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Application Proof of

GLB Intelligent Power Technologies Co., Ltd.

(格 雷 博 智 能 動 力 科 技 股 份 有 限 公 司)

(the “Company”)

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

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GLB Intelligent Power Technologies Co., Ltd.

格雷博智能動力科技股份有限公司

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

[REDACTED]

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

Sole Sponsor, Sponsor-overall Coordinator, Overall Coordinator,
[REDACTED]



Overall Coordinator, [REDACTED]



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The [REDACTED] is expected to be determined by agreement between the Overall Coordinators (for themselves and on behalf of the [REDACTED]) and our Company on the [REDACTED]. The [REDACTED] is expected to be on or before [REDACTED] (Hong Kong time) and, in any event, not later than 12:00 noon on [REDACTED] (Hong Kong time). The [REDACTED] will not be more than HK\$[REDACTED] per [REDACTED] and is currently expected to be not less than HK\$[REDACTED] per [REDACTED]. Applicants for [REDACTED] are required to pay, on application, the maximum [REDACTED] of HK\$[REDACTED] for each Hong Kong [REDACTED] together with brokerage fee of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%, subject to refund if the [REDACTED] as finally determined is less than HK\$[REDACTED]. If, for any reason, the [REDACTED] is not agreed by 12:00 noon on [REDACTED] (Hong Kong time) between the Overall Coordinators (for themselves and on behalf of the [REDACTED]) and our Company, the [REDACTED] will not proceed and will lapse.

The Overall Coordinators (for themselves and on behalf of the [REDACTED]) may, where considered appropriate and with our consent, reduce the number of [REDACTED] being [REDACTED] under the [REDACTED] and/or the indicative [REDACTED] range below that stated in this document at any time on or prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. In such a case, notices of the reduction in the number of [REDACTED] and/or the indicative [REDACTED] range will be published on the websites of the Stock Exchange at www.hkexnews.hk and our Company at www.glbpower.com as soon as practicable following such decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging [REDACTED] under the [REDACTED]. For more information, see “Structure of the [REDACTED]” and “How to Apply for [REDACTED].”

The obligations of the [REDACTED] under the [REDACTED] are subject to termination by the Overall Coordinators (for themselves and on behalf of the [REDACTED]) if certain events occur prior to 8:00 a.m. on the [REDACTED]. For more information, see “[REDACTED].”

Prior to making an [REDACTED] decision, prospective [REDACTED] should consider carefully all the information set out in this document, including the risk factors set out in “Risk Factors.”

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[REDACTED]

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

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This document is issued by our Company solely in connection with the [REDACTED] and the [REDACTED] and does not constitute an [REDACTED] to sell or a solicitation of an [REDACTED] to buy any security other than the [REDACTED] by this document pursuant to the [REDACTED]. This document may not be used for the purpose of making, and does not constitute, an [REDACTED] or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a [REDACTED] of the [REDACTED] in any jurisdiction other than Hong Kong and no action has been taken to permit the distribution of this document in any jurisdiction other than Hong Kong. The distribution of this document for purposes of a [REDACTED] and the [REDACTED] and sale of the [REDACTED] in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full text of this document. You should read the entire document before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in “Risk Factors” in this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

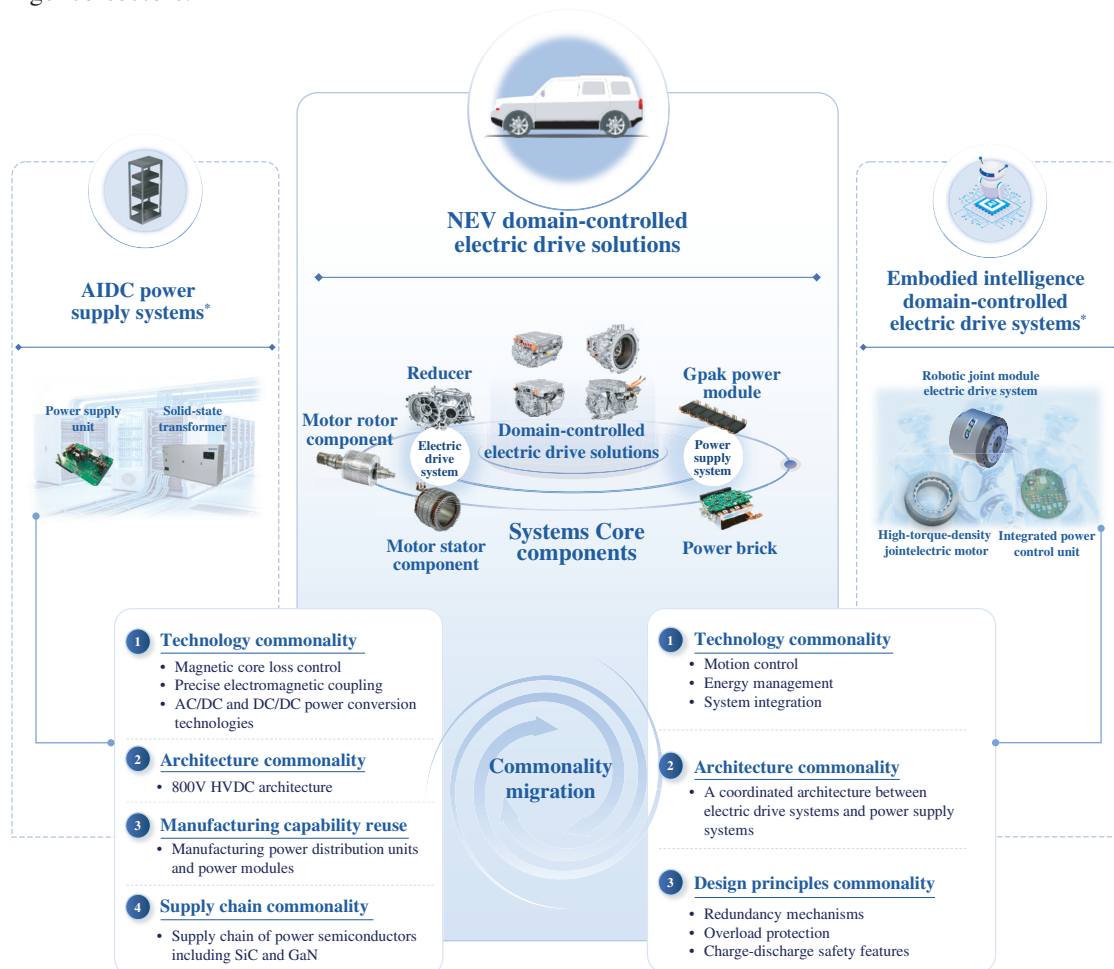
OVERVIEW

Who We Are

We are a global provider of intelligent domain-controlled electric drive solutions and standardized 800V high-voltage direct current (“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 new energy vehicle (“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.

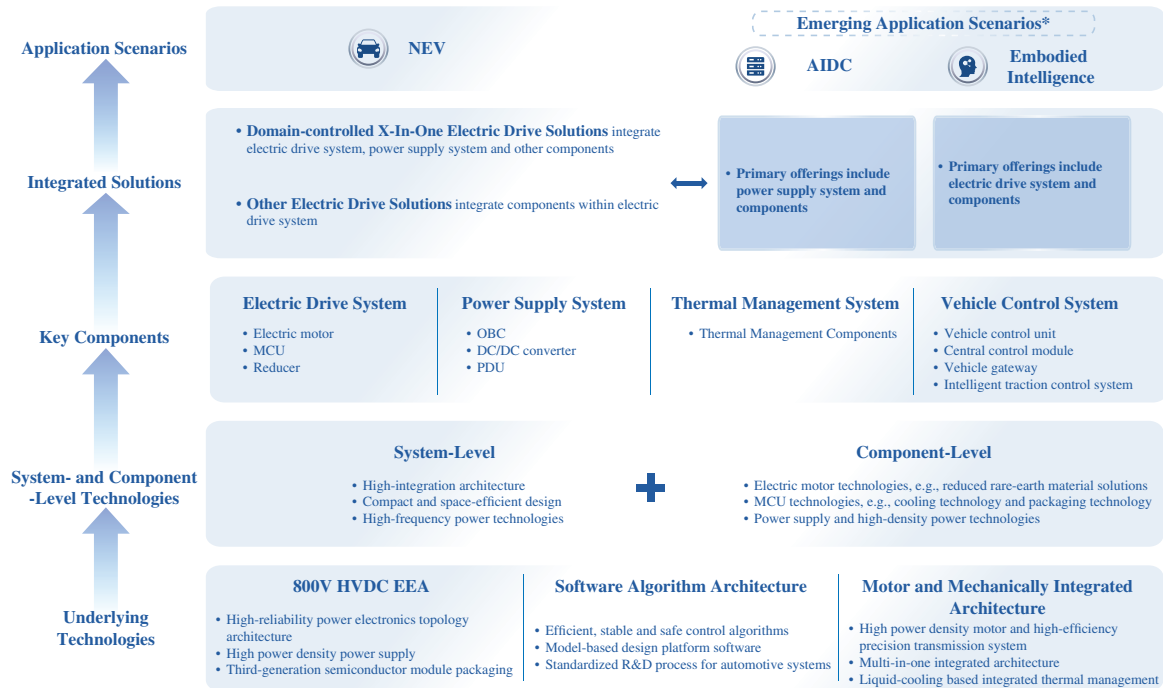


* We did not generate revenue from AIDC power supply systems and embodied intelligence domain-controlled electric drive systems during the Track Record Period.

SUMMARY

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 STRENGTHS

We believe the following competitive strengths have contributed to our success and will continue to drive our future growth:

- An industry leader with deep expertise and strategic positioning;
- A highly migratable and scalable platform-based technology system;
- Comprehensive product matrix meeting diverse customer needs, with rich joint development experience;
- Industry-leading system integration and in-house component development and production capabilities; and
- A young, insightful and diligent management team endorsed by renowned investors.

OUR STRATEGIES

We will pursue the following strategies to drive further growth:

- Continuous R&D of integrated NEV domain-controlled electric drive solutions and key components;

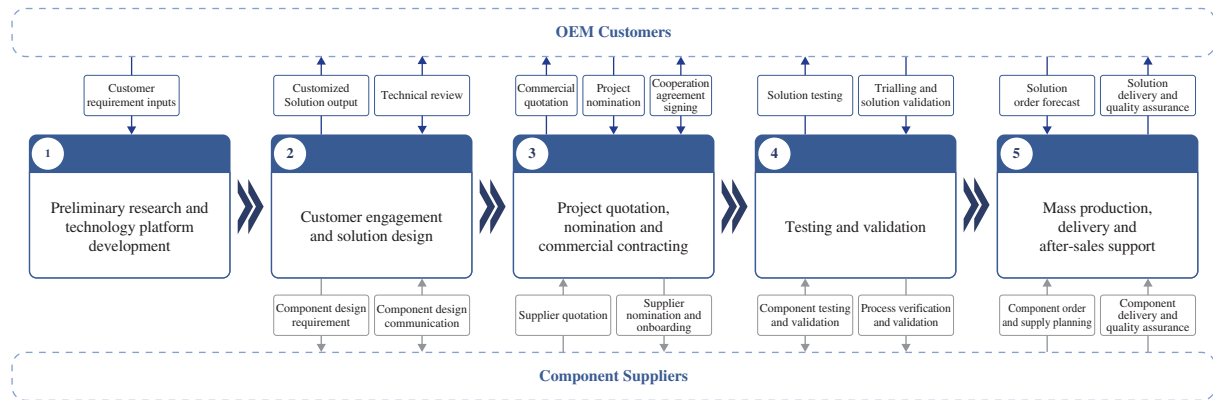
SUMMARY

- Continuous technology reuse and migration into new emerging application scenarios;
- Continuous vertical integration of supply chain and intelligent production capacity expansion;
- Deepening strategic customer relationships and expanding customer base;
- Continuously advancing global expansion; and
- Attracting talent aligned with our corporate culture to optimize team structure and continuously enhance core competitiveness.

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:



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. 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

SUMMARY

Note:

- (1) Our design wins include 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

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.

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. As of December 31, 2025, we operated the two production bases located in Xuzhou and Ningbo to support the high-quality, stable and large-scale delivery of our solutions and products.

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

SUMMARY

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.

See “Business — Production.”

COMPETITIVE LANDSCAPE

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.”

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.

OUR CUSTOMERS AND SUPPLIERS

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.

SUMMARY

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.

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.

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.

See “Business — Our Customers,” “Business — Suppliers” and “Business — Overlapping Customers and Suppliers.”

OUR BUSINESS RELATIONSHIP WITH GEELY RELATED GROUP

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 (“領克900”), are both equipped with our domain-controlled x-in-one electric drive solutions. Geely Related Group, is our largest customer in each year during the Track Record Period. Revenue from Geely Related Group and other associates of Mr. Li Shufu amounted to RMB191.2 million, RMB556.5 million and RMB3,267.4 million in 2023, 2024 and 2025, respectively, accounting for 60.9%, 75.4% and 90.0% of our total revenue during the Track Record Period, respectively.

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.

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: (i) our relationship with Geely Related Group is based on win-win collaboration; (ii) we have an established relationship with Geely Related Group; and (iii) customer concentration is an industry norm.

SUMMARY

We will be able to effectively mitigate the relevant exposure through the following approaches: (i) we have and will continue to expand our OEM customer base leveraging the quality of our products and our R&D capability; and (ii) 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.

As of the Latest Practicable Date, we had supplied NEV domain-controlled electric drive solutions and its components to nine OEMs other than Geely Related Group for eight vehicle models commercially launched. As of the same date, we had also made initial progress in our two new business lines. In our AIDC power supply system business line, we had entered into strategic cooperation agreements covering joint research and pilot commercialization; and in our embodied intelligence domain-controlled electric drive systems business line, we had reached the customer sampling stage.

