can be terminated with mutual agreement of parties or terminated unilaterally under certain circumstances such as unrectified material breach of the contract.

Major Suppliers

In 2023, 2024 and 2025, purchases from our five largest suppliers in each year amounted to RMB155.3 million, RMB235.9 million, and RMB1,267.6 million, respectively, representing 32.6%, 25.2%, and 33.6% of our total purchases, respectively. In addition, purchases from our largest supplier amounted to RMB68.8 million, RMB92.9 million, and RMB466.9 million in 2023, 2024 and 2025, respectively, accounting for 14.4%, 9.9%, and 12.4% of our total purchases in the same years, respectively.

During the Track Record Period, none of our Directors, their respective associates, nor any shareholders of our Company (who or which to the knowledge of the Directors owned more than 5% of the Company's issued share capital) had any interest in any of our five largest suppliers. None of our major suppliers are our major customers and vice versa. All of our five largest suppliers during each year of the Track Record Period were Independent Third Parties.

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

Rank	Supplier	Purchase Amount	Percentage of Total Purchase	Products Purchased	Supplier Background	Credit Term and Payment method	Business Relationship Since
		(RMB'000)	*(%)*				
Year Ended December 31, 2023							
1	Supplier A	68,752	14.4	Infrastructure construction	A state-owned company primarily engaged in provision of consulting and engineering solutions for the high-tech manufacturing industry	Not applicable	2022
2	Supplier B	26,333	5.5	Reducer and IGBT/SiC	A Jiangsu-based private company, primarily engaged in the resources management	Within 120 days, payment by bank transfers or bank acceptance notes	2023
3	Supplier C	25,732	5.4	Reducer	An Zhuzhou-based company primarily engaged in the R&D, manufacture and sales of automotive transmissions and high-precision gears	Within 60 days, payment by bank transfers or bank acceptance notes	2022
4	Supplier D	18,020	3.8	IGBT	A Shenzhen-based private company, primarily engaged in wholesale trading	Within 90 days, bank transfers or bank acceptance notes	2021
5	Supplier E	16,470	3.5	Reducer	A state-owned company primarily engaged in the R&D, manufacture and sales of automobiles, engines and automotive components, which is a major shareholder of a company listed on the Shenzhen Stock Exchange	Within 60 days, bank transfers or bank acceptance notes	2021
Total		**155,307**	**32.6**				

Rank	Supplier	Purchase Amount	Percentage of Total Purchase	Products Purchased	Supplier Background	Credit Term and Payment method	Business Relationship Since
		(RMB'000)	*(%)*				
Year Ended December 31, 2024							
1	Supplier F	92,856	9.9	Integrated OBC and DC/DC converter	A Shenzhen-based company listed on Shenzhen Stock Exchange, primarily engaged in the research, development, production and sales of software, hardware and solutions in the field of electrical automation	Issue invoices and hold account for 75 days, payment by a six month bank acceptance bill	2023
2	Supplier G	39,270	4.2	Reducer, differential assembly and motor shaft	A Sichuan-based company listed on Shenzhen Stock Exchange, primarily engaged in the research and development, production and sales of automotive components	60 days, payment by telegraphic transfer or bank acceptance note	2023
3	Supplier H	35,712	3.8	Enameled wire and flat copper wire	An Anhui-based company listed on Shanghai Stock Exchange, primarily engaged in the manufacturing of electromagnetic wires	Issue invoices and hold account for 75 days plus 6 months, payment by bank acceptance, settlement upon completion	2022
4	Supplier C	34,330	3.7	Reducer	An Zhuzhou-based company primarily engaged in the R&D, manufacture and sales of automotive transmissions and high-precision gears	60 days, payment by bank transfer or bank acceptance notes	2022
5	Supplier I	33,704	3.6	Reducer housing, motor housing and MCU housing	An Anhui-based subsidiary of a company listed on Shenzhen Stock Exchange, primarily engaged in the precision machining of various types of equipment	90 days, payment by telegraphic transfer or bank acceptance note	2024
Total		**235,872**	**25.2**				

Rank	Supplier	Purchase Amount	Percentage of Total Purchase	Products Purchased	Supplier Background	Credit Term and Payment method	Business Relationship Since
		(RMB'000)	*(%)*				
Year Ended December 31, 2025							
1	Supplier F	466,942	12.4	Integrated OBC and DC/DC converter	A Shenzhen-based company listed on Shenzhen Stock Exchange, primarily engaged in the research, development, production and sales of software, hardware and solutions in the field of electrical automation	Issue invoices and hold account for 75 days, payment by a six month bank acceptance bill	2023
2	Supplier G	281,205	7.4	Reducer, differential assembly and motor shaft	A Sichuan-based company listed on Shenzhen Stock Exchange, primarily engaged in the research and development, production and sales of automotive components	60 days, payment by telegraphic transfer or bank acceptance note	2023
3	Supplier J	183,697	4.9	PCBA	A Beijing-based company listed on Shanghai Stock Exchange, primarily engaged in the provision of technology solutions	Issue invoices and hold account for 75 days, payment by a six month bank acceptance bill	2023
4	Supplier K	175,940	4.7	IGBT/SiC and IPM	A Zhejiang-based company listed on Shanghai Stock Exchange, primarily engaged in the production and design of semiconductor and microelectronics-related products	Payment before shipment, telegraphic transfer or bank acceptance note	2022
5	Supplier I	159,801	4.2	Reducer housing, motor housing and controller housing	An Anhui-based subsidiary of a company listed on Shenzhen Stock Exchange, primarily engaged in the precision machining of various types of equipment	90 days, payment by telegraphic transfer or bank acceptance note	2024
Total		**1,267,585**	**33.6**				

OVERLAPPING CUSTOMERS AND SUPPLIERS

During the Track Record Period, to the best knowledge of our Directors, certain of our major customers also served as our suppliers. Specifically, Geely Related Group, which was our largest customer in each year during 2023, 2024 and 2025, and Customer F, one of our five largest customers in 2025, were also our suppliers during the same periods. In 2023, 2024 and 2025, our purchases from Geely related Group amounted to RMB6 thousand, RMB1.5 million and RMB83.8 million, accounting for 0.001%, 0.2% and 2.2% of our total purchase in the same years, respectively. Our purchases from the Geely Related Group primarily consisted of NEV domain-controlled electric drive solution components. In 2025, our purchases from Customer F amounted to RMB141.0 million, accounting for 3.7% of our total purchases for the same year, while no purchases were made from Customer F in 2023 and 2024. Our purchase from Customer F primarily include NEV domain-controlled electric drive solution components. Except for Geely Related Group and Customer F, none of our five largest suppliers/customers in each year was also our customer/supplier in the same year.