However, we cannot guarantee that Geely Related Group will continue to partner with us or will not reduce its business with us. Given our substantial revenue concentration on Geely Related Group, if Geely Related Group decides to terminate or decrease the level of its cooperation with us in the future, it may result in a material and adverse effect on our business, financial condition and results of operations. For details, see “Risk Factors — Risks Relating to Our Business and Industry — We are exposed to customer concentration risk in respect of our NEV domain-controlled electric drive solutions business.” For detailed discussion on our relationship with Geely Related Group, see “Business — Our Business Relationship with Geely Related Group.”

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.

SUMMARY

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. See “Business—Business Sustainability” for further details.

RISK FACTORS

Our business and the [REDACTED] involve certain risks as set out in “Risk Factors.” Some of the major risks we face include: (i) we are exposed to customer concentration risk in respect of our NEV domain-controlled electric drive solutions business, (ii) our business is highly dependent on the demand and development of the downstream market of NEV. Any adverse change in market conditions or production volumes of NEV models could materially affect our operation, financial performance and results of operations, (iii) we face intense competition in our industry, (iv) if we fail to retain our existing customers or attract new customers, our business, financial condition and results of operations may be materially and adversely affected, and (v) we have incurred losses for the year during the Track Record Period and may not be able to maintain profitability in the near future.

See “Risk Factors” for further details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

The table below sets forth a summary of our results of operations in absolute amount and as percentages of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Revenue	314,098	100.0	737,911	100.0	3,628,233	100.0
Cost of revenue	(335,355)	(106.8)	(730,418)	(99.0)	(3,366,715)	(92.8)
Gross (loss)/profit	(21,257)	(6.8)	7,493	1.0	261,518	7.2
Other net expenses	(918)	(0.3)	(2,860)	(0.4)	(427)	(0.0)
Selling and marketing expenses	(4,727)	(1.5)	(5,317)	(0.7)	(11,656)	(0.3)
Administrative expenses	(51,290)	(16.3)	(61,013)	(8.3)	(88,156)	(2.4)
Research and development costs	(77,189)	(24.6)	(93,352)	(12.7)	(111,324)	(3.1)
Impairment loss reversal/(recognized) on trade and other receivables	1,274	0.4	(428)	(0.1)	350	0.0
(Loss)/profit from operations	(154,107)	(49.1)	(155,477)	(21.1)	50,305	1.4
Finance costs	(8,299)	(2.6)	(16,434)	(2.2)	(17,358)	(0.5)
Changes in carrying value of redemption liabilities	(107,992)	(34.4)	(173,207)	(23.5)	(321,090)	(8.8)
Loss before taxation	(270,398)	(86.1)	(345,118)	(46.8)	(288,143)	(7.9)
Income tax	—	—	—	—	—	—
Loss for the year	(270,398)	(86.1)	(345,118)	(46.8)	(288,143)	(7.9)

SUMMARY

See “Financial Information — Consolidated Statements of Profit or Loss and Other Comprehensive Income” for further details.

Non-IFRS Measures

In order to supplement our consolidated statement of profit or loss and other comprehensive income, which is presented in accordance with IFRS Accounting Standards, we use adjusted net (loss)/profit for the year (non-IFRS measure), which was defined as loss for the year adjusted by adding back changes in carrying value of redemption liabilities, [REDACTED] and equity-settled share-based payments, as additional financial measures, which are not required by, or presented in accordance with IFRS Accounting Standards to evaluate our operating performance.

We believe that these non-IFRS measures help identify underlying trends in our business and provide useful information for [REDACTED] and others to understand and evaluate our results of operations. However, adjusted net (loss)/profit for the year (non-IFRS measure) have material limitations as analytical tools. When assessing our operating and financial performance, you should not consider these non-IFRS measures in isolation from or as substitutes for financial performance metrics that are calculated in accordance with IFRS Accounting Standards. The term “adjusted net (loss)/profit for the year (non-IFRS measure)” are not defined under IFRS Accounting Standards and may not be comparable to other similarly named measures used by other companies. The following table reconciles our adjusted net (loss)/profit (non-IFRS measure), in absolute amounts and as percentages of our total revenue, for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Loss for the year	(270,398)	(86.1)	(345,118)	(46.8)	(288,143)	(7.9)
Add:						
Changes in carrying value of redemption liabilities ⁽¹⁾	107,992	34.4	173,207	23.5	321,090	8.8
Equity-settled share-based payments ⁽²⁾	—	—	2,289	0.3	—	—
[REDACTED] ⁽³⁾	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net (loss)/profit (non-IFRS measure)	<u>(162,406)</u>	<u>(51.7)</u>	<u>(169,622)</u>	<u>(23.0)</u>	<u>36,497</u>	<u>1.0</u>

Notes:

- (1) Changes in the carrying value of redemption liabilities were measured at the highest amount possible that we could be required to pay to the investors with redemption rights. Upon the first submission of [REDACTED] to the Stock Exchange, the redemption rights granted by us will be automatically terminated and the redemption liabilities will be reclassified to equity, such that our net liabilities position would turn into net assets position.
- (2) Equity-settled share-based payments are non-cash in nature and represented the share-based awards that we granted to the employees. Equity-settled share-based payments are not expected to result in future cash payments.
- (3) [REDACTED] were expenses incurred in connection with the [REDACTED].

See “Financial Information — Consolidated Statements of Profit or Loss and Other Comprehensive Income — Non-IFRS Measures” for further details.

SUMMARY

Summary of Selected Items of Financial Positions

The following table sets forth a summary of selected items from our financial position as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Total current assets	382,969	754,251	1,905,254
Total non-current assets	311,574	387,298	568,117
Total assets	694,543	1,141,549	2,473,371
Total current liabilities	1,025,346	1,807,438	3,384,604
Total non-current liabilities	252,050	259,793	305,562
Total liabilities	1,277,396	2,067,231	3,690,166
Net current liabilities	(642,377)	(1,053,187)	(1,479,350)
Net liabilities	(582,853)	(925,682)	(1,216,795)

Our net liabilities increased from RMB582.9 million as of December 31, 2023 to RMB925.7 million as of December 31, 2024, primarily due to (i) loss for the year in 2024 of RMB345.1 million, and (ii) recognition of redemption liabilities upon grant of redemption rights of RMB100.0 million, partially offset by capital contribution from investor with redemption rights of RMB100.0 million. Our net liabilities increased from RMB925.7 million as of December 31, 2024 to RMB1,216.8 million as of December 31, 2025, primarily due to (i) loss for the year in 2025 of RMB288.1 million, and (ii) recognition of redemption liabilities upon grant of redemption rights of RMB300.0 million, partially offset by capital contribution from investor with redemption rights of RMB300.0 million.

See “Financial Information — Selected Balance Sheet Items” for further details.

Summary of Combined Statements of Cash Flows

The following table sets forth selected cash flow statement information for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net cash (used in)/generated from operating activities	(196,921)	(56,321)	194,999
Net cash used in investing activities	(130,078)	(75,841)	(217,684)
Net cash generated from financing activities . . .	207,707	173,655	171,185
Net (decrease)/increase in cash and cash equivalents	(119,292)	41,493	148,500
Cash and cash equivalents at the beginning of the year	142,129	22,837	64,330
Cash and cash equivalents at the end of the year	22,837	64,330	212,830

See “Financial Information — Liquidity and Capital Resources — Cash Flow Analysis” for further details.

SUMMARY

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates or for the years indicated:

	As of or for the year ended December 31,		
	2023	2024	2025
Gross (loss)/profit margin (%)	(6.8)	1.0	7.2
Adjusted net (loss)/profit (non-IFRS measure) margin ⁽¹⁾ (%)	(51.7)	(23.0)	1.0
Return on equity ⁽²⁾ (%)	71.7	45.8	26.9
Return on total assets ⁽³⁾ (%)	(44.4)	(37.6)	(15.9)
Current ratio ⁽⁴⁾ (times)	37.4	41.7	56.3

Notes:

- (1) Adjusted net (loss)/profit (non-IFRS measure) margin is calculated as adjusted net (loss)/profit (Non-IFRS measure) divided by revenue and multiplied by 100%.
- (2) Return on equity was calculated based on loss for the year of the respective year divided by the arithmetic mean of the opening and closing balances of total deficit and multiplied by 100%.
- (3) Return on total assets was calculated based on loss for the year of the respective year, divided by the arithmetic mean of the opening and closing balances of total assets and multiplied by 100%.
- (4) Current ratio was calculated based on total current assets of the respective year, divided by total current liabilities.

See “Financial Information — Key Financial Ratios” for further details.

DIVIDENDS AND DIVIDEND POLICY

No dividend was paid or declared by our Company during the Track Record Period. As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend distribution ratio. PRC laws require that dividends be paid only out of our distributable profits. Distributable profits are our after-tax profits, less appropriations to statutory and other reserves that we are required to make. Pursuant to our Articles of Association, our Board may declare dividends in the future after taking into account our results of operations, financial conditions, cash requirements and availability, and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders.

PRE-[REDACTED] INVESTMENTS

We have undertaken several rounds of Pre-[REDACTED] Investments. For details of the background of our Pre-[REDACTED] Investors and the principal terms of the Pre-[REDACTED] Investments, see “History, Development and Corporate Structure — Pre-[REDACTED] Investments.”

CONNECTED TRANSACTIONS

We have entered into and will continue to engage in certain transactions which will constitute continuing connected transactions upon the [REDACTED]. For details of our continuing connected transactions, see “Connected Transactions.”

[REDACTED]

SUMMARY

[REDACTED]

FUTURE PLANS AND USE OF [REDACTED]

We estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED], after deducting the [REDACTED] fees and [REDACTED] and estimated expenses payable by us in connection with the [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] ranging from HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED] stated in this document) and no exercise of the [REDACTED]. In line with our strategies, we intend to use the net [REDACTED] from the [REDACTED] for the following purposes:

- Approximately [45.0]%, or HK\$[REDACTED], will be used for domestic production capacity expansion to further enhance our delivery capabilities in the NEV domain-controlled electric drive solution, AIDC power supply system and embodied intelligence segments.
- Approximately [35.0]%, or HK\$[REDACTED], will be used in the R&D of next-generation NEV domain-controlled electric drive solution, reinforcing our leading position in integrated NEV domain-controlled electric drive solution and NEV component technologies and promoting the replication and commercialization of our core technologies across emerging application scenarios.
- Approximately [10.0]%, or HK\$[REDACTED], will be used for expanding our overseas business presence and enhancing our global manufacturing capabilities to capture growth opportunities in the global market.
- Approximately [10.0]%, or HK\$[REDACTED], will be used for working capital and general corporate purposes.

See “Future Plans and Use of [REDACTED]” for details.

[REDACTED]

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] and other fees (such as the discretionary incentive fee) incurred in connection with the [REDACTED]. We estimate that our [REDACTED] will be approximately RMB[REDACTED] (or HK\$[REDACTED], representing [REDACTED]% of the gross [REDACTED] from the [REDACTED]) (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] ranging from HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED] stated in this document) and no exercise of the [REDACTED]), of which (i) approximately RMB[REDACTED], directly attributable to the [REDACTED] and [REDACTED] of our [REDACTED] and will be deducted from equity upon the [REDACTED], (ii) approximately RMB[REDACTED] is expected to be expensed in our consolidated statements of profit or loss. By nature, the estimated total [REDACTED] are mainly composed of (i) [REDACTED] of approximately RMB[REDACTED] and (ii) non-[REDACTED] expenses of approximately RMB[REDACTED], which consist of (a) fees and expenses of legal advisors and Reporting Accountants of approximately RMB[REDACTED], and (b) other fees and expenses of approximately

SUMMARY

RMB[REDACTED]. During the Track Record Period, we incurred [REDACTED] of RMB[REDACTED], RMB[REDACTED] of which were charged to our consolidated statements of profit or loss and RMB[REDACTED] of which was directly attributable to the [REDACTED] and [REDACTED] of our [REDACTED] and will be deducted from equity upon the [REDACTED].

LEGAL PROCEEDINGS AND COMPLIANCE

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. 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.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that up to the date of this document there had been no material adverse change in our financial, operational or prospects since December 31, 2025 being the latest balance sheet date of our consolidated financial statements as set out in the Accountants’ Report in Appendix I to this document.

RECENT DEVELOPMENT

In addition to our core NEV domain-controlled electric drive solutions and its component business, we have strategically expanded our business into the (i) AIDC power supply system and (ii) embodied intelligence domain-controlled electric drive system segments.

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.

DEFINITIONS

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

“Accountants’ Report”	the accountants’ report of our Company, the text of which is set out in “Appendix I”
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	Accounting and Financial Reporting Council of Hong Kong
“Articles of Association” or “Articles”	the articles of association of our Company conditionally adopted on June 3, 2026 with effect from the [REDACTED], as amended, supplemented or otherwise modified from time to time, a summary of which is set out in “Appendix V — Summary of Articles of Association”
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of our Board
“Board” or “Board of Directors”	our board of Directors of our Company
“Bozhida”	Ningbo Meishan Bonded Port Zone Bozhida Equity Investment Management Partnership Enterprise (Limited Partnership) (寧波梅山保稅港區博智達股權投資管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on December 20, 2017
“Bozhihao”	Shanghai Bozhihao Enterprise Management Partnership (Limited Partnership) (上海博智浩企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on April 24, 2026
“Bozhikong No. 1”	Shanghai Bozhikong No. 1 Enterprise Management Partnership (Limited Partnership) (上海博智控一號企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on April 2, 2026
“Bozhishun”	Shanghai Bozhishun Enterprise Management Partnership (Limited Partnership) (上海博智順企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on April 24, 2026
“Bozhixin”	Shanghai Bozhixin Enterprise Management Partnership (Limited Partnership) (上海博智新企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on April 24, 2026

DEFINITIONS

“Business Day”	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
[REDACTED]	
“China”, “Chinese Mainland” or “PRC”	the People’s Republic of China (中華人民共和國) and for the purpose of this document only and for geographical reference only, except where the context requires, references in this document to “China” and the “PRC” do not apply to Hong Kong SAR, Macau Special Administrative Region and Taiwan Region
“CIC” or “Industry Consultant”	China Insights Industry Consultancy Limited, our industry consultant, an independent market research and consulting company
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	GLB Intelligent Power Technologies Co., Ltd. (格雷博智能動力科技股份有限公司), a limited liability company established under the laws of the PRC on May 13, 2010 and converted into a joint stock company with limited liability on April 30, 2026
“Compliance Adviser”	Red Sun Capital Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“CSDC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of our Company

DEFINITIONS

“EIT”	enterprise income tax
“EIT Law”	Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
“Employee Incentive Platform(s)”	Bozhikong No. 1, Bozhihao, Bozhishun and Bozhixin, or any one of them as the context may require
“Exchange Participant”	a person (a) who, in accordance with the Rules of the Stock Exchange, may trade on or through the Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Stock Exchange as a person who may trade on or through the Stock Exchange
“Extreme Conditions”	the occurrence of “extreme conditions” as announced by any government authority of Hong Kong due to a serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon No. 8 or above is replaced with Typhoon Signal No. 3 or below

[REDACTED]

“Geely Holding”	Zhejiang Geely Holding Group Co., Ltd. (浙江吉利控股集團有限公司), a limited liability company incorporated in the PRC on March 24, 2003, and is owned as to approximately 82.23% by Mr. Li Shu Fu (李書福), the de facto controller of Qianjiang Motorcycle (one of our substantial shareholders)
“Geely Related Group”	Geely Related Group includes Geely Holding and its subsidiaries, the other entities under the common control of Mr. Li Shufu, including Zhejiang Yizhen New Energy Automobile Co., Ltd. (浙江翼真新能源汽車有限公司) and its subsidiaries and the subsidiaries of Qianjiang Motorcycle
“General Rules of HKSCC”	General Rules of HKSCC published by the Stock Exchange and as amended from time to time
“GLB Ningbo”	GLB Intelligent Power Technologies (Ningbo) Co., Ltd. (格雷博智能動力科技(寧波)有限公司), a limited liability company established under the laws of the PRC on July 11, 2024 and our wholly-owned subsidiary

[REDACTED]

“GWM”	Great Wall Motor Company Limited (長城汽車股份有限公司), an automotive manufacturing company established in the PRC on June 12, 2001 and listed on the Stock Exchange (stock code: 2333) and the Shanghai Stock Exchange (stock code: 601633)

DEFINITIONS

“Group”, “we” or “us”	our Company and its subsidiaries from time to time
“Guide”	the Guide for New Listing Applicants issued by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“GZD Jiangsu”	GZD Intelligent Technologies (Jiangsu) Co., Ltd. (格至達智能科技(江蘇)有限公司), a limited liability company established under the laws of the PRC on September 23, 2021 and our wholly-owned subsidiary
“GZK Shanghai”	GZK Intelligent Power Technologies (Shanghai) Co., Ltd. (格至控智能動力科技(上海)有限公司), a limited liability company established under the laws of the PRC on November 27, 2013 and our wholly-owned subsidiary
“GZQ Shanghai”	GZQ Intelligent Technologies (Shanghai) Co., Ltd. (格至驅智能科技(上海)有限公司), a limited liability company established under the laws of the PRC on March 28, 2023 and our wholly-owned subsidiary
“GZY Jiangsu”	GZY Intelligent Power (Jiangsu) Co., Ltd. (格至遠智能動力(江蘇)有限公司), a limited liability company established under the laws of the PRC on June 27, 2023 and our wholly-owned subsidiary
“H Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which will be [REDACTED] for and [REDACTED] in Hong Kong dollars and [REDACTED] on the Stock Exchange

[REDACTED]

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

[REDACTED]

DEFINITIONS

[REDACTED]

“Hong Kong”, “HK” or
“Hong Kong SAR”

the Hong Kong Special Administrative Region of the PRC

[REDACTED]

“HYCET”

HYCET Transmission Technology (Pizhou) Co., Ltd. (蜂巢傳動科技邳州有限公司), a limited liability company established under the laws of the PRC on February 24, 2022, a subsidiary of GWM

“independent third party(ies)”

entity(ies) or person(s) which, to the best of our Directors’ knowledge, information, and belief having made all reasonable enquiries, is/are not a connected person(s) of our Company within the meaning of the Listing Rules

[REDACTED]

DEFINITIONS

[REDACTED]

“Latest Practicable Date”	June 1, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[REDACTED]

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

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

“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)

“Nomination Committee”	the nomination committee of our Board

DEFINITIONS

[REDACTED]

“Overall Coordinators”	the overall coordinators as named in “Directors and Parties Involved in the [REDACTED]”
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Company Law”	Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“PRC Legal Advisor”	Jia Yuan Law Offices, our legal advisor as to PRC law
“Pre-[REDACTED] Investment(s)”	the investment(s) in our Company undertaken by the Pre-[REDACTED] Investors, the details of which are set out in “History, Development and Corporate Structure”
“Pre-[REDACTED] Investor(s)”	the investor(s) as set out in “History, Development and Corporate Structure”

[REDACTED]

“R&D”	research and development
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration Committee”	the remuneration committee of our Board

DEFINITIONS

“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, comprising Unlisted Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of our Share(s)
“Sole Sponsor”	the sole sponsor as named in “Directors and Parties Involved in the [REDACTED]”
“Sponsor-Overall Coordinator”	the sponsor-overall coordinator as named in “Directors and Parties Involved in the [REDACTED]”

[REDACTED]

“State Council”	State Council of the PRC (中華人民共和國國務院)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the financial years ended December 31, 2023, 2024 and 2025
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“Trial Measures” or “Overseas Listing Trial Measures”	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) promulgated by the CSRC on February 17, 2023

[REDACTED]

DEFINITIONS

“Unlisted Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are subscribed for and paid up in Renminbi, held by domestic Shareholders and not listed or traded on any stock exchange
“U.S.” or “United States”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“U.S. dollar” or “US\$”	United States dollar, the lawful currency of the United States
“U.S. Securities Act”	United States Securities Act of 1933 and the rules and regulations promulgated thereunder, as amended, supplemented or otherwise modified from time to time
“VAT”	value-added tax

[REDACTED]

“%” per cent

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

For the purpose of this document, references to “provinces” of China include provinces, municipalities under direct administration of the central government and provincial-level autonomous regions.

Certain amounts and percentage figures included in this document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

GLOSSARY OF TECHNICAL TERMS

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

“AIDC”	artificial intelligence data centers, specialized data centers designed to support artificial intelligence workload
“BEV”	battery electric vehicle, a vehicle powered solely by electricity stored in rechargeable battery packs and driven by one or more electric motors, without an internal combustion engine
“CCM”	central control module, an integrated electronic control component of a NEV that consolidates the management of multiple vehicle functions including body electronics (e.g., lighting and door control), comfort systems (e.g., air conditioning and seat adjustment) and human-machine interface, and its integration capability directly affects the vehicle’s functional richness and system response efficiency
“DC/DC Converter”	an essential power management component of a NEV that convert high-voltage direct current from the traction battery into low-voltage direct current to power auxiliary systems and charge the 12V battery, and its conversion efficiency directly affects the vehicle’s overall energy consumption and electrical system stability
“domain-controlled x-in-one electric drive solution”	integrated propulsion system solutions that combine multiple key powertrain components into a single compact system or platform, primarily for use in new energy vehicles, with the aim of improving space utilization, energy efficiency, system performance and manufacturing efficiency
“EEA”	electronic and electrical architecture, which defines how a system’s hardware, software and wiring are organized and interconnected
“EMC”	electromagnetic compatibility, the capability of electrical/electronic equipment to function satisfactorily in its electromagnetic environment without introducing intolerable electromagnetic disturbances to other equipment, typically evaluated through emission and immunity testing
“EOL”	end of line, the final stage of a manufacturing or assembly process where finished products undergo functional testing, calibration, and quality inspection to ensure compliance with specifications before shipment

GLOSSARY OF TECHNICAL TERMS

“GaN”	gallium nitride, a semiconductor material with high electron mobility, high breakdown voltage and high thermal stability, commonly used in power electronics, fast-charging devices, inverters and other high-efficiency applications, including those in new energy vehicles
“Gpak”	a self-developed power module compatible with various advanced semiconductor chips, including IGBT and SiC chips, designed for applications in hybrid electric vehicles (HEVs), battery electric vehicles (BEVs) and other electric vehicle applications
“GW”	vehicle gateway, a core communications component of a NEV that manages data transmission and protocol conversion across different in-vehicle networks, and its processing speed and compatibility directly affect the reliability and security of inter-system communication throughout the vehicle
“HVDC”	high voltage direct current, a power transmission technology using high-voltage direct current to transfer electricity over long distances with lower transmission losses and improved grid interconnection capability compared to AC systems
“IGBT”	insulated gate bipolar transistor, a three-terminal power semiconductor device combining the high input impedance of a MOSFET with the low conduction losses of a bipolar transistor, widely used in inverters, motor drives, and power conversion systems
“IT”	information technology
“MCU”	motor control unit, an electronic control unit that manages and controls the operation of electric motors by processing input signals and regulating parameters, and is commonly used in new energy vehicles and industrial automation systems
“NEV”	new energy vehicles, comprising of battery electrics vehicles, plug-in hybrid electric vehicles (including REEV) and fuel cell electric vehicles
“NVH”	noise, vibration, and harshness, a set of engineering parameters used to assess and optimize vehicle acoustic performance and ride comfort, focusing on the sources and transmission of noise and vibration
“OBC”	on-board charger, a key component of a NEV that converts alternating current from external charging sources into direct current to charge the high-voltage battery, and its charging efficiency and power capacity directly affect the vehicle’s charging speed and battery longevity
“OEM”	original equipment manufacturer in the automotive industry, which assembles and installs automotive components during the construction of a new vehicle

GLOSSARY OF TECHNICAL TERMS

“PCB”	printed circuit board, a board made of insulating material with conductive pathways, pads and other features used to mechanically support and electrically connect electronic components
“PDU”	power distribution unit, a critical safety and power management component of a NEV that manages the distribution, switching and protection of high-voltage power across various vehicle systems, and its reliability directly affects the safety and stability of the vehicle’s entire electronic and electrical architecture
“PHEV”	plug-in hybrid electric vehicle, a vehicle powered by both an internal combustion engine and an electric motor, with a rechargeable battery that can be charged from an external power source
“PPM”	parts per million, a unit representing the number of occurrences per one million units, commonly used in quality control
“reducer”	a component of an electric drive system that adjusts torque and rotational speed between the electric motor and the wheels
“REEV”	range-extended electric vehicle, a type of electric vehicle primarily driven by an electric motor, equipped with an auxiliary internal combustion engine or generator that provides additional electricity to extend driving range
“TMS”	thermal management system, a critical operational component of a NEV that regulates the temperature of the battery, electric motor, power electronics and cabin to ensure optimal operating conditions, and its efficiency directly affects the vehicle’s driving range, component longevity and performance under varying climate conditions
“VCU”	vehicle control unit, the central decision-making component of a NEV that coordinates and manages the operation of key systems including the electric motor, battery and energy transmission, and its processing capability and control algorithms directly affect the vehicle’s overall performance, energy efficiency and driving experience

FORWARD-LOOKING STATEMENTS

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

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

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

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

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

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

RISK FACTORS

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

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

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We are exposed to customer concentration risk in respect of our NEV domain-controlled electric drive solutions business.

A significant portion of our revenue during the Track Record Period was derived from a small number of customers, being the automotive OEM customers. Geely Related Group is the largest customer in each year during the Track Record Period. Revenue from Geely Related Group and other associates of Mr. Li Shufu amounted to RMB191.2 million, RMB556.5 million and RMB3,267.4 million in 2023, 2024 and 2025, respectively, accounting for 60.9%, 75.4% and 90.0% of our total revenue during the Track Record Period, respectively. Revenue generated from our second largest customer Leapmotor amounted to RMB121.3 million, RMB177.3 million and RMB312.8 million, accounting for 38.6%, 24.0% and 8.6% of our total revenues for the same period, respectively. See “Business — Our Customers” for details.

The stable relationship and consistent demands from major NEV customers are important for our business. With the cooperation spanning eight vehicle models and covering multiple product applications across different vehicle platforms, we have established long-standing and deep engagement with the Geely Related Group. See “Business — Our Business Relationship with Geely Related Group” for details. However, their business conditions, procurement preferences, liquidity, and solvency may have a significant adverse impact on our business, financial results, and management of the supply chain. Even if we maintain stable relationships with our certain customers, their delivery cycles may result in fluctuations in our revenue. Any disruption in our business relationship with major customers could have a material adverse effect on our business, financial condition, and results of operations. In the event that the existing major customers reduce or cease to purchase our products and solutions and we are unable to find new customers with a similar level of demands at comparable terms within a reasonable period of time or at all, it could have an adverse impact on our business, results of operations and financial performance.

Our business is highly dependent on the demand and development of the downstream market of NEV. Any adverse change in market conditions or production volumes of NEV models could materially affect our operation, financial performance and results of operations.

During the Track Record Period, we primarily focus on the design, development, manufacturing, and sales of NEV domain-controlled electric drive solutions. During the Track Record Period, a majority of our revenue are generated in relation to the sales of certain vehicle models. Accordingly, our business performance and growth prospects are highly dependent on (i) the overall development of the NEV and automotive industries, (ii) the evolving demand for our NEV domain-controlled electric drive solutions and (iii) the sales performance of vehicle models deployed with our NEV domain-controlled electric drive solution.

The automotive industry, including the NEV segment, is cyclical and subject to significant fluctuations. The demand for our products and solutions depends on the production volume of vehicle models by OEMs and ultimately their sales to end consumers. Any reduction, delay or volatility in automotive production or sales may directly and materially reduce the volume of our products installed on vehicles, thereby adversely affecting our business and results of operations.