Our Directors confirmed that all aforementioned transactions including the procurement transactions with Geely Related Group (in its capacity as a supplier) and the sales transactions with Geely Related Group (in its capacity as a customer) were conducted in the ordinary course of business under normal commercial terms and on arm's length basis.

QUALITY CONTROL

We consider stringent quality control to be a critical capability underpinning our sustainable development, particularly given that our customers operate in automotive industry where product safety, reliability, consistency and performance stability are of paramount importance. We have established a full set of quality control measures for compliance with requirements of the automotive industry, which cover every key stage of our business operations and is deeply integrated into our business model.

- ***Supply chain***. We have comprehensive policies and detailed procedures in place to ensure the quality of the components and raw materials we purchase from suppliers, such as screening prior to engaging new suppliers and conducting regular evaluations of their performance and the quality of the goods supplied by them. All incoming materials must be accompanied by quality certification materials and undergo inspection in accordance with GB2828 standards before being approved for production use.

- ***Production***. We have established a structured quality control system over our product manufacturing processes, which is implemented through a staged quality gate review mechanism. Our quality gate reviews are embedded throughout the product development lifecycle, covering project planning, product design, process development, product and process validation, and post-launch feedback and corrective actions. At each key development milestone, cross-functional reviews are conducted to assess whether predefined requirements relating to product quality, process readiness, cost control, delivery schedule and regulatory compliance have been met. Progression to subsequent stages is only permitted upon successful completion of the relevant quality gate review, while identified non-conformities are required to be rectified before further development activities may proceed.

- ***Non-conforming products.*** We have established internal policies and procedures for the identification, segregation, evaluation and disposition of non-conforming products throughout our production and quality control processes. Products identified as non-conforming or of uncertain quality status are subject to controlled handling, including clear identification and physical segregation, to prevent unintended use or delivery. Our quality department confirms non-conforming status and coordinates traceability assessment and root cause analysis. Where material quality issues are identified, we implement timely containment measures across relevant stages, including raw materials, work-in-progress and finished goods, and, where necessary, escalate the issues for cross-functional review and corrective actions. Disposition of non-conforming products is determined in accordance with established evaluation procedures, and corrective and preventive actions are implemented to mitigate recurrence. We believe these measures enable us to effectively manage quality risks and maintain consistent product quality.

- ***Continuous improvement***. We have established a structured continuous improvement framework as part of our quality management system, aimed at enhancing product quality, and operational efficiency. Continuous improvement opportunities are identified through multiple channels, including customer feedback and satisfaction surveys, internal and external audits, management reviews and process performance evaluations. Based on annual quality objectives and business plans, relevant departments identify and prioritize improvement initiatives and key improvement initiatives are subject to formal project approval, with defined objectives, implementation plans, responsible teams and performance targets, while smaller-scale improvements are implemented through corrective and preventive action mechanisms or employee suggestion programs.

During the Track Record Period and up to the Latest Practicable Date: (i) we had not been subject to any material administrative or other penalties imposed by competent authorities in relation to product quality; (ii) we had not conducted any material product recalls of defective solutions; and (iii) we had not experienced any material disputes with customers concerning product quality.

INFORMATION TECHNOLOGY

We believe that information technology ("IT") is important for our business continuity, operational stability and internal control requirements. The various information technology systems we use cover all material aspects of our operations, including business operation, human resource management, production and quality control and research and development. Our information technology department is responsible for maintaining and promoting the use of information technology systems to support our business operations and growth. We manage IT security risks through user access controls, system monitoring and employee awareness measures, and we continue to enhance such measures to ensure the security and stability of our IT systems. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any information technology system failure or downtime that had a material adverse effect on our business operations.

SEASONALITY

Our sales are subject to seasonal fluctuations in the NEV markets, which are influenced by OEM procurement cycles. In particular, OEMs typically adjust their procurement plans in response to promotion activities and new model launches or facelifts, which are often concentrated in the second half of the year. As a result, our sales may be higher in the second half of the year, especially in the fourth quarter due to increased deliveries by OEMs at the end of the year. For risks related to seasonality, see "Risk Factors—Risks relating to Our Business and Industry — Our sales may be influenced by seasonality."

WAREHOUSING, LOGISTICS AND INVENTORY MANAGEMENT

We have established warehousing and logistics management procedures to support our production and delivery activities, as well as enhancing our inventory efficiency. Our logistics and warehousing functions cover the storage and handling of raw materials, such as structural components and electronic components, goods in progress, finished goods and goods in transit, with differentiated management measures adopted based on goods characteristics and applicable storage requirements. During the Track Record Period, we did not own any self-operating warehousing and we generally storage our finished goods at third party's consignment warehouses located designated by our OEM customers. Goods stored at such warehouses remain our property prior to delivery to customers. We conduct due diligence on third-party warehouse operators and require them to meet our internal standards and applicable customer requirements. Responsibilities for loss or damage are generally allocated in accordance with contractual arrangements.

We arrange product delivery in accordance with the logistics arrangements agreed with our customers, which may vary among different OEMs. For our customers, delivery is usually completed when products are made available for collection at our premises, with transportation arranged by such customers. For other customers, we are responsible for delivering products to designated locations, such as customers' warehouses. In respect of deliveries arranged by us, we engage qualified third-party logistics service providers selected through an annual tendering process. Our contracts with such service providers

set out transportation and handling requirements, and we periodically evaluate their performance and compliance to ensure orderly delivery. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disruption in the delivery of our products or suffer any material loss as a result of delivery delays or poor handling of goods.

Our inventory management is closely linked with our production plans and benefits from our strong relationships with customers and suppliers, which enable us to effectively manage the level of inventories, mitigate inventory-related risks and enhance our overall operational efficiency. To effectively manage our inventories, we have implemented an inventory management system that documents and monitors incoming and outgoing materials regularly to ensure that an optimal inventory level is maintained to satisfy the customer needs while minimizing any wastage and avoiding obsolescence. We closely manage inventory levels to support production. During the Track Record Period, we recorded inventories of RMB56.7 million, RMB137.2 million and RMB224.1 million, respectively. Our inventory turnover days during the Track Record Period was 73 days, 48 days and 20 days, respectively.