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The future market size of the NEV industry and the demand for our products and solutions are difficult to predict and are affected by various factors beyond our control, including macroeconomic conditions, consumer confidence, disposable income, interest rates, fuel costs, availability of financing, regulatory and policy changes, as well as industry trends and customer preferences. Although the NEV industry has experienced rapid growth and is supported by favorable government policies in major automotive markets, there can be no assurance that such growth will continue or that supportive policies will be maintained. Any decline in, or slower-than-expected growth of, the automotive or NEV markets, or any unfavorable changes in relevant policies, may reduce demand for our products and solutions and materially and adversely affect our business, financial condition and results of operations.

We face intense competition in our industry.

We primarily operate in the NEV industry, which is and will continue to be highly competitive in terms of product quality, market recognition, pricing, and technology innovation. We compete with a number of domestic and international companies supplying domain-controlled electric drive solution. Many of our competitors may have well-established market presence and reputation, more effective financing channels on the capital market, and greater expertise and abilities in R&D, sales and marketing, establishing strategic partnerships with other companies throughout the industry value chain, recruiting, retaining and managing capable technical staff and talent, maintaining more effective communication channels with relevant regulatory authorities, and reaching a broader base of customers than we do. In addition, our competitors, suppliers and customers may seek to extend their reach throughout the industry value chain, which in turn could intensify the competition in our industry. If we fail to compete effectively, we may not be able to maintain our current market position in the future. As a result, our business, results of operations, financial condition and growth prospects may be materially and adversely affected.

If we fail to retain our existing customers or attract new customers, our business, financial condition and results of operations may be materially and adversely affected.

Our success has and will continue to significantly depend on our ability to retain existing customers and attract new customers. This in turn would depend on a number of factors, including our ability to offer high-quality products and solutions that address the needs of our customers at competitive prices, roll out new and enhanced features and functionalities of our products and solutions, strengthen our technological capabilities and adapt to the evolving industry trends and competitive landscape. In particular, our industry is characterized by continuous product innovation and cost optimization, which constantly reshape market demand and customer expectations. To maintain our competitiveness, we must continuously advance our products and solutions.

If customers no longer view our products and solutions as attractive as compared to competing offerings, we may not be able to grow or retain our customer base, which could negatively impact our business and financial situation. In addition, securing the loyalty of our existing customer base is not guaranteed. We cannot assure that any of our existing customers will not cease purchasing products and solutions from us. Should our existing customers significantly reduce orders, or seek price reductions in the future, or we are unable to attract new customers, any such event could have a material adverse effect on our business, financial condition and results of operations.

We have incurred losses for the year during the Track Record Period and may not be able to maintain profitability in the near future.

During the Track Record Period, we recorded loss for the year of RMB270.4 million, RMB345.1 million and RMB288.1 million, respectively. While our loss for the year decreased in 2025 and we recorded profit from operations of RMB50.3 million, we may not be able to maintain profitability in the near future, and may continue to incur loss for the year in the short term, as we are in the stage of expanding our business and operations and are continually investing in R&D. We recorded net liabilities of RMB582.9 million, RMB925.7 million and RMB1,216.8 million as of December 31, 2023, 2024 and 2025, respectively. However, we cannot assure you that we would not incur net liabilities positions in the future which can expose us to the risk of shortfalls in liquidity. This in turn would require us to undertake

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additional equity financing, which could result in dilution of your equity interests. Any difficulty or failure to meet our liquidity needs as and when needed could materially and adversely affect our results of operations, financial conditions and business prospects. In 2023 and 2024, we also recorded net cash used in operating activities of RMB196.9 million and RMB56.3 million and recorded net cash generated from operating activities of RMB195.0 million in 2025. While we have improved our cash outflows during the Track Record Period, there can be no assurance that we will continue to generate positive operating cash in future periods. If we fail to improve our cash flow position, our liquidity and financial condition may be adversely affected.

We believe that our future revenue growth will depend on, among other factors, our ability to develop new technologies, enhance customer experience, establish effective commercialization strategies, compete effectively and successfully, develop new solutions and successfully maintain and secure additional customers. Accordingly, our historical results and significant revenue growth in 2025 may not be indicative of our future performance. We may be unable to sustain the same level of results of operations and financial performance, or our revenue, gross profit and net profit may decline. We may also encounter unforeseen difficulties in operations. Failure to address these risks and challenges may affect our business and financial performance. You should not rely on the revenue of any prior periods as an indication of our future performance.

We also expect our costs and expenses to increase in future periods as we continue to expand our business and operations and invest in R&D. If we are unable to generate adequate revenues and manage our expenses, we may continue to incur significant losses and may not be able to maintain profitability.

We devote resources to secure design wins with major OEMs which may not necessarily lead to commercial production, revenue realization or long-term cooperation, and the realization of revenue from such design wins is subject to non-binding commitments, validation processes, implementation timelines and fluctuations in production volumes.

From initial engagement with OEMs to the final selection of our solutions for integration into specific vehicle models, we allocate significant human, technical and financial resources, which are subject to considerable uncertainty. 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.

In addition to projects for which we directly enter into contracts, we may also secure a design win from OEMs. Upon obtaining such design win, we typically receive a project confirmation from the relevant OEM, typically in the form of a nomination letter. However, such confirmation is not legally binding, and production volume forecasts may not be accurate. A nomination only indicates our solution has been selected for development for a specific vehicle model and does not guarantee revenue realization. OEMs may revise production forecasts, cancel or postpone vehicle programs, or alter technical requirements. OEMs may also choose to internally develop key components or collaborate with other suppliers. Supply chain shortages may also delay OEM manufacturing and operations, postponing our solution implementation, and some OEMs may issue large-volume order forecasts to mitigate supply chain volatility, but if actual vehicle production falls short, OEMs may consume existing inventory before placing new orders, affecting our revenue forecasts. Any projections based on OEM forecasts are inherently uncertain, and our actual results may differ materially. Furthermore, if vehicle models incorporating our solutions experience poor sales, demand for our solutions may decline. Any of these factors could materially and adversely affect our business operations, operating results and financial condition.

Our solutions are technically complex and require ongoing customization and validation to meet stringent customer requirements, therefore, the selected solution is generally retained for the lifecycle of the relevant model, unless the OEM initiates a new round of competitive bidding. Due to industry practices and established relationships, suppliers who obtained design wins often gain advantages in subsequent model development, which intensifies competitive barriers. If we fail to meet OEM requirements in a timely manner, it may negatively impact their workflow and reduce their confidence in our solutions,

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leading to our failure to retain existing OEMs or continue to secure design wins in the future, we may expend significant resources without achieving expected returns, which could materially and adversely affect our business expansion and operating results.

Our business, financial condition and results of operations may be adversely affected if we fail to timely respond to changes in technology and introduce products and solutions adapting to customers’ needs and advancements in technology, or if our research and development investments do not yield the expected results.

The industry in which we operate is characterized by rapid technological advancement, continual improvements in performance characteristics and product features, and continuous optimization in manufacturing. The success of our business is dependent upon our ability to develop and integrate our core technologies to support our products and solutions. To maintain our market position, we are and will be required, on a timely and consistent basis, to design, develop and introduce new and improved products, as well as enhanced solutions offerings that keep pace with technological developments in order to meet the higher demands from our customers.

Technological changes in the NEV domain-controlled electric drive solution industry could render our products and solutions as well as our manufacturing facilities uncompetitive or obsolete, which cannot be accurately predicted or fully mitigated. If we fail to respond by improving our existing products and solutions and launching new products and solutions, develop or improve manufacturing technologies in a timely and effective manner, we may not be able to retain our existing customers, enhance our competitiveness, maintain our market position or attract new customers. Additionally, developing and commercializing new or upgraded existing products or solutions require substantial investment in research and development. Accordingly, we have devoted significant amount of resources to our research and development efforts. Our research and development costs amounted to RMB77.2 million, RMB93.4 million, and RMB111.3 million in 2023, 2024 and 2025, respectively.

However, as research and development activities are inherently uncertain, we cannot guarantee that all our efforts on research and development can deliver benefits that we anticipate. We may also not be able to obtain and retain sufficient resources, including qualified research and development personnel. Even if we succeed in our research and development efforts and generate the results we expect, such results may not arrive in a timely manner as anticipated, and we may still encounter practical difficulties in commercializing our research and development efforts. Given the fast pace of evolution of technology, we may not be able to timely upgrade our technology in an efficient and cost-effective manner, or at all. Despite our research and development expenditures, new technologies in NEV domain-controlled electric drive solution industry could render the products and solutions that we develop or expect to develop in the future obsolete or commercially nonviable, thereby limiting our ability to recover related research and development costs, which could result in a decline in our revenue, profitability and market share.

Our results of operations are highly sensitive to fluctuations in raw material prices and the timely supply of key components. Any disruption in our supply chain or inability to secure cost-effective materials could materially and adversely affect our profitability.

During the Track Record Period, the cost of raw materials accounted for a significant proportion of our production costs. Our raw materials include structural components, electronic components and others. We procure part of such materials and components from third-party suppliers, and any disruption, delay or shortage in their supply may affect our production schedule and delivery capabilities, which could adversely affect our business and results of operations.

The prices of our raw materials and components are subject to fluctuations due to factors beyond our control, including changes in supply and demand dynamics, macroeconomic conditions and industry cycles. Any significant increase in the prices of bulk commodities or key electronic components, such as control chips and power chips, may increase our production costs. While we try to pass on such increased

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costs to our customers to the extent possible, if we are unable to do so in a timely manner, or otherwise mitigate such cost pressures through supply chain management, technological optimization or alternative sourcing, our profitability and financial performance may be adversely affected.

Our products used in vehicles are highly complex and may contain defects or otherwise fail to perform in line with expectations. Such defects or failures could reduce the market adoption of our new products, damage our reputation, expose us to product liability and other claims and adversely affect our operating results.

Our main products are domain-controlled electric drive solution for new energy vehicles, which involve complex and precise manufacturing processes such as mechanical processing, electromagnetic design, and circuit design, making them precision automotive components. At the same time, our domain-controlled electric drive solution must operate stably under various complex working conditions, with features such as high energy conversion efficiency, safety protection, low failure rates, and long service life, to meet the comprehensive performance, safety, and durability demands of end users. As a result, our downstream OEM customers have extremely high expectations for our product quality.

We maintain our quality management systems based on IATF 16949 standards and CNAS 17025 laboratory certifications. However, due to the complexity of our product quality management process and the high difficulty of control, there is still a risk that quality issues may arise due to factors such as force majeure or improper human operation. Such issues could lead to quality claims or the termination of cooperation with customers. Our reputation or brand may be damaged as a result of these problems and customers may be reluctant to buy our products, which could adversely affect our ability to retain existing customers and attract new customers and could adversely affect our financial results. In addition, we could face material legal claims for breach of contract, product liability, fraud, tort or breach of warranty as a result of these problems. Defending a lawsuit, regardless of its merit, could be costly and may divert management’s attention and adversely affect the market’s perception of us and our products.

We face pricing pressure from customers.

We design, develop, and manufacture NEV domain-controlled electric drive solutions and NEV domain-controlled electric drive solution components primarily for automotive OEMs, who possess leverage over their suppliers, including us, because some of them are large multinational companies with negotiating power. In addition, the automotive component supply industry is inherently highly competitive and has a high fixed cost base. The growing competition among both established players and new market entrants in our industry further exacerbates the pricing pressures we face. While OEMs may have the ability to pass on part of their cost increases to end consumers, we may not be able to correspondingly pass on increases in our costs in a timely manner, due to OEMs’ strong bargaining power and the competitive dynamics of the automotive supply chain. Accordingly, we expect to be subject to substantial continuing pressure from major customers to reduce the prices of our products.

Depending on market conditions and commercial consideration, we incurred sales rebate with certain customers during the Track Record Period. In 2023, 2024, and 2025, an aggregate amount of RMB2.0 million, RMB33.0 million and RMB17.4 million of rebates were incurred, respectively, representing 0.6%, 4.5% and 0.5% of our revenue of the same years, respectively. Such rebates were recorded as reductions of our revenue. According to CIC, such rebate arrangement is a common practice in the NEV domain-controlled electric drive solution industry. While sales rebates may help drive business in a competitive market, they could also reduce our revenue and profit margins and increase the complexity of revenue recognition under applicable accounting standards. If we are unable to offset the impact of customer price reductions and sales rebates by improving operational efficiency, launching profitable new or upgraded products, or implementing other cost-reduction measures, our business, financial condition, and operating performance may be significantly and adversely affected.

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Our business requires continuous capital expenditure for production capacity upgrades and expansion.

Our operations depend on the continuous upgrades and expansion of production capacity to meet evolving customer demands and market trends. We require ongoing capital expenditure to ensure the quality, efficiency, and competitiveness of our products. As a result, we are currently proceeding with construction of our Ningbo production facility, and intends to advance construction of our new facility. See “Future Plans and Use of [REDACTED] — Use of [REDACTED]” for details. However, this is no assurance that we will secure sufficient orders to fully utilize our production capacity. During the Track Record Period, we primarily used cash from operating activities and financing in the maintenance and upgrades of production facilities. During the Track Record Period, our capital expenditures consisting of payments for purchase of plant and equipment and payments for purchase of intangible assets, were RMB130.1 million, RMB75.8 million, and RMB116.2 million in 2023, 2024 and 2025, respectively. There can be no assurance that we will be able to generate sufficient cash from operations, or at all, to fund our planned capital expenditures. Any delays or failures in securing necessary funding and any unforeseen increases in costs or delays in the implementation of our capital expenditure plans could adversely affect our operations and financial results.

If we are unable to manage our growth or execute our strategies effectively, our business and prospects may be materially and adversely affected.

Our business has continued to grow in recent years, as has our business network and number of employees. In addition, as we expand our product portfolio, customer base, and geographical markets, we will need to work with a larger number of suppliers and partners efficiently and maintain and expand mutually beneficial relationships with our existing and new suppliers and partners. We also need to continuously enhance and upgrade our infrastructure and technology, improve control over our operational, financial and management aspects, strengthen our supplier and customer management, refine our reporting systems and procedures, and expand, train and manage our growing employee base. All these efforts will require significant managerial, financial and human resources.

We cannot assure you that such efforts will reach our expected success. We cannot assure you that we will be able to effectively manage our growth, that our current infrastructure, systems, procedures and controls or any new measures to enhance them will be adequate and successful to support our expanding operations or that our strategies and new business initiatives will be executed successfully. In addition, changes and developments taking place in industries that we operate in may also require us to re-evaluate our business model and adopt material changes to our long-term strategies and business plans. Our failure to innovate and adapt to these changes and developments may have a materially adverse effect on our business, financial condition and results of operations. Even if we innovate and adapt to these changes and developments, we may nevertheless fail to realize the anticipated benefits of changes adopted to our long-term strategies and business plans or even harm our profitability as a result.

We are expanding into new business segments and regions. Failure to deliver high-quality products and solutions could adversely harm our business and growth prospects.

We are expanding our business through both introducing new products and solutions as well as entering into new business sectors of AIDC power supply systems and embodied intelligence domain-controlled electric drive systems. We plan to advance our global expansion in phases by measure including not limited to establishing production lines at the facilities of our overseas strategic partners and building localized research and development, manufacturing and operation bases overseas. See “Future Plan and Use of [REDACTED]” for details. However, the business expansion exposes us to risks. The success of developing and commercializing new products and solutions depends on multiple factors, such as industry trends, market demand, competition and customer acceptance. See “Business — Strategic Business Expansion” for details. There is no assurance that the adoption of our products and solutions by existing or potential customers will continue to grow in any particular sector and these products will be successfully commercialized as planned, or that we will be able to timely and effectively respond to evolving customer needs. Failure to do so could hinder the commercialization and adoption of our products and solutions, thereby adversely affecting our financial condition and results of operations.

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In addition, we may face challenges in accurately assessing market demand, customer preferences, and competitive landscapes in unfamiliar markets. Furthermore, local regulatory requirements, trade policies, and compliance obligations may differ significantly from those in our existing markets, potentially leading to additional costs, or restrictions on our operations. Even if we are able to establish operations in these new markets, there is no assurance that they will generate sufficient revenue or profitability to justify our investments. Failure to successfully manage these circumstances could adversely affect our business, financial condition, and results of operations. As we continue to expand our business into new regions and broaden our customer base, we expect to face increasing operational complexity. Rising shipment volumes and diverse customer needs may make it difficult or costly to maintain consistent service quality across all markets. If we are unable to effectively manage these challenges, our business, financial condition and results of operations could be adversely affected.

Unexpected disruptions to our production facilities or production process may materially and adversely affect our business operations.

As of December 31, 2025, we had two production bases in Chinese Mainland. Our ability to maintain stable and efficient operations at our production facilities is key to our business. Our production facilities are subject to operating risks, including utility supply disruptions, such as disrupted supply of electricity, water or steam and significant increases in utility prices, or other force majeure events, adverse weather, forced closures or suspensions, major disease outbreaks, non-compliance with regulations or quality standards, labor disputes, accidents such as equipment failures or fires, and other production issues, including capacity limitations or changes in product types that could affect continuous supply.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material disruptions to our production bases. However, we cannot assure you that the events and factors aforementioned or any other events will not occur and result in a material disruption to the operations at our production facilities in the future. If we fail to take adequate steps to mitigate the likelihood or potential impact of such events or factors, or to effectively respond to such events or factors if they occur or materialize, our business, results of operations and financial condition may be materially and adversely affected.

Additionally, we may need to carry out planned shutdowns of our production plants for routine maintenance, statutory inspections and testing and may need to shut down various plants for capacity expansions and equipment upgrades from time to time. The occurrence of any of the above events may cause us to stop or suspend our production operations and we may not be able to deliver the products to our customers on a timely basis, which would have an adverse impact on our business, financial condition and results of operations.

We depend on certain key personnel and our ability to attract and retain talented personnel for our operations.

Our success depends significantly on the efforts and abilities of key individuals, including Mr. Guan Bo, our co-founder, who have made substantial contributions to the development of our operations and our corporate culture. If we were to lose such personnel, or if these individuals fail to devote the same amount of time and effort to our business as they have done in the past, we cannot assure you that we would be able to replace such individuals with new personnel capable of making the same contribution in the near term or at all. As such, the loss of services of one or more of these key individuals, or any negative market or industry perception arising from such loss, could have a material adverse effect on our operations.

The success of our business is also dependent on our ability to attract and retain talented personnel, including R&D personnel who have in-depth knowledge and understanding of our industry. We cannot assure you that we will be able to attract and retain qualified personnel to fulfill our current or future needs and the failure to do so could adversely affect our business and future growth.

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Our failure to adequately manage our inventories may lead to inventory obsolescence.

Maintaining optimal inventory levels is critical to the success of our business. As of December 31, 2023, 2024 and 2025, our balance of inventories was RMB56.7 million, RMB137.2 million and RMB224.1 million, respectively. Our inventory turnover days in 2023, 2024 and 2025 were 73 days, 48 days and 20 days, respectively. Failure to adequately manage inventory risks may lead to inventory obsolescence, decline in inventory value or inventory write-offs.

We may not be able to accurately predict relevant trends and events and maintain adequate levels of inventory at all times. An unexpected decrease in market demand for the products we sell could lead to excessive inventory, and we may offer discounts or conduct promotion activities to dispose of slow-moving inventory, which in turn may adversely affect our results of operations and financial condition.

We may get exposed to credit risks, which could negatively impact our financial condition, results of operations and operating cash flow.

We are exposed to credit risk related to delay in payment and defaults of our customers. As of December 31, 2023, 2024 and 2025, the balances of our trade receivables amounted to RMB221.8 million, RMB372.2 million and RMB842.4 million, respectively. As of the same dates, the balances of our bills receivables, which mainly represent short-term bank acceptance receivables, amounted to RMB45.6 million, RMB137.8 million and RMB495.5 million, respectively. During the Track Record Period, the majority of our trade and bills receivables, based on the invoice date, are aged within one year. In 2023, we recorded impairment loss reversal on trade and other receivables of RMB1.3 million. In 2024, we recognized impairment losses on trade and other receivables of RMB0.4 million, and subsequently recorded impairment losses reversal of RMB0.4 million in 2025. Our trade receivables turnover days in 2023, 2024 and 2025 were 140 days, 147 days and 61 days, respectively.

Our trade receivables balance may continue to increase along with our business growth, which may increase our credit risks. Although we have taken various measures to monitor our outstanding trade receivables and enhance the collection of trade receivables, we cannot, however, assure you that our measures will be fruitful nor can we guarantee that customers will settle our trade receivables within the credit period, and our trade receivable balances and average turnover days may increase in the future. Moreover, macroeconomic conditions could also result in financial difficulties for our customers, including operational and liquidity difficulties, limited access to the credit markets, insolvency or bankruptcy, and as a result could cause our customers to delay payments to us or default on their payment obligations to us. Under certain circumstances, we may have to sue our customers for outstanding payments, which may cost us additional resources for the litigations. If we are unable to collect trade receivables from customers, our business, financial condition and results of operations may be materially and adversely affected.

Our sales may be influenced by 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. The degree of seasonality may vary from time to time depending on industry conditions, customer demand, and other factors over which we have limited control. If there are any significant seasonal fluctuations differing from our prior experience, we must ensure that relevant supplies and manufacturing capacity are arranged effectively to dynamically meet market demand.

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Adverse publicity involving us or the industry where we operate our business in general, could adversely affect our business and financial performance.

As we continue our growth in business scale, broaden the scope of our products and services, and expand into foreign markets, it will be increasingly difficult to maintain the efficiency and quality of our products and solutions, which may negatively impact our brand and market reputation. The failure to maintain and to enhance our brand recognition may materially and adversely affect our business, results of operations and financial performance.

Many factors, some of which are beyond our control, may also negatively impact our brand image and corporate reputation if not properly managed. These factors include our ability to provide quality services to customers, successfully conduct marketing activities, manage relationships with and among industry participants, respond to complaints and negative publicity, and maintain a positive perception of our company, our peers and the industry in which we operate in general. Any actual or perceived deterioration of the quality of our products and solutions could subject us to damages such as the loss of key customers. Negative publicity directed against us or the industry in which we operate in general or our business partners, such as our suppliers and other service providers, could cause damage to our corporate reputation and lead to further changes to government policies and the regulatory environment. If we are unable to promote our brand image and protect our corporate reputation, we may not be able to maintain and grow our customer base, and our business and growth prospects may be adversely affected.

Our share incentive plan may result in increased share-based payment expenses and may adversely affect our results of operations.

We have adopted, or may adopt in the future, share incentive plans to attract and retain key employees and align their interests with those of our shareholders. The grant of share-based awards may result in the recognition of share-based payment expenses in our consolidated financial statements, which could increase expenses in our consolidated statements of profit or loss and adversely affect our results of operations.

We received government grants and preferential tax treatment during the Track Record Period, and any discontinuation of government grants or preferential tax treatment or any change in the relevant policies may adversely affect our results of operations and financial performance.

During the Track Record Period, government grants are recognized when there is reasonable assurance that they will be received and that we will comply with the conditions attaching to them. The government grants we received during the Track Record Period represented various forms of incentives and subsidies granted to our Group by local government authorities in the PRC. We cannot guarantee that we will receive such government grants and preferential tax treatment in the future, and our financial condition and results of operations may be adversely affected if we fail to obtain such government grants in the future.

Since we require various approvals, licenses and permits to operate our business, any failure to obtain or renew any of these approvals, licenses and permits could materially and adversely affect our business and results of operations.

In accordance with the laws and regulations in the jurisdictions in which we operate, we are required to maintain approvals, licenses, permits and certifications in order to operate our business. Complying with such laws and regulations may require substantial expense, and any noncompliance may expose us to liability. We have designed and adopted strict internal procedures to ensure compliance of our business operations with all relevant laws and regulations, and to ensure that we obtain necessary approvals, licenses, permits and certifications for our business operations. However, we cannot guarantee that we will be able to obtain and maintain all requisite approvals, licenses, permits and certifications in a timely manner. Regulatory authorities who have extensive authority to supervise and regulate the industry we operate in may not interpret relevant laws and regulations the way we do. In addition, as the regulatory regime for the industries in which we operate continues to evolve, new laws, regulations and regulatory

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requirements are promulgated and implemented from time to time. We may be required to obtain approvals, licenses, permits and certifications that we do not currently have for our existing business or new scope of business that we may expand into in the future. In the event of noncompliance, we may have to incur significant expenses and divert substantial management time to rectify the incidents. In the future, if we fail to obtain or maintain the necessary approvals, licenses, permits and certifications required by relevant laws and regulations or if we are deemed to have conducted business operations requiring certain approvals, licenses, permits and certifications without having one, we may be subject to fines or the suspension of operations of the relevant business segments or facilities that do not have all the requisite approvals, licenses, permits and certifications, which could materially and adversely affect our business and results of operations. See “Regulatory Overview” for further details on the requisite approvals, licenses, permits and certifications for business operations. We may also experience adverse publicity arising from noncompliance with government regulations, which would negatively impact our reputation.

We may face risks relating to labor relations, labor disputes, labor shortages and increases in labor costs.

We have been subject to regulatory requirements in terms of entering into labor contracts with our employees and paying various statutory employee benefits, including pensions, housing funds, medical insurance, work-related injury insurance, unemployment insurance and childbearing insurance to designated government agencies for the benefit of our employees. Pursuant to the PRC Labor Contract Law (中華人民共和國勞動合同法) that became effective in January 2008 and was amended in December 2012 and its implementing rules that became effective in January 2008, employers are subject to the requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employees’ probation and unilaterally terminating labor contracts.

In addition to our employees, we also engage labor outsourcing service providers for ancillary production services. If outsourced personnel are deemed by the competent authorities to have formed a de facto employment relationship with us, we may be required to enter into labor contracts with such personnel and undertake employer obligations, including paying wages and making social insurance and housing provident fund contributions. While we seek contractual assurances from our outsourcing service providers regarding compliance with applicable requirements, we cannot assure you that all such obligations will be fulfilled at all times, or that we will not be required by the authorities to bear additional responsibilities or liabilities. According to the Interim Provisions on Labor Dispatch (勞務派遣暫行規定) issued by the Ministry of Human Resources and Social Security in January 2014, the number of dispatched worker hired by an employer shall not exceed 10% of the total number of employees. If the relevant regulatory authorities determine that the number of dispatched worker hired by us exceed 10% of the total number of employees and we fail to rectify such non-compliance within a prescribed time limit, we may be subject to a fine ranging from RMB5,000 to RMB10,000 per dispatched worker exceeding the limit. In the event that we decide to terminate some of our employees or otherwise change our employment or labor practices, we may incur certain costs to deal with such termination or changes in compliance with the Labor Contract Law and its amendments, which may adversely affect our business and results of operations. We believe that our current practice complies with the Labor Contract Law and its amendments. However, the relevant governmental authorities may take a different view and impose fines on us.

As the interpretation and implementation of labor-related laws and regulations are still evolving, we cannot assure you that our employment practices may always be in compliance with labor-related laws and regulations in a timely manner. If we are deemed to have violated relevant labor laws and regulations, we may be subject to labor disputes or government investigations, and we may be required to provide additional compensation to our employees.

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We may not be able to protect our intellectual properties against infringement and unauthorized use in our products.

We consider our intellectual property rights to be critical to our success and competitive advantage. We register and protect such intellectual property rights to the extent that we are able to under relevant local laws. See “Business — Intellectual Property” for details. However, we cannot assure you that the steps we have taken to protect our intellectual property rights are sufficient, or that such intellectual property rights will not be subject to infringement in the future.

In addition, our intellectual property rights may be declared invalid or unenforceable if being challenged in the courts or before the related government intellectual property authorities. Any unauthorized use of our intellectual property rights could harm our brands and reputation, which could adversely affect our financial condition and results of operations. Our results of operations may also be adversely affected as a result of incurring additional costs and the diversion of management’s attention when initiating any intellectual property right claims.