DATA SECURITY AND PRIVACY

In our ordinary business operations, we collect data related to product R&D, manufacturing status, transportation, cost and sales, which are generated through our internal operation processes. We do not collect user data or any sensitive personal information.

For effective information and cybersecurity management, we have established internal policies and a series of procedures. Our key policies and procedures include:

- ***Network Security.*** We have implemented internal network security management measures to safeguard our information systems and data. Our core information systems are deployed within controlled internal or private environments, supported by network segmentation, access control mechanisms and security monitoring. We manage system access through centralized account and permission controls based on employees' roles, with logging mechanisms to support audit and traceability. We also conduct periodic system maintenance and security reviews, and have established incident response procedures to mitigate potential risks to system security and business continuity.

- ***Data Protection and Privacy.*** We have established data protection and privacy management policies covering the classification, access, storage and use of data across our business, production and research and development activities. Data are managed in accordance with their sensitivity and criticality, with differentiated access and usage controls applied to key operational, technical and management data. We restrict data export and other high-risk activities through authorization or approval mechanisms and implement regular data backup and recovery arrangements to support data integrity and operational resilience.

- ***Employee Training and Security Awareness.*** We provide information security and data protection training to employees. Information security and data compliance requirements are incorporated into internal policies and daily operational standards to enhance employee awareness of account security, data protection and confidentiality obligations.

- ***Continuous improvement.*** We regularly review and enhance our network security, data protection and privacy management framework in response to business development and evolving regulatory requirements, with the aim of maintaining an appropriate level of information security and data governance consistent with our operational needs.

During the Track Record Period and up to the Latest Practicable Date, (i) we had not experienced any material hacking incident, personal data leakage or IT system failure; and (ii) we did not experience any breach of confidential information of customers or any other customer information related incidents which could cause a material adverse effect on our business, financial condition or results of operations. See "Risk Factors — Risks relating to Our Business and Industry — Failures or security breaches of our information technology systems could affect our business" for risks related to our IT systems.

INSURANCE

We maintain insurance coverage over our daily operations. Our insurance policies primarily include various types of employee-related insurance tailored to different functions, such as group personal accident insurance and transportation accident insurance. We review our insurance policies regularly to ensure our compliance with the statutory PRC laws and regulations. We believe that our existing insurance coverage is adequate for our business operation and is in line with industry standards in the countries where we operate.

During the Track Record Period and up to the Latest Practicable Date, we did not make any material insurance claims in relation to our business. Nevertheless, we may be exposed to claims and liabilities which exceed our insurance coverage. See "Risk Factors — Risks relating to Our Business and Industry — Our insurance coverage may be insufficient to cover all potential liabilities or losses."

PROPERTIES

As of December 31, 2025, none of the properties held or leased by us had a carrying amount of 15% or more of our consolidated total assets. According to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

Owned Properties

As of December 31, 2025, we owned and occupied the two properties relating to our production in Chinese Mainland, with an aggregate GFA of approximately 43,000 sq.m. As of the Latest Practicable Date, we had obtained all real estate ownership certificates for our owned property.

Leased Properties

As of December 31, 2025, we leased two properties across Chinese Mainland with a GFA exceeding 100 sq.m., with an aggregate GFA of approximately 65,200 sq.m., which were mainly as our office and production base. For all properties we leased, the lessors had obtained the relevant title certificates and/or consent, authorization, or approval which entitled the lessors to lease out such properties.

INTELLECTUAL PROPERTY

Our intellectual property rights are critical to our business operations. As of December 31, 2025, we had 131 authorized patents, including 27 invention patents, 91 utility model patents, and 13 design patents, 34 registered software copyrights, nine registered trademarks, and one registered domain name in Chinese Mainland. As of December 31, 2025, we had one authorized patent overseas. See "Appendix VI — Statutory and General Information — B. Further Information about our Business — 2. Intellectual Property Rights" for further details of our intellectual property portfolio.

We primarily acquire patents through self-development. As of the Latest Practicable Date, we owned all of our patents as well as patent applications. We rely on a combination of patents, copyrights, trademark law, trade secret protection and confidentiality agreements with customers, suppliers and employees to protect our intellectual property rights. We have also adopted a comprehensive set of internal rules for intellectual property management. These guidelines set out the obligations of our employees and create a reporting mechanism in connection with the protection of our intellectual property. We have dedicated personnel specifically responsible for the management and protection of our intellectual property. We proactively manage and expand our intellectual property portfolio and use confidentiality and non-compete agreements to protect our intellectual properties and trade secrets. We require our employees to comply with confidentiality obligations during and after their employment. Such obligations cover confidential information relating to our Group, including technical know-how, intellectual property, trade secrets, business and operational information, as well as information concerning our customers, suppliers and employment arrangements. Except as required by applicable laws and regulations or in the ordinary course of performing contractual duties, such confidential information may not be disclosed to any third party without our prior written consent.

During the Track Record Period and up to the Latest Practicable Date, we were not aware of any threatened or pending disputes relating to infringement of intellectual property rights which would have a material adverse effect on our business.

LICENSES, APPROVALS AND PERMITS

As of the Latest Practicable Date, as advised by our PRC Legal Advisor, we had obtained all requisite licenses, approvals and permits from relevant government authorities that are material to our business operations in Chinese Mainland, and such business licenses had remained in full effect. We are required to renew such certificates, permits and licenses from time-to-time, and we are continuously overseeing the compliance with the relevant laws and regulations.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in renewing the licenses, approvals and permits, and we do not expect any material difficulties in such renewal.

COMPETITION

During the Track Record Period, we operate in the competitive NEV domain-controlled electric drive solution industry. According to CIC, global NEV domain-controlled electric drive solution industry is projected to grow from RMB197.7 billion in 2025 to RMB486.0 billion in 2030, with a CAGR of 19.7% between 2025 and 2030. The primary drivers of competition in this industry are acceleration of automotive electrification, technology innovation, high-voltage platform upgrade and global expansion strategy.

Our major competitors include independent third-party suppliers and OEM-affiliated suppliers. Leveraging our R&D and manufacturing capabilities in NEV domain-controlled electric drive solutions, as well as our in-house capabilities in the development and production of key components, we ranked third globally among independent third-party suppliers in terms of installation volume of integrated NEV domain-controlled electric drive solutions, and first globally among independent third-party suppliers in terms of installation volume of NEV domain-controlled x-in-one electric drive solutions in 2025. We believe that we are well-positioned to compete effectively based on the foregoing factors. See " — Our Strengths" for details. However, if we fail to compete effectively, we may not be able to maintain our current market position in the future. See "Risk Factors — Risks Relating to Our Business and Industry — We face intense competition in our industry." For more information of the competitive landscape of our industries, see "Industry Overview."

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We recognize Environmental, Social, and Governance ("ESG") as an integral part of our business sustainability. We are committed to embedding sustainability principles throughout our daily operations and actively responding to the standards and requirements of our supply chain partners and customers regarding ESG. We believe that by meeting the compliance needs of our customers and continuously optimizing our management practices, we can create long-term value for our Shareholders.

Governance

We strive to provide high-quality solutions or products to our customers while continuously enhancing and improving environmental responsibility, social responsibility, and corporate governance in collaboration with our Shareholders to create a sustainable future together.

Sustainability Committee

We have established a Sustainability Committee responsible for managing specific sustainability-related initiatives. The Committee comprises four members, namely Mr. Pan Shunbo, Mr. Yin Hao, Mr. Wang Renjun, and Mr. Ren Pingzhi. Among them, Mr. Pan Shunbo serves as the chairman of the Sustainability Committee.

Corporate Governance

We have consistently regarded high standards of corporate governance as the cornerstone for maintaining business compliance and safeguarding operational quality. To ensure our governance aligns with international best practices, we intend to strictly comply with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules after [**REDACTED**]. We are committed to ensuring the transparency and professionalism of our operations through a systematic governance framework, thereby achieving sustainable and healthy corporate development.

Board Diversity Policy

We firmly believe that a diversified Board framework is the core driver for enhancing decision-making quality, strengthening competitive advantages, and attracting outstanding talent. Our current Board comprises six members. To continuously optimize our corporate governance standards, following the [**REDACTED**], the Board is proposed to comprise nine members, including female directors. The Board will consistently promote the diversity of its composition — including but not limited to gender, age, education background, academic qualifications, professional skill sets, industry knowledge and related experiences — to ensure that its composition accurately aligns with our strategic development planning, thereby providing robust support for the long-term sustainable growth of our business.

During the track record period, the gender composition of the Board was as follows:

	For the year ended December 31		
	2023	2024	2025
Number of Male Directors	6	8	9
Number of Female Directors	1	1	2

ESG Governance Framework

We have established a four-tier ESG governance framework led by the general manager, covering the "General manager — Sustainability Committee — Sustainability Working Group — Functional Departments and Factories." Mr. Pan Shunbo serves as the chairman of the Sustainability Committee to ensure the robust and effective operation of the ESG governance framework. The primary responsibilities of the Sustainability Committee include analyzing global economic and industry trends, formulating ESG strategies in line with corporate business realities, identifying ESG-related risks, evaluating ESG performance, and overseeing ESG implementation. The Sustainability Committee reports directly to the general manager.

The Sustainability Committee has established a Sustainability Working Group responsible for the implementation of sustainability strategies and specific initiatives. The Working Group is led by Mr. Deng Sheng as the head and Mr. Mao Haiyin as member. Various functional departments and factories, including human resources, quality, technology center, supply chain management, laboratory, sales, administration, and customer service, are responsible for the daily execution and management of sustainability-related work, with department managers or supervisors assuming primary responsibility.

ESG Risk Management and Opportunity Assessment

We regard a sound risk management system as the foundation for safeguarding business stability and achieving financial goals. We ensure that risk identification and mitigation procedures are effectively integrated into our strategic planning and daily operations. Building on this foundation, we continue to deepen the integration of ESG risk management into its existing processes. As of the Latest Practicable Date, ESG risk identification and management have been fully incorporated into our risk management framework. With the oversight from the Sustainability Committee, the Operation Center proactively identifying and managing how internal and external variables, alongside stakeholder (e.g. customers, suppliers, government bodies, and industry ESG trends) expectations, dynamically and systematically impact our strategic alignment.

Business Ethics and Anti-Corruption

We have attached great importance to integrity and business ethics, considering them as the cornerstone of its development. We are committed to building a transparent and compliant business environment. The Sustainability Committee is responsible for our risk management and internal control systems and continuously reviews their effectiveness. Various business departments and factories carry out specific risk and integrity management initiatives.

We are committed to complying with applicable laws and regulations and adhering to anti-corruption practices. We have formulated a dedicated *Anti-Fraud and Anti-Bribery Policy*, defining anti-fraud, anti-bribery, and conflicts of interest, and clarifying relationships with suppliers, contractors, and customers. Meanwhile, we implement a rigorous business compliance review mechanism based on the *Code of Conduct for Business Integrity*, which includes requiring employees (including temporary employees) to receive business integrity training before onboarding, requiring mid-to-senior executives to sign the *Self-Discipline Commitment Letter for Executives*, and requiring suppliers to sign the *Integrity Commitment Letter* before entry. Integrity clauses are normally included in contracts signed by the Company. We comply with all applicable anti-unfair competition and anti-monopoly laws to maintain fair market competition. Any potential misconduct that violates business ethics or disrupts market is handled according to the specific rules of our oversight system. To deepen our compliance culture and ensure our sound development, we promote systematic integrity training and policy dissemination, including providing anti-fraud and anti-bribery training during new employee orientation.

Environmental Responsibility

Climate-Related Risk Management and Response

We have always attached great importance to the identification, management, and response to climate change-related risks and opportunities. By formulating and issuing specific policy documents such as the *Climate Change Policy*, we are gradually integrating climate risk governance and energy-saving measures into all business segments and have established clear climate action plans and targets, including:

- Formulating our 2050 Net-Zero plan, including setting reasonable carbon emission targets and planning carbon neutrality implementation pathways to achieve the long-term goal of carbon neutrality by 2050.

- Regularly identifying and analyzing climate change risks, gradually incorporating them into our risk management system; Exploring climate-related opportunities in multiple aspects, including policy, legal, technology and markets, and making related adjustments.

- Incorporating consideration over climate change into project investment, product design and development, procurement, and business operations, including exploring the use of renewable energy to replace traditional energy sources, and to reduce unnecessary energy consumptions.

- Researching and developing more environmentally friendly products and technologies, such as low-energy consumption motors, and electronic control and drive systems, with the adoption of environmentally friendly business operations to reduce GHG emissions.

- Encouraging employees, suppliers, and customers to reduce carbon emissions in their daily business and lives.