If any fraud, bribery or other misconduct is committed by third parties, we may be subject to economic losses and reputational damage.

We may face fraud, bribery or other misconduct committed by third parties, such as suppliers and customers, which could lead to financial losses and penalties from government authorities. Although we have designed internal control procedures to monitor operations and ensure overall compliance, these procedures may not be able to promptly identify all non-compliance, suspicious transactions, fraud, corruption, bribery or other misconduct by third parties, nor prevent or stop such occurrences. Our risk management systems and internal control capabilities are limited by the information and risk management tools and technologies available to us. Any misconduct by third parties that harms our interests could result in negative publicity, damage our reputation and lead to litigation and other legal proceedings, as well as administrative or criminal penalties, thereby adversely affecting our business and financial performance.

If our third-party service providers fail to perform obligations arising from our labor outsourcing arrangements or do not satisfactorily fulfill their commitments and responsibilities, our business and financial performance could be adversely affected.

In conducting our business, we rely on certain services provided by third parties to support various aspects of our operations. These third parties face risks similar to ours, such as business interruption, system failure and human error, risks related to cybersecurity and data protection, as well as their own legal, regulatory and market risks. Our third-party service providers may not be able to fulfill their respective commitments and responsibilities in a timely manner and in accordance with the terms agreed with us or applicable laws and regulations.

Additionally, we may not be able to control the business operations or governance and compliance systems, business practices, and operating procedures of our third-party service providers. If we are unable to effectively manage our relationships with third-party service providers, or if our third-party service providers fail to satisfactorily fulfill their commitments and responsibilities for any reason, our business, operating results and financial condition will be affected. There can be no assurance that we can continue or extend relationships with our current third-party service providers on terms acceptable to us, or that we will be able to establish relationships with new third-party service providers to ensure accurate, timely and cost-efficient delivery of such services. When existing contracts with third-party service providers expire, we may not be able to renew them on terms favorable to us or find suitable replacements in a timely manner, which could adversely affect our business and financial performance.

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Acquisition of or investments in businesses, products or technologies could subject us to risks and uncertainties.

We plan to continually and actively seek strategic opportunities for acquisitions of or investments in businesses and products that we believe would benefit our sales network. We may not be able to successfully execute our acquisition or investment plans, and complete the relevant transactions as expected. Our ability to grow through acquisitions and investments depends upon our ability to identify, acquire and integrate suitable targets and to obtain necessary financing on reasonable terms. In particular, acquisitions may involve significant risks and uncertainties, including but not limited to: (i) difficulties in integrating acquired companies, personnel, equipment, facilities or products, as applicable, into our business to realize the benefits and synergies of acquisitions and investments; (ii) diversion of our management’s time and attention from other business concerns; (iii) higher costs of integration than anticipated; and (iv) difficulties in retaining key employees of acquired businesses.

Meanwhile, we may be unable to achieve the anticipated effects or returns from our investments and recover such investments in time. An acquisition could also impair our results of operations by causing us to incur debt or amortize acquired intangible assets. We may also discover deficiencies in data adequacy, integrity and security, service quality, regulatory compliance and liabilities in acquired businesses which we did not uncover prior to such acquisitions. Consequently, we may be subject to penalties, lawsuits or other liabilities. Any difficulties in the integration of acquired businesses or products, or unexpected penalties, lawsuits or liabilities in connection with such businesses or products could adversely affect our business and financial performance.

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.

We may be subject to or involved in or mentioned in various complaints, claims, controversies, regulatory actions, arbitrations and other legal proceedings during the ordinary course of business operations related to, among other things, products or other types of liability, labor disputes, contract disputes or intellectual property disputes that may adversely affect our results of operations, financial condition, liquidity, cash flows and reputation. These actions could also expose us to adverse publicity, which might adversely affect our brands, reputation and customer preference for our products.

During the Track Record Period and up to the Latest Practicable Date, there were no legal proceedings pending or threatened against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material noncompliance incidents that have led to fines, enforcement actions, or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition, and results of operations.

However, complaints, claims, arbitration, lawsuits, and litigations are subject to inherent uncertainties, and we are uncertain whether existing or new claims against us or which mention us would develop into lawsuits, damages or regulatory penalties and other disciplinary actions that may be material to our business in the future. Lawsuits, litigations, arbitration and regulatory actions may cause us to incur substantial costs or fines, utilize a significant portion of our resources and divert management’s attention from our day-to-day operations, or materially modify or suspend our business operations, any of which could materially and adversely affect our financial condition, results of operations and business prospects. Responding to or defending litigations or other claims, disputes or complaints against us is costly and can impose a significant burden on our management and employees or negatively affect our reputation, and there can be no assurances that favorable final outcomes will be obtained in all cases. In addition, there can be no assurance that we will be successful in the claims we pursue against other parties. Any resulting liability, losses or expenses, or changes required to our businesses to reduce the risk of future liability, may have a material adverse effect on our business, financial condition and prospects. The interpretation of PRC laws in different jurisdictions may be subject to change, and an adverse outcome of a single claim against us in one jurisdiction regarding our business practices may result in significant negative publicity

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and heightened scrutiny by regulators and courts of our business and operations across the country, or potential penalties or other regulatory actions against us. Any of such outcomes may cause significant disruptions to our operations and materially and adversely affect our results of operations and financial condition.

Our insurance coverage may be insufficient to cover all potential liabilities or losses.

We maintain different types of insurance policies to cover our operations. See “Business — Insurance” for more details. We consider our insurance coverage to be sufficient for our business operations in China. However, there may be circumstances under which certain types of losses, damages and liabilities are not covered by our insurance policies, or that we fail to claim our losses under our current insurance policy on a timely basis, or at all. If we were to incur substantial losses and liabilities that are not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, we could suffer significant costs and diversion of our resources, which could have a material and adverse effect on our business, financial condition and results of operations.

Failures or security breaches of our information technology systems could affect our business.

Information technology is an important part of our business operations, and we increasingly rely on our information technology systems to monitor and manage all aspects of our business including procurement, production, quality control, warehousing and logistics, sales and distribution, and marketing. Our information technology systems may be vulnerable to a variety of interruptions, including natural disasters, telecommunications failures, computer viruses, cyber-attacks, hackers, unauthorized access attempts and other security breaches. The technology security initiatives and disaster recovery plans we have implemented to address these may not be adequate. Any significant failure of our systems, including failures that prevent our systems from functioning as intended could cause transaction errors, processing inefficiencies and loss of customers and sales, resulting in a negative impact on our operations or business reputation.

We are subject to complex and evolving ESG requirements, which require us to devote substantial time and resources.

There is an increasing focus on corporate responsibility and a number of regulations and requirements on ESG performance pose reputational, regulatory and other risks to us. We believe that it is our responsibility to devote substantial time and resources to develop technology and products designed to reduce carbon footprint and maintain environmentally friendly business operations. The process of developing new production technologies and enhancing existing production technologies to mitigate climate change is often complex, costly and uncertain, and we may pursue strategies or make investments that do not prove to be commercially successful in the time frames expected, or at all. Moreover, not all of our competitors may seek to establish climate or other ESG targets and goals, or at a comparable level to ours, which could adversely affect our competitiveness in the relevant market.

In particular, our production activities are subject to environmental protection and energy consumption regulatory requirements in the PRC. If our actual production capacity or energy consumption exceeds the levels approved by the relevant authorities, or if there are any material changes to our approved projects, we may be required to obtain additional approvals, complete supplemental filings, or implement rectification measures. Failure to do so in a timely manner may result in administrative penalties, fines, orders to suspend operations, or other regulatory actions.

Compliance with these ESG requirements and regulations requires additional investments of resources, and failure to comply could subject us to, among other things, legal liability, fines, suspension of production, a loss of licenses to operate certain facilities and other sanctions, interruptions to operations, securities litigation and a general loss of investor confidence, any one of which could have a material adverse impact on our business and financial performance. We risk damage to our brand and our reputation in the event that our corporate responsibility procedures or standards do not meet the standards set by various third parties. In addition, in the event that we communicate certain initiatives and goals

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regarding ESG matters, we could fail, or be perceived to fail, in our achievement of such initiatives or goals, or we could be criticized for the scope of such initiatives or goals. Any of these circumstances could cause negative publicity, and our business operations could be adversely impacted.

We face risks related to health epidemics and other outbreaks, and events such as wars and acts of terrorism, which could significantly disrupt our operations.

Our business is subject to risks related to outbreaks of a widespread health epidemic such as avian influenza, swine influenza, severe acute respiratory syndrome (SARS), Middle East respiratory syndrome coronavirus (MERS-CoV), Ebola epidemics, or COVID-19, or other events such as war, acts of terrorism, environmental accidents, power shortages or communication interruptions. The occurrence of any of the foregoing events may harm the global and regional economy in general, disrupt the industries in which we operate and our operations, and have an adverse effect on our business, results of operations and financial condition.

RISKS RELATING TO THE JURISDICTIONS IN WHICH WE OPERATE

Changes in political, economic policies and in the interpretation or enforcement of relevant laws, rules and regulations in China may materially and adversely affect our business, financial condition, results of operations and prospects.

Our operations in China are inherently subject to the development of Chinese political, economic and legal environments. Significant changes in Chinese political, economic, regulatory or social conditions may have a material adverse effect on our business performance and prospects. We will comply with applicable laws, rules and regulations in China. However, existing laws, rules and regulations may be amended, interpreted or replaced in the future. There can be no assurance that we will successfully adapt to such changes or to any new laws or regulations that may come into effect, which may adversely affect our business, financial condition, results of operations, cash flows and prospects.

Policies and regulations regarding foreign currency conversion may impact our foreign exchange transactions, including dividend payments to holders of our H Shares and our ability to finance in foreign currencies.

The conversion of RMB is subject to applicable laws and regulations in the PRC. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the State Administration of Foreign Exchange, or SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business.

Under existing foreign exchange regulations, following the completion of the [REDACTED], we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, there is no assurance that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to Shareholders or to satisfy any other foreign exchange requirements, or to capitalize our capital expenditure plans, and even our business, operating results and financial condition, may be affected.

It may be complex to effect service of process upon us or our management or to enforce against them or us any judgments obtained from foreign courts.

We are a company incorporated under the PRC laws and a majority of our assets are located in Chinese Mainland. In addition, most of our Directors and senior management reside in Chinese Mainland. As a result, it may be complex for investors to effect service of process outside Chinese Mainland upon us, our Directors, or senior management or to enforce judgments obtained against us in courts outside

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Chinese Mainland. A judgment of a court of another jurisdiction may be reciprocally recognized or enforced in Chinese Mainland only if the jurisdiction has a treaty with Chinese Mainland or if the jurisdiction has been otherwise deemed by the courts of Chinese Mainland to satisfy the requirements for reciprocal recognition, subject to the satisfaction of other requirements. On July 3, 2008, the Supreme People’s Court and the Government of the Hong Kong Special Administrative Region signed the Arrangement between the Mainland and the HKSAR on Reciprocal Recognition and Enforcement of the Decisions of Civil and Commercial Cases under Consensual Jurisdiction (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) (the “2008 Arrangement”). Under the 2008 Arrangement, where any designated court of Chinese Mainland or Hong Kong court has made an enforceable final judgment requiring payment of money in a civil and commercial case pursuant to a choice of court agreement, the party concerned may apply to the relevant court of Chinese Mainland or Hong Kong court for recognition and enforcement of the judgment. The 2008 Arrangement took effect on August 1, 2008, but the effectiveness of any action brought under the arrangement remains uncertain. The Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the “2024 Arrangement”) became effective on January 29, 2024. The 2024 Arrangement regulates, among others, the scope and particulars of judgments, the procedures and methods of the application for recognition or enforcement, the review of the jurisdiction of the court that issued the original judgment, the circumstances where the recognition and enforcement of a judgment shall be refused, and the approaches towards remedies for the reciprocal recognition and enforcement of judgments in civil and commercial matters between the courts in Chinese Mainland and those in Hong Kong. However, the 2008 Arrangement will remain applicable to a “choice of court agreement in writing” within the meaning of 2008 Arrangement which is made before the effective date of 2024 Arrangement.

We may be subject to additional regulatory requirements relating to new laws and regulations in connection with overseas securities offering and listing issued by the PRC government authorities.

On February 17, 2023, the CSRC issued the Overseas Listing Trial Measures and five supporting guidelines, which had become effective on March 31, 2023 (the “Overseas Listing Regulations”). The Overseas Listing Regulations are applicable to overseas securities offering and listing conducted by issuers who are (i) companies incorporated in the PRC and (ii) companies incorporated overseas with substantial operations in the PRC. The Overseas Listing Regulations lay out the arrangements for regulatory filings for both direct and indirect overseas offerings, and clarify the determination criteria for indirect overseas offerings in overseas markets. See “Regulatory Overview — Regulations Relating to Securities and Overseas Listing” for details. The Overseas Listing Regulations, or any pertinent rules or regulations promulgated in the future, may subject us, or our financing activities, to additional compliance requirements in the future. Any failure on our part to fully comply with the new regulatory requirements may significantly limit or completely hinder our future financing activities.

There is no assurance whether and when we will pay dividends, which is subject to restrictions under PRC law.

No dividend had been paid or declared by our Company during the Track Record Period. Under the applicable PRC laws, the payment of dividends may be subject to certain limitations. The calculation of our profit under applicable accounting standards differs in certain respects from the calculation under IFRS. As a result, we may not be able to pay a dividend in a given year even if we were profitable as determined under IFRS. Our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the PRC laws and regulations and requires approval at our shareholders’ meeting. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution.

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

Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the PRC and a non-PRC investor’s jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are non-PRC resident enterprises, which do not have an establishment or place of business in the PRC, or which have an establishment or place of business in the PRC if the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% PRC income tax rate if such gains are regarded as income from sources within the PRC unless a treaty or similar arrangement provides otherwise.