Recognizing the potential impacts of climate change on our business, we embed environmental and climate considerations into our annual SWOT analysis framework to systematically identify climate risks and opportunities. We have also established robust monitoring and response mechanism to effectively manage the impacts of these factors on our daily operations.

Identified Climate-related risks and opportunities	Description	Our response
Physical risk – Acute physical risk	Frequent occurrence of extreme weather events and climate anomalies poses a material risk. Without timely and robust response mechanisms, these events could negatively impact and damage our business, workforce and fixed assets.	We have progressively established a climate early warning and emergency response system to bolster operational resilience. Regarding detection and early warning, we have developed an information-gathering system for extreme weather events while instituting emergency on-call shifts, ensuring swift internal warning and timely prevention. To raise employee awareness and safety, we have established standardized emergency response plans for extreme weather events and natural disasters – such as floods, droughts, earthquakes, ice storms, and snow disasters, as well as emergency incidents such as house collapses, flooding, and road blockages caused by these events. The Deputy Director of Manufacturing is responsible for leading a natural disaster work group for implementing preventive measures at both the company level and factories sites level. Concurrently, regular climate risk training and emergency drills, and training are conducted for personnel at all levels to enhance employee preparedness and response capabilities, thereby ensuring the efficacy of our emergency protocols. Furthermore, we have formulated flexible operational contingency plans to guarantee an orderly response and regulatory compliance under extreme weather conditions, further solidifying our long-term operational resilience.

Identified Climate-related risks and opportunities	Description	Our response
Transition risk – Policy and legal risk	Tightening national regulations on environmental protection, carbon emissions, and ESG-related regulatory requirements present greater compliance challenges for us.	We closely track domestic and international ESG regulatory trends. Driven by product-level environmental standards, we enforce strict supplier risk management and raw material quality controls, while cultivating compliant partners to ensure value chain resilience. Concurrently, we are advancing ESG data management and disclosure readiness, obtaining third-party carbon footprint certifications, and proactively aligning with EU CBAM (Carbon Border Adjustment Mechanism) and HKEX ESG disclosure requirements.
Climate-related opportunity – Markets	Driven by macro industry trends of electric drive systems replacing traditional ICE (internal combustion engine) systems, market demand for high-quality, high-performance new energy drive systems continues to grow.	Leveraging favorable domestic policy supports, we accelerate R&D and process optimization to expand its footprint in premium and mass-market vehicle platforms, meeting the surging market demand for new energy drive system.

Greenhouse Gas (GHG) Emissions

We regard actively responding to core customers' ESG performance assessment requirements as a key governance focus. In terms of GHG management, we have included product carbon footprint management and organizational carbon management as well as its third-party certification as part of our key priority task of 2026. We have also focused on other key indicators such as energy conservation paths and planning for green electricity. We continuously optimize internal environmental management practices to ensure that our operations are highly aligned with the low-carbon transformation trend of the value chain.

At the product and supply chain levels, we have conducted carbon footprint calculations for mass-produced products via the supplier management platform. We also reduce carbon density from the source by optimizing logistics (prioritizing suppliers with short distances) and promoting use of recyclable materials. Simultaneously, we also transmit carbon reduction requirements to Tier 2 suppliers, requiring them to conduct product carbon footprint assessments and reduction plans. We collaborate with suppliers to promote the application of recyclable and green materials, encourage the use of renewable energy, and advocate the adoption of new energy logistics transportation models to drive carbon reduction practices in the entire supply chain, committed to achieving a continuous decrease in the overall carbon emission density.

Regarding GHG accounting, as our operations do not involve the consumption of natural gas, diesel, or gasoline, all official vehicles have been converted to electric, and there have been no refrigerant leaks or refills, we currently have no Scope 1 emissions. Scope 2 emissions originate from electricity use, with emissions in 2023, 2024, and 2025 totaling 2,461.0 tCO_2e, 6,582.6 tCO_2e, and 12,955.8 tCO_2e, respectively. For Scope 3 value chain emissions, we plan to launch accounting in the second half of 2026 and obtain authoritative third-party certification and achieve complete and credible carbon data disclosure. Additionally, we plan to conduct internal carbon footprint audits at both the product-level and organization-level, and complete third-party external audits for our Production Bases in 2026.

Environmental Protection

We are committed to deepening our environmental management system, including establishing a dedicated Environment, Health and Safety leadership group to coordinate environmental compliance management. Our Xuzhou Factory has successfully obtained ISO 14001 certification, and we are currently advancing certification for our Ningbo Factory, which is expected to be completed in 2026 to achieve full coverage of ISO 14001 certification across our core production bases.

We have issued a specific *Environmental Protection Policy* and established long-term goals for waste reduction, water efficiency, and biodiversity protection. In terms of resource management and pollution prevention, we strictly comply with local regulations and promote the recycling and reuse of waste and water resources to reduce waste from the source. We have established standardized hazardous waste disposal mechanisms and strict classification for hazardous chemicals.

We support the research and application of technologies related to waste reduction, water resource utilization, and biodiversity. We pledge to avoid conducting business activities unrelated to ecological conservation in sensitive areas. For unavoidable operations nearby sensitive areas, we implement strict management to avoid, reduce, restore, and eliminate negative impacts. To ensure the efficient operation of our governance system and to promote green and sustainable development, we pledge to regularly review environmental management measures and performance annually.

Emissions Management

Adhering to the principle of clean production, we strictly comply with applicable environmental laws and emission standards in all places where it operates. We have established a precise control system and regularly obtain third-party environmental monitoring reports. Currently, our operations do not involve air emissions or industrial wastewater discharge, consisting only of regular domestic sewage and waste discharge. We are committed to continuously optimizing emission management measures, promoting efficient utilization of resources and sustainable development of the environment. Since 2023, we have had no environmental violations.

Waste Management

For solid waste, we have formulated and implemented the solid waste control procedure for systematic management, specifying that the Administration Department is responsible for coordinating the final treatment and compliant disposal. At the same time, we require all functional departments to be responsible for waste classification and standardized storage at the source. Through scientific disposal treatment, we aim to minimize the environmental impact of non-recyclable waste.

- For general solid (non-hazardous) waste, our policy stipulates that the centralized recycling should be carried out for processed materials that can be used for other purposes, promoting recycling and reuse, and reducing waste discharges. For non-recyclable wastes, they will be collected and treated collectively to reduce pollution.