Under the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within the PRC paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of shares are generally subject to a 20% PRC income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號) dated June 28, 2011, issued by the SAT, dividends paid to non-PRC resident individual holders of H Shares are generally subject to individual income tax of the PRC at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the non-PRC resident individual holder of H Shares resides as well as the tax arrangement between the PRC and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF of the PRC and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. In addition, on December 31, 2009, the MOF, the SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167) which states that individuals’ income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70). As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges. To our knowledge, in practice, the PRC tax authorities have not sought to collect individual income tax from non-PRC resident individuals on gains from the transfer of listed shares of PRC resident enterprises on overseas stock exchanges. However, there is no assurance as to whether further implemented laws, regulations, or practices in the future would result in levying income tax on non-PRC resident individuals on gains from the sale of H shares.

If the PRC income tax is imposed on gains realized from the transfer of our H Shares or on dividends paid to our non-PRC resident investors, the value of your [REDACTED] in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with the PRC may not qualify for benefits under such tax treaties or arrangements.

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RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our H Shares, and an active [REDACTED] for our H Shares may not develop or be sustained.

There was no public market for our H Shares prior to the [REDACTED]. There can be no guarantee that a public market for our H Shares with adequate liquidity and [REDACTED] will develop and be sustained following the completion of the [REDACTED]. In addition, the [REDACTED] of our H Shares is expected to be fixed by agreement between the Overall Coordinators (for themselves and on behalf of the [REDACTED]) and us, which may not be indicative of the [REDACTED] of our H Shares following the completion of the [REDACTED]. If an active public market for our H Shares does not develop following the completion of the [REDACTED], the [REDACTED] and liquidity of our H Shares may be materially and adversely affected.

The liquidity, [REDACTED] and [REDACTED] of our H Shares following the [REDACTED] may be volatile, which could lead to substantial losses to [REDACTED].

The liquidity, [REDACTED] and [REDACTED] of our H Shares following the [REDACTED] may be subject to significant volatility in response to various factors beyond our control, including the general market conditions for securities in Hong Kong and elsewhere in the world. The Hong Kong Stock Exchange and other securities markets have, from time to time, experienced significant liquidity, market price and trading volume volatility that are not related to the operating performance of any particular company. The business and performance and the market price of the shares of other companies engaging in similar business may also affect the [REDACTED] and [REDACTED] of our H Shares. In addition to market and industry factors, the liquidity, [REDACTED] and [REDACTED] of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our financial performance, regulatory developments, relationships with our major customers and suppliers, movements or activities of key personnel, actions taken by competitors, the valuation of publicly traded companies that are engaged in business activities, general market sentiment regarding the industry we operate in, or political, economic, financial and social conditions. Moreover, the shares of other companies listed on the Hong Kong Stock Exchange have experienced market price volatility in the past, and the [REDACTED] of our H Shares may be subject to changes in price not directly related to our business performance.

Future sales or perceived sales of substantial amounts of our H Shares in the public market could have a material adverse effect on the [REDACTED] of our H Shares and our ability to raise additional capital in the future.

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

You will incur immediate and significant dilution if the [REDACTED] is higher than the net tangible asset value per H Share and may experience further dilution if we issue additional Shares in the future.

The initial [REDACTED] of our H Shares is higher than the net tangible asset value per Share of the outstanding Shares issued to our existing Shareholders immediately prior to the [REDACTED]. Therefore, [REDACTED] of our H Shares in the [REDACTED] will experience an immediate dilution in terms of the [REDACTED] net tangible asset value. In addition, we may consider offering and issuing

RISK FACTORS

additional Shares or equity-related securities in the future to raise additional funds, finance acquisitions or for other purposes. [REDACTED] of our H Shares may experience further dilution in terms of the net tangible asset value per Share if we issue additional Shares in the future at a price that is lower than the net tangible asset value per Share.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, growth opportunities for existing operations, plans and objectives of management, certain [REDACTED] information and other matters. The words “aim,” “anticipate,” “believe,” “could,” “predict,” “potential,” “continue,” “expect,” “intend,” “may,” “might,” “plan,” “seek,” “will,” “would,” “should” and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward-looking statements, including those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are estimates reflecting the best judgment of our Directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Consequently, these forward-looking statements should be considered in light of various important factors, including those set out in this section. Accordingly, such statements are not a guarantee of future performance and [REDACTED] should not place undue reliance on them.

Certain facts, forecasts and other statistics in this document are derived from various government publications.

We have derived certain facts and other statistics in this document, particularly those relating to the general economy and the industries in which we operate, from information provided by official government sources. However, the information derived from official government sources has not been independently verified by us, any of the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, [REDACTED] or any of their respective directors, officers, affiliates, advisors, or representatives, or any other party involved in the [REDACTED], and no representation is given as to its accuracy. Collection methods of such information may be ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. In all cases, our [REDACTED] should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

You should read the entire document carefully and only rely on the information included in this document to make your [REDACTED] decision, and we strongly caution you not to rely on any information contained in press articles or other media coverage regarding us, our H Shares or the [REDACTED].

You are strongly advised to read the entire document carefully and are cautioned against placing any reliance on the information in any press article or any other media coverage which contains information not disclosed or not consistent with the information included in this document.

Prior to the completion of the [REDACTED], there may be press and media coverage regarding our Group and the [REDACTED]. Our Directors would like to emphasize to prospective [REDACTED] that we do not accept any responsibility for the accuracy or completeness of such information, and such information is not sourced from or authorized by our Directors or our management team. Our Directors make no representation as to the appropriateness, accuracy, completeness and reliability of any information or the fairness or appropriateness of any forecast, view or opinion expressed by the press or other media regarding our Group or our H Shares. In making decisions as to whether to [REDACTED] in our H Shares, prospective [REDACTED] should rely only on the financial, operational and other information included in this document.

WAIVERS FROM STRICT COMPLIANCE WITH THE HONG KONG LISTING RULES

In preparation for the [REDACTED], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 and Rule 19A.15 of the Listing Rules, a new applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of the new applicant’s executive directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 may be waived by having regard to, among other considerations, the applicant’s arrangements for maintaining regular communication with the Stock Exchange.

Our Company’s headquarters, management, business operations and assets are primarily located in the PRC. Our executive Directors are based in the PRC, as our Board believes it would be more effective and efficient for its executive Directors to be based in a location where our Company’s significant operations are located. Our executive Directors are not or will not be ordinarily resident in Hong Kong upon the proposed [REDACTED]. Our Directors consider that relocation of the executive Directors to Hong Kong will be burdensome and costly for our Company, and it may not be in the best interests of our Company and our Shareholders as a whole to appoint additional executive Directors who are ordinarily resident in Hong Kong.

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

- (a) pursuant to Rule 3.05 of the Listing Rules, our Company has appointed and will continue to maintain two authorized representatives (the “**Authorized Representatives**”), namely Mr. Yin Hao (殷浩) and Ms. Lam Wing Chi (林穎芝) (“**Ms. Lam**”). The Authorized Representatives are authorized to communicate on our Company’s behalf with the Stock Exchange. Each of the Authorized Representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone and email. As and when the Stock Exchange wishes to contact our Directors on any matters, each of the Authorized Representatives will have means to contact all of our Directors promptly at all times. Our Company will inform the Stock Exchange promptly in respect of any change in the Authorized Representatives;
- (b) our Company has provided the contact details of each Director (such as mobile phone numbers, office phone numbers and email addresses) to each of the Authorized Representatives and to the Stock Exchange. This will ensure that the Authorized Representatives and the Stock Exchange will have the means to promptly contact any of our Directors (including the independent non-executive Directors) promptly as and when required, as well as means to communicate with our Directors when they are travelling;
- (c) our Company confirms and will ensure that all Directors who are not ordinarily resident in Hong Kong possess, or can apply for, valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time when required; and
- (d) our Company has appointed Red Sun Capital Limited as our Compliance Adviser, pursuant to Rule 3A.19 of the Listing Rules. The Compliance Adviser will have access at all times to the Authorized Representatives, Directors and senior management of our Company, and will act as an additional channel of communication between the Stock Exchange and our Company for the period commencing on the [REDACTED] and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the [REDACTED]. The Compliance Adviser will maintain constant contact with the Authorized Representatives, Directors and senior management of our Company through various means, including regular meetings and telephone discussions whenever necessary. The Authorized Representatives, Directors and other officers will promptly provide such information and assistance as the Compliance Adviser may reasonably require in connection with the performance of the Compliance Adviser’s duties as set forth in Chapter 3A of the Listing Rules.

WAIVERS FROM STRICT COMPLIANCE WITH THE HONG KONG LISTING RULES

JOINT COMPANY SECRETARIES

Rule 8.17 of the Listing Rules provides that the issuer must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules. Rule 3.28 of the Listing Rules provides that the issuer must appoint as its company secretary an individual who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers that the following academic or professional qualifications to be acceptable: (a) a member of The Hong Kong Chartered Governance Institute; (b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and (c) a certified public accountant (as defined in the Professional Accountants Ordinance).

Note 2 to Rule 3.28 of the Listing Rules provides that in assessing “relevant experience”, the Stock Exchange will consider the individual’s: (a) length of employment with the issuer and other issuers and the roles he played; (b) familiarity with the Listing Rules and other relevant law and regulations including the Securities and Futures Ordinance, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and the Takeovers Code; (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and (d) professional qualifications in other jurisdictions.

Paragraph 11 of Chapter 3.10 of the Guide provides that the Stock Exchange will consider waiver applications in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include: (a) whether the applicant has principal business activities primarily outside Hong Kong; (b) whether the applicant is able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under paragraph 9 of Chapter 3.10 of the Guide) or Relevant Experience (as defined under paragraph 9 of Chapter 3.10 of the Guide) as a company secretary; and (c) why the directors consider the proposed company secretary to be suitable to act as the applicant’s company secretary.

Further, pursuant to Chapter 3.10 of the Guide, such waiver, if granted, will be for a fixed period of time (the “**Waiver Period**”) subject to the following conditions: (a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (b) the waiver will be revoked if there are material breaches of the Listing Rules by the applicant.

Our Group’s principal business operations are in the PRC. Our Company considers that apart from being able to meet the professional qualification or the relevant experience requirements under the Listing Rules, its company secretary also needs to have (i) experience relevant to our Company’s operations; (ii) nexus to our Board; and (iii) close working relationship with the management of our Company, in order to perform the function of a company secretary and to take the necessary actions in the most effective and efficient manner. It is for the benefit of our Company to appoint a person who is familiar with our Company’s business and affairs as a company secretary.

Our Company has appointed Ms. Long Jiaxin (龍佳欣) (“**Ms. Long**”), who is the financing director of our Company, as one of the joint company secretaries. Our Company believes that Ms. Long has past experience in corporate governance, as well as a thorough understanding of the daily operations, internal administration and financial management of our Group. However, Ms. Long currently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, our Company has appointed Ms. Lam, a Chartered Secretary, a Chartered Governance Professional and an associate of both the Hong Kong Chartered Governance Institute and the Chartered Governance Institute in the United Kingdom, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Ms. Long for an initial period of three years from the [REDACTED] to enable Ms. Long to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules. For details on Ms. Long’s and Ms. Lam’s qualifications and experience, see “Directors and Senior Management.”

WAIVERS FROM STRICT COMPLIANCE WITH THE HONG KONG LISTING RULES

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

Since Ms. Long does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, our Company has applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Ms. Long may be appointed as a joint company secretary of our Company. The waiver is valid for an initial period of three years from the [REDACTED] on the conditions that (a) Ms. Long must be assisted by Ms. Lam who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (b) the waiver will be revoked immediately if and when Ms. Lam ceases to provide such assistance during the three-year period, and this waiver is subject to revocation in the event of any material breaches of the Listing Rules by our Company. Prior to the end of the three-year period, our Company will demonstrate and seek the confirmation from the Stock Exchange that Ms. Long, having had the benefit of Ms. Lam’s assistance during the three years, has attained the relevant experience and is capable of discharging the functions of our company secretary.

CONTINUING CONNECTED TRANSACTIONS

We have entered into, and are expected to continue, certain transactions that will constitute continuing connected transactions of our Company under the Listing Rules upon [REDACTED]. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], waivers in relation to certain continuing connected transactions between us and our connected persons under Chapter 14A of the Listing Rules. For further details in this respect, see “Connected Transactions” in this document.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Guan Bo (管博)	Room 602, No. 11, Lane 105 Yunguang Road, Hongkou District Shanghai, PRC	Chinese
Pan Shunbo (潘順波)	Room 501, No. 6, Lane 3188 Jinshajiang Road, Jiading District Shanghai, PRC	Chinese
Yin Hao (殷浩)	Room 1202, No. 8, Lane 669 Jinzuan Road, Pudong New Area Shanghai, PRC	Chinese
Ren Pingzhi (任平志)	Room 102, No. 56, Lane 588 Cangyuan Road, Minhang District Shanghai, PRC	Chinese
Deng Sheng (鄧昇)	Room 1302, No. 74, Lane 555 Beixing Road, Fengxian District Shanghai, PRC	Chinese
Non-executive Director		
Xiang Xiaoxiao (項曉驍)	Flat H, 25/F, Tower 2 Park Summit, 85 Beech Street Tai Kok Tsui, Kowloon Hong Kong	Chinese (Hong Kong)
Independent Non-executive Directors		
Tian Jinghua (田靖華)	Flat D, 15/F, Tower 2 The Great Hill, 8 Tung Lo Wan Hill Road Tai Wai Hong Kong	Chinese (Hong Kong)
Wu Guanhua (吳冠華)	3015 Westman Court Bloomfield Hills, MI 48304-2063 United States	Chinese
Chen Shuai (陳帥)	Room 403, Unit 1, Building 1D Block 2, Dachong Xincheng Garden Shenzhen, PRC	Chinese

For more information on our Directors, see “Directors and Senior Management.”