- For hazardous wastes, we comply with the requirements specified in the *National Catalogue of Hazardous Wastes*. After centralized collection, such waste is disposed by qualified third-party institutions contacted by the Administration Department. Meanwhile, the Administrative Department will verify the business qualifications and professional capabilities of relevant parties. If any non-conformities are identified, we will require the third-party to rectify within a specified time limit, and the contract may be terminated when necessary. Meanwhile, we have formulated the *Hazardous Waste Account Record Form* and *Hazardous Waste Disposal Institution Record Form* for the collection, storage and treatment of hazardous waste to strengthen daily management.

Wastewater Management

Our wastewater discharge mainly comes from employee domestic sewage. In accordance with actual operational needs and local regulatory requirements, we conduct compliant management of wastewater and entrust qualified third-party organizations to carry out treatment, to ensure meeting with relevant standards.

During the track record period, our emissions by category were as follows:

	For the year ended December 31		
	2023	2024	2025
Waste Management			
Hazardous Waste Generated (tons)	–	–	53.49[1]
Hazardous Waste Generation Density (tons per million yuan in revenue)	–	–	0.0147
General Solid Waste Generated (tons)	–	42.9[2]	116.6
General Solid Waste Generation Density (tons per million yuan in revenue)	–	0.0581	0.0320
Wastewater Management (Domestic Sewage)			
Total Wastewater Discharge (tons)[3]	7,584	11,783	26,394
Wastewater Discharge Density (tons per million yuan in revenue)	24.1	16.0	7.2

Energy Management

At present, we do not involve direct consumption of natural gas, diesel, gasoline, and steam in production and daily office processes, and the main energy consumption is concentrated in electricity. We have formulated a specific *Energy Policy*, which regards the application of clean energy and systematic management as the core path to implement low-carbon development, and promotes the optimization of our energy structure. We have established the following targets:

- Establish reasonable energy use goals and implement them in the long term;
- Consider energy efficiency in investment, development, design, construction and operations to fully promote energy efficiency;
- Increase the use of renewable or alternative energy such as wind, solar, and bio-energy;

(1) Our hazardous waste was not treated in 2023 and 2024, and has been accumulated until 2025 when a third party is entrusted for centralized compliance disposal. Total discharged amount in three years: 53.49 tons

(2) Our general solid waste was not treated in 2023, and has been accumulated until 2024 to be disposed

(3) The discharge of wastewater is the same as the consumption of water resources

- Introduce the use of energy management and monitoring platform system to track energy efficiency data and performance in real-time;
- Upgrading lighting and cooling systems;
- Conduct energy-saving advocacy and education for employees, encouraging them to enhance energy-saving awareness in work and personal life.

We plan to promote the implementation of distributed photovoltaic projects at production sites, expected to cover approximately 30% of daily electricity needs. For the remaining consumption, we will increase the green electricity ratio through purchasing I-REC certificates. Additionally, we intend to obtain ISO 50001 energy management system certification for Xuzhou and Ningbo Factory by 2027 and continuously driving energy efficiency improvement against international standards.

Water Resource Management

We have issued the *Reducing Water Consumption Policy* to ensure strict compliance with applicable laws and regulations in the places where it operates, and to conduct analysis and assessment of water resource risks to minimize such risks to the extent practicable. Meanwhile, we focus on water resource utilization and water-saving measures, enhancing employees' awareness of water conservation and reducing water wastage. Currently, we have set targets for the continuous reduction of per capita water consumption and performs monthly monitoring.

We actively encourages all departments and factories to carry out water conservation initiatives annually to promote the reuse of water resources. Through methods such as recovering steam condensate, improving production processes to reduce steam usage, reusing reclaimed water, and installing water meters to reduce leakage, we continuously monitor and improve water-saving processes.

During the track record period, our resource usage by category was as follows:

	For the year ended December 31		
	2023	2024	2025[3]
Energy Management			
Electricity Consumption (kWh)	4,235,851	11,329,840	22,299,116
Water Resource Management			
Water Consumption (tons)	7,584	11,783	26,394
Water Consumption Density (tons per million yuan in revenue)	24.1	16.0	7.2

Social Responsibility

Product Responsibility

We regard product responsibility as the foundation of its development and robust operations. We have established a quality control system covering the entire product life cycle and have formulated a series of systematic management documents. These documents ensure that every stage — from research and development design and material inspection to production manufacturing and logistics delivery — meets high standards for compliance and quality.

We have embedded the QRQC (Quick Response Quality Control) mechanism into our daily operations, utilizing QRQC daily clearing sheets to achieve real-time monitoring and closed-loop resolution of production line issues. This creates a product safety management system characterized by senior management oversight, professional accountability, full employee participation, and real-time monitoring. We regularly organize training for employees involved in product safety and manufacturing process safety to ensure that our commitment to exceptional quality is upheld consistently.

3 The consumption of electricity and water resources has significantly increased in 2025, mainly due to the increase in production capacity of the Xuzhou Factory and the operation of new production lines, resulting in an increase in product output and a downward trend in energy consumption per unit product (see density indicators for more details)

Customer Service

Centered on customer needs, we have established a comprehensive customer service and feedback mechanism dedicated to providing professional support across products' full-life cycle. We have formulated and implemented the *After-sales Service Management Procedure*, where the After-sales Service Department manages customer requests to ensure that complaints receive timely responses. For complex issues where interim measures cannot be determined immediately, we execute an escalation procedure reaching up to the Chief Executive Officer to ensure that all after-sales concerns are addressed and resolved.

Intellectual Property Protection

We regard technological innovation as its core competitive asset. Through the implementation of the *Intellectual Property Protection and Risk Avoidance Policy*, we conduct dynamic reviews and timely applications for core patents, trademarks, and copyrights to ensure that key technological advantages are strictly protected under applicable laws. Meanwhile, we have established *Intellectual Property Incentive Measures* to award bonuses for patent applications and authorizations to eligible employees, thereby fostering a culture of innovation. At the internal management level, we, through our Technical Committee, continuously work to maintain a fair competitive environment and the long-term value of the corporate brand.

Employees

We firmly believe that continuous investment in employees is the core driver for the Company's long-term development. We strictly comply with labor laws and regulations in the places where we operate and uphold the principles of respecting and protecting human rights. By formulating the specific *Human Rights Policy*, we are committed to creating a diverse, equal, and inclusive work environment. Throughout the processes of recruitment, training, and promotion, we resolutely oppose any discrimination, bullying, and harassment behaviors based on factors such as gender, age, race, or religion.

We implement the signing of labor contracts, equal pay for equal work, and ensures working hours and statutory holidays in accordance with the law, ensuring that no child labor or forced labor occurs. Meanwhile, we provide reasonable support to vulnerable groups such as female employees and employees with disabilities. We employ two employees with disabilities, strictly issuing compensation according to relevant national regulations and providing reasonable accommodations in workload arrangements to support their stable employment and career development. At the same time, we provide care for female employees in accordance with legal provisions. Except for female employees directly involved in production, we arrange half-day paid leave on International Women's Day and provides benefits such as care gifts and afternoon tea.

During the Track Record Period, we experienced no major labor disputes, nor were there any cases of paying compensation to employees due to personal or property losses.

As of the Latest Practicable Date, our workforce composition was as follows:

	As of the Latest Practicable Date
Total Number of Employees (persons)	1,650
Employee Gender Breakdown	
Female Employees (persons)	619
Male Employees (persons)	1,031
Percentage of Female Employees (%)	37.5%
Percentage of Male Employees (%)	62.5%

We have formulated documents such as the *Annual Performance Management System for White-Collar Employees*, *Annual Performance Management System for Blue-Collar Employees*, and *Floating Performance Incentive Management System* to standardize employee performance evaluations and compensation standards, ensuring that career advancement paths are transparent and fair. On top of paying five social insurances and one housing fund in accordance with the law and implementing statutory holidays, we continuously improve our benefits system, providing employees with additional benefits and subsidies including but not limited to welfare annual leave, holiday benefits, and physical examinations. For employees at the factory level, we provide dedicated dormitories and canteens, effectively safeguarding employees' legal rights and maintaining a positive work and living environment through comprehensive logistics support and infrastructure.

In terms of occupational health and safety, we adhere to the value of "safety first." Relying on the *Occupational Health and Safety Policy* and supporting governance procedures, we are committed to providing a safe and healthy work environment and workplace protection for all employees (including full-time employees, labor dispatches, part-time employees, interns, and outsourced personnel), customers, suppliers, and partners. We have established safety management targets of "zero work-related fatalities" and "no major or above production safety accidents" and regularly conducts the identification, assessment, and management of business safety risks and hazards. Furthermore, we organize health and safety training for employees, suppliers, and other relevant parties and monitors key performance indicators. To strengthen governance execution, we implement a strict safety accident accountability system, linking overall health and safety performance to the performance-based compensation of relevant management. We have obtained ISO 45001 certification and will continue to maintain and improve our occupational health and safety management practices in accordance with relevant principles. From January 1, 2023, to December 31, 2025, we experienced no cases of occupational diseases or suspected occupational diseases, no work-related deaths or serious injuries, and no fires, explosions, equipment failures, or other safety accidents. The cumulative number of lost workdays due to work-related injuries was zero days.

We provide diverse and accessible employee grievance and feedback mechanisms to ensure that employee requests receive precise responses. We have established a comprehensive *Whistleblowing Policy*. All employees and partners can report suspected misconduct, fraud, bribery, and violations through a dedicated confidential email and hotline. We authorize the Human Resources Department or Administration Department as the responsible department to conduct fair and independent investigations into reported matters, promising to keep the identity and information of whistleblowers strictly confidential and allowing anonymous reporting to ensure that whistleblowers are protected from unfair treatment.

We conduct annual employee satisfaction surveys covering the workplace environment, compensation levels, employee benefits, development opportunities, career paths, workload, stress, the management team, and suggestions for the company. Survey results are used as an important basis for optimizing management and improving the work environment. Meanwhile, we provide communication channels for reasonable suggestions and has established a regular communication mechanism, with weekly discussion sessions to collect questions and suggestions from employees and discuss solutions in management meetings to promote effective rectification and continuous improvement.

Responsible Procurement

We continue to strengthen the development of its supplier management system. We have formulated and issued the *Supplier Management Procedure*, which clearly standardizes management requirements for suppliers across various stages, including inspection and evaluation, entry approval, performance management, and supervisory reviews, thereby further enhancing the institutionalization and standardization of supply chain management. During the supplier entry stage, we consider factors including but not limited to business qualifications, experience with similar products, project development, quality control, cost management, and after-sales service, while ensuring regular audits of suppliers' production safety, relevant qualifications, product quality, and operational status. In the supplier management stage, we ensure the stable operation of the supply chain through methods such as sample approval, OTS (Off Tooling Samples) approval, PPAP (Production Part Approval Process) review, performance evaluation, and annual reviews. In the supplier exit stage, we will conduct interviews and require rectification based on supplier performance. For suppliers with ineffective improvements, a proposal for elimination will be submitted for approval by company leadership, and they will be included in the eliminated supplier list.

Furthermore, by issuing the *Supplier Code of Conduct* and *Green Procurement Policy*, we have fully integrated ESG standards into supplier lifecycle management. In the entry and screening process, we prioritize suppliers that have obtained certifications such as ISO 14001 or ISO 45001, possess independent sustainable development policies, supplier codes of conduct, or sustainable procurement policies, and are capable of providing environmentally friendly products. In specific procurement decisions, we focus on reviewing the environmental and health attributes of suppliers' products, preferring products that have obtained relevant green certifications, are non-toxic, harmless, and pollution-free, and are easy to recycle, while avoiding or reducing the use of single-use products. Considerations are also given to whether suppliers take action in their production processes to reduce the consumption of raw materials, packaging materials, energy, and water resources.

To strictly regulate supply chain conduct, we require contracted suppliers to sign and abide by the "Supplier Code of Conduct," which explicitly stipulates that partners must establish business integrity governance mechanisms such as anti-bribery and provide timely feedback on potential material conflicts of interest to ensure compliance. In terms of environmental protection, we require suppliers to adopt appropriate environmental management mechanisms to assess and reduce energy and water usage, waste generation, and GHG emissions during operations. Regarding labor and human rights, we strictly prohibit suppliers from using child labor and any form of forced labor and eliminates employment discrimination and workplace bullying based on factors including but not limited to gender, race, nationality, marital status, childbearing status, sexual orientation, religion, or physical disability. Suppliers are also required to sign labor contracts in accordance with the law, pay compensation on time and in compliance, provide statutory holidays, and protect employees' freedom of association and grievance channels. Additionally, we require suppliers to formulate comprehensive occupational health and safety policies, provide necessary work safety training, and offer a suitable working environment to reduce the risk of work-related injuries. We also actively encourage Tier 1 suppliers to extend these responsibility requirements down to their Tier 2 supplier and sub-contractor networks to jointly build a responsible and resilient green supply chain ecosystem.

As of December 31 2025, we maintained stable relationships with over 270 suppliers. A substantial majority of our suppliers are in Chinese Mainland, with a concentrated geographical distribution and a stable supply structure, effectively ensuring the supply security and quality stability of production materials.

Community Engagement

We deeply recognize the close connection between our own business and the surrounding communities. By issuing the *Community Management Policy* and actively responding to the United Nations Sustainable Development Goals, we are committed to promoting community synergy and sustainable development. Pursuant to the provisions of this policy, we actively integrate community development needs into the entire process of product development and production operations. We actively conduct community risk assessments, carefully considering local population structure, age composition, indigenous rights, cultural diversity, customs and cultural heritage, and biodiversity. Simultaneously, during the factory design and operation stages, we proactively arrange for noise, sewage, and air emission reduction measures to minimize potential impacts on surrounding communities.

To deepen community integration, we maintain open communication channels to respond to residents' requests and closely combines its own development with community well-being, regularly conducting specific philanthropic activities such as community outreach around its factories. Furthermore, we actively encourage employees to participate in volunteer services to give back to society and earnestly fulfill its corporate social responsibility.

EMPLOYEES

As of the Latest Practicable Date, we had a total of 1,650 full-time employees, all of whom were based in Chinese Mainland. The following table sets forth a breakdown of our employees by function as of the Latest Practicable Date.

Function	Number	Percentage of Total Number
Research and development and quality control	429	26.0%
Production	1,105	67.0%
Sales and marketing	58	3.5%
Finance	24	1.5%
Human Resource	15	0.9%
Administration	19	1.2%
Total	**1,650**	**100.0%**

We enter into standard employment agreements with our employees to cover matters regarding confidentiality, non-competition, working hours, remuneration and employee benefits. In particular, the confidentiality provision and non-competition provision remain effective during and after their employment with us.

We highly value the potential of our employees and have invested substantial efforts and resources in recruiting and training our employees. We recruited employees mainly through internal referrals and campus recruitment, with hiring conducted in a prudent, need-based manner in line with our business development. We emphasize structured onboarding, role-specific training and long-term career development, supported by a defined grading and promotion framework that incorporates mentorship and performance-based progression. We manage our employees through unified internal policies, including an employee handbook and related rules, covering employee code of conduct, training arrangements and performance management.

As required by applicable laws and regulations, we participate in various government statutory employee benefit plans, including social insurance plans, namely pension, medical, unemployment, work-related injury and maternity insurance plans, and housing provident funds. See "Risk Factors — Risks Related to our Industry and Business — Our insurance coverage may be insufficient to cover all potential liabilities or losses." for details.

As of the Latest Practicable Date, our employees in Chinese Mainland do not have a labor union. We believe that we maintain good working relationships with our employees, and we have not experienced any material labor disputes, strikes, protests or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

Labor Dispatch

In addition to our full-time employees, we may implement labor dispatch arrangements to maintain adequate and flexible labor levels to meet our operational needs from time to time.

During the Track Record Period, we engaged dispatched workers through labor dispatch arrangements for temporary, auxiliary or substitute positions. We entered into labor dispatch contracts with employment agencies, all of which possessed the relevant qualifications and provided labor dispatch services to us and our subsidiaries. We do not have employment relationships with dispatched workers under labor dispatch arrangements. As of the Latest Practicable Date, the percentage of dispatched workers engaged by us and our subsidiaries did not exceed 10% of the total number of our employees and dispatched workers, which complies with the relevant provisions of the Interim Provisions on Labor Dispatch (《劳務派遣暫行規定》) (the "Labor Dispatch Provisions").

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time become involved in various legal or administrative claims and proceedings in the ordinary course of our business. See "Risk Factors — We may be subject to complaints, claims, controversies, regulatory actions and other legal proceedings, which could have a material adverse effect on our results of operations, financial condition, liquidity, cash flows and reputation."

During the Track Record Period and up to the Latest Practicable Date, we were not involved in any legal, arbitral or administrative proceedings as defendant or respondent, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations.

Compliance

We are committed to complying with the laws and regulations applicable to our business. During the Track Record Period and up to the Latest Practicable Date, according to our PRC Legal Advisor, we had complied with all relevant laws and regulations applicable to us in all material respects concerning our operations.

INTERNAL CONTROL AND RISK MANAGEMENT

We have developed and implemented risk management policies and internal control measures in relation to our business operations, financial reporting, and general compliance. We are dedicated to upholding the legal compliance of our operations and management, safeguarding assets and ensuring the accuracy and completeness of financial reports and related information. To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [**REDACTED**], we have adopted and will adopt, among other things, the following internal control and risk management measures:

- We design a comprehensive set of policies to identify, analyze, manage and monitor various risks, and periodically assess and update our risk management policies.
- Our Board is responsible for overseeing our overall risk management and internal control.
- We will adopt various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure; and
- We will continue to organize training sessions for our Directors and senior management with respect to the relevant requirements of the Listing Rules and duties of directors of companies [**REDACTED**] in Hong Kong.

AWARDS AND RECOGNITIONS

The following table sets forth major awards and recognitions we received during the Track Record Period.

Award/Recognition	Award Year	Awarding Institution/Authority
Laboratory Accreditation Certificate (實驗室認可證書)	2023	China National Accreditation Service for Conformity Assessment (中國合格評定國家認可委員會)

Award/Recognition	Award Year	Awarding Institution/Authority
High and New Technology Enterprise (國家高新技術企業)	2024	Science and Technology Commission of Shanghai Municipality, Shanghai Municipal Finance Bureau and Shanghai Municipal Tax Service, State Taxation Administration (上海市科學技術委員會、上海市財政局和國家税務總局上海市税務局)
A D-U-N-S® Registered Company (鄧白氏註冊認證企業)	2025	Dun & Bradstreet, Inc. (鄧白氏公司)
Specialized and sophisticated SMEs (專精特新中小企業)	2025	Shanghai Municipal Commission of Economy and Informatization (上海市經濟和信息化委員會)
Top 100 Key Component Companies in China's Intelligent Electric Vehicle Industry (中國智能電動汽車核心零部件100強)	2025	Diancheren (電車人)
Outstanding Case of New Quality Productive Forces in the Automotive Industry 2025 (2025汽車新質生產力優秀案例)	2025	China Certification & Inspection Group and China Automotive Engineering Research Institute (中國檢驗認證集團和中國汽車工程研究院)