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

**China International Capital Corporation
Hong Kong Securities Limited**
29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Sponsor-Overall Coordinator

**China International Capital Corporation
Hong Kong Securities Limited**
29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Overall Coordinators

**China International Capital Corporation
Hong Kong Securities Limited**
29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

**China Galaxy International Securities
(Hong Kong) Co., Limited**
20/F, Wing On Centre
111 Connaught Road Central
Sheung Wan
Hong Kong

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

Legal Advisors to our Company

As to Hong Kong and United States law:

Paul Hastings (Hong Kong) LLP

22/F, Bank of China Tower

1 Garden Road

Hong Kong

As to PRC law:

Jia Yuan Law Offices

F408 Ocean Plaza

158 Fuxing Men Nei Street

Xicheng District

Beijing

PRC

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

**Legal Advisors to the Sole Sponsor and the
[REDACTED]**

As to Hong Kong and United States law:
Sullivan & Cromwell (Hong Kong) LLP
20th Floor, Alexandra House
18 Chater Road
Central
Hong Kong

As to PRC law:
Commerce & Finance Law Offices
12-15/F, China World Office 2
No. 1 Jianguomenwai Avenue
Chaoyang District
Beijing
PRC

Auditor and Reporting Accountants

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in
accordance with the Accounting and Financial
Reporting Council Ordinance
8th Floor, Prince’s Building
Central
Hong Kong

Industry Consultant

China Insights Industry Consultancy Limited
10F, Block B, Jing’an International Center
88 Puji Road
Jing’an District
Shanghai
PRC

Compliance Adviser

Red Sun Capital Limited
Room 2703, 27/F
China Insurance Group Building
141 Des Voeux Road Central
Hong Kong

[REDACTED]

CORPORATE INFORMATION

Registered Office

Jinping Avenue
Chengdong Subdistrict
Wenling City
Taizhou City
Zhejiang Province
PRC

**Headquarters and Principal Place of
Business in the PRC**

Jinping Avenue
Chengdong Subdistrict
Wenling City
Taizhou City
Zhejiang Province
PRC

Principal Place of Business in Hong Kong

16th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

Company’s Website

www.glbpower.com
*(The information contained on this website does
not form part of this document)*

Joint Company Secretaries

Long Jiaxing (龍佳欣)
Jinping Avenue
Chengdong Subdistrict
Wenling City
Taizhou City
Zhejiang Province
PRC

Lam Wing Chi (林穎芝)
ACG, HKACG
16th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

Authorized Representatives

Yin Hao (殷浩)
Jinping Avenue
Chengdong Subdistrict
Wenling City
Taizhou City
Zhejiang Province
PRC

Lam Wing Chi (林穎芝)
16th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

Audit Committee

Chen Shuai (陳帥) (*Chairperson*)
Tian Jinghua (田靖華)
Wu Guanhua (吳冠華)

CORPORATE INFORMATION

Nomination Committee	Guan Bo (管博) (<i>Chairperson</i>) Tian Jinghua (田靖華) Chen Shuai (陳帥)
Remuneration and Evaluation Committee	Chen Shuai (陳帥) (<i>Chairperson</i>) Wu Guanhua (吳冠華) Guan Bo (管博)
Strategy Committee	Guan Bo (管博) (<i>Chairperson</i>) Pan Shunbo (潘順波) Yin Hao (殷浩)

[REDACTED]

Principal Banks	Ping An Bank, Shanghai Branch 1/F, No. 1333, Lujiazui Ring Road Pudong New Area Shanghai, PRC Bank of Communications, Ningbo Yuyao Sub-branch No. 31, Nanlei Road Yuyao City Zhejiang Province, PRC

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

The history of our Company can be traced back to May 2010, when our Company was established as a sino-foreign equity joint venture with limited liability under the laws of the PRC under the name of Zhejiang Global Intelligent Power Technology Co., Ltd. (浙江格雷博智能動力科技有限公司). On April 30, 2026, our Company was converted into a joint stock limited company and renamed as GLB Intelligent Power Technologies Co., Ltd. (格雷博智能動力科技股份有限公司). Alongside our development, we attracted several Pre-[REDACTED] Investors through capital injections or equity transfers. For details of those investors and investments, see “— Pre-[REDACTED] Investments” below. As of June 2, 2026, the registered capital of our Company was RMB162,742,277, divided into 162,742,277 Shares, with a nominal value of RMB1.00 each.

MILESTONES

The following sets out a summary of our key development milestones:

Year	Milestone(s)
2010	Our establishment
2014	We developed our dual-rotor motors despite Japanese OEMs’ dominance over key patent barriers in the hybrid powertrain sector
2015	We developed the permanent-magnet synchronous motor and commenced mass production of the electronic control system for battery electric vehicles
2016	We introduced Hongshan Mingde as our Pre-[REDACTED] investor Mr. Guan Bo (管博), chairperson of our Board, became an indirect shareholder of our Company through his controlled entity, namely, Boheng New Energy Technology (Shanghai) Co., Ltd. (博衡新能源科技(上海)有限公司) (“ Boheng Co. ”)
2018	We were among the first to fully commit ourselves to the market-driven battery electric vehicle sector, focusing on integrated electric drive solutions
2021	We commenced mass production of the 150kW domain-controlled three-in-one electric drive solutions
2023	Our intelligent and efficient manufacturing production facility in Xuzhou, PRC commenced operations
2024	We commenced mass production of one of the world’s most integrated domain-controlled x-in-one electric drive solutions Our revenue for the year ended December 31, 2024 increased to approximately two times that for the year ended December 31, 2023
2025	The domain-controlled x-in-one electric drive solutions achieved annual sales volume of over 500,000 units, with the vehicle model adopting our solution achieving the top sales ranking in the Chinese market We achieved a maximum monthly delivery volume of over 10,000 sets of domain-controlled x-in-one electric drive solutions for export vehicle models

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Milestone(s)
	We commenced mass production of the integrated range extender domain-controlled two-in-one solutions
	Our annual solution sales volume exceeded 650,000 units, with monthly production volume peaking at over 70,000 units
	Our intelligent manufacturing production facility in Ningbo, PRC commenced operations
	Our revenue for the year ended December 31, 2025 increased to approximately five times that for the year ended December 31, 2024
2026	We applied our solutions and components in the power supply systems for emerging sectors such as AIDC and embodied AI

Our Subsidiaries

The following table sets forth detailed information of the subsidiaries of our Company:

Name of subsidiary	Place of establishment	Date of establishment	Equity attributable to our Group	Principal business activities
GZK Shanghai	PRC	November 27, 2013	100%	Research and development
GZQ Shanghai	PRC	March 28, 2023	100%	Research and development
GLB Ningbo	PRC	July 11, 2024	100%	Production and manufacturing
GZD Jiangsu	PRC	September 23, 2021	100%	Production and manufacturing
GZY Jiangsu	PRC	June 27, 2023	100%	Production and manufacturing

ESTABLISHMENT AND CORPORATE DEVELOPMENT

Early History of our Company

In May 2010, our Company was established under the PRC Company Law as a sino-foreign equity joint venture with limited liability under the name Zhejiang Global Intelligent Power Technology Co., Ltd. (浙江格雷博智能動力科技有限公司) with a registered capital of RMB60,000,000. At the time of its establishment, our Company was owned as to 58.33% by Zhejiang Qianjiang Motorcycle Co., Ltd. (浙江錢江摩托股份有限公司) (“**Qianjiang Motorcycle**”) (a company listed on the Shenzhen Stock Exchange (stock code: 000913) and then not associated with Geely Holding) and 41.67% by Mr. Xu Longya (徐隆亞), our former Director.

In January 2016, Mr. Xu Longya transferred our then registered capital of RMB15,500,000 to Boheng Co. (an entity controlled by Mr. Guan Bo) for the shareholding adjustment between our key founders with payment obligations waived by Mr. Xu Longya. Upon completion of such equity transfer, our Company was owned as to 58.33%, 25.84% and 15.83% by Qianjiang Motorcycle, Boheng Co. and Mr. Xu Longya, respectively.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Series A Financing

We underwent series A financing through capital increase and equity transfers (the “**Series A Financing**”) as detailed below.

In November 2016, our Company and its then Shareholders entered into an investment agreement with Beijing Hongshan Mingde Equity Investment Center (L. P.) (北京紅杉銘德股權投資中心(有限合夥)) (“**Hongshan Mingde**”), pursuant to which Hongshan Mingde subscribed for our increased registered capital of RMB12,289,156 at a consideration of RMB51 million.

Pursuant to the equity transfer agreements dated December 20, 2016, Hongshan Mingde agreed to (i) acquire our then registered capital of RMB11,355,422 from Qianjiang Motorcycle at a consideration of RMB47,123,300 as determined based on investors’ arm’s length negotiations with reference to our development stage (the “**Hongshan Mingde Acquisition I**”); and (ii) acquire our then registered capital of RMB4,700,000 from Mr. Xu Longya at nil consideration as determined based on relevant parties’ arm’s length negotiations (the “**Hongshan Mingde Acquisition II**”). Upon completion of the above equity transfers, our Company was owned as to 39.21%, 32.71%, 21.44% and 6.64% by Hongshan Mingde, Qianjiang Motorcycle, Boheng Co. and Mr. Xu Longya, respectively.

Series B Financing

We underwent series B financing through capital increases and equity transfers (the “**Series B Financing**”) as detailed below:

Date of agreement	Subscribers/Transferees	Transferors	Registered capital subscribed for/transferred (RMB)	Consideration (RMB)
November 28, 2017	Guangzhou Guangqi No. 1 Venture Capital Partnership (L.P.) (廣州廣祺壹號創業投資合夥企業(有限合夥)) (“ Guangzhou No. 1 ”)	/	5,072,923	40,000,000
November 28, 2017	Xinyu Xinguang Ruiwen No. 1 Auto Industry Investment Partnership (L.P.) (新餘新廣瑞文壹號汽車產業投資合夥企業(有限合夥)) (“ Xinguang Ruiwen ”)	/	2,536,462	20,000,000
December 11, 2017	Taizhou Kenli Equity Investment Partnership (L.P.) (台州禧利股權投資合夥企業(有限合夥)) (“ Taizhou Kenli ”)	/	1,902,346	15,000,000
December 11, 2017 and December 29, 2017	Taizhou Kenli	Mr. Xu Longya	634,116	5,000,000
December 31, 2017	Ningbo Meishan Bonded Logistics Park Chengyi Yuda Enterprise Management Partnership (Limited Partnership) (寧波梅山保稅港區誠憶譽達企業管理合夥(有限合夥)) (“ Chengyi Yuda ”)	Mr. Xu Longya	634,115	5,000,000

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Equity Transfer in 2017

Pursuant to the equity transfer agreement dated December 31, 2017, Hongshan Mingde transferred a registered capital of RMB867,470 held by it to Bozhida, our employee shareholding platform (an entity controlled by Mr. Guan Bo) at nil consideration in recognition of the contributions of our key members (the “**Equity Transfer in 2017**”).

Series B+ Financing

From 2018 to 2020, our series B+ financing investors set forth below agreed to subscribe for our increased registered capital (the “**Series B+ Financing**”) as detailed below:

Date of agreement	Subscribers	Registered capital subscribed for (RMB)	Consideration (RMB)
August 2018	Galaxy Yuanhui Investment Co., Ltd. (銀河源匯投資有限公司) (“ Galaxy Yuanhui ”)	1,533,767	15,000,000
August 2018	Xiamen Chenyang Growth Venture Capital Partnership (L. P.) (廈門辰陽成長創業投資合夥企業(有限合夥)) (“ Xiamen Chenyang ”) (formerly known as Yinchuan Chenyang Equity Investment Partnership (L. P.) (銀川辰陽股權投資合夥企業(有限合夥)) at the time of its investment.)	920,260	9,000,000
August 2018	Guangzhou Chentu No. 3 Venture Capital Fund Partnership (L. P.) (廣州辰途三號創業投資基金合夥企業(有限合夥)) (“ Guangzhou Chentu ”) (formerly known as Guangzhou Chentu No. 3 Investment Partnership (L. P.) (廣州辰途三號投資合夥企業(有限合夥)) at the time of its investment)	1,124,762	11,000,000
December 11, 2018	Chengdu Hongtai Wuxi Investment Center (L.P.) (成都弘泰梧祺投資中心(有限合夥)) (“ Chengdu Hongtai ”)	4,090,045	40,000,000
December 11, 2018 and April 1, 2020	Taizhou Kenli	4,090,044	40,000,000
April 1, 2020	Guangzhou Yingyue Tongxing Venture Capital Partnership (L. P.) (廣州盈越同行創業投資合夥企業(有限合夥)) (“ Guangzhou Yingyue Tongxing ”)	1,533,767	15,000,000
April 1, 2020	Hongshan Mingde	306,753	3,000,000

Series C Financing

From 2021 to 2022, our series C financing investors set forth below agreed to subscribe for our increased registered capital (the “**Series C Financing**”) as detailed below:

Date of agreement	Subscribers	Registered capital subscribed for (RMB)	Consideration (RMB)
March 31, 2021 . .	Qingdao Yinshengtai Kehui Investment Center (L. P.) (青島銀盛泰科慧投資中心(有限合夥)) (“ Qingdao Yinshengtai ”) ⁽¹⁾	1,590,004	20,000,000

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Date of agreement	Subscribers	Registered capital subscribed for (RMB)	Consideration (RMB)
July 2021	Xuzhou Shengxin Semiconductor Industry Investment Fund Partnership (L. P.) (徐州盛芯半導體產業投資基金合夥企業(有限合夥)) (“ Shengxin Fund ”)	1,590,005	20,000,000
October 2021	Xuzhou Boda Shengshi Equity Investment Partnership (L. P.) (徐州博達盛世股權投資合夥企業(有限合夥)) (“ Boda Fund ”)	3,975,012	50,000,000
October 2021	Xuzhou Boshuo Equity Investment Co., Ltd. (徐州博碩股權投資有限公司) (“ Xuzhou Boshuo ”)	3,975,012	50,000,000
December 2021 . .	Hangzhou Junfu Equity Investment Partnership (L. P.) (杭州君富股權投資合夥企業(有限合夥)) (“ Hangzhou Junfu ”)	3,180,010	40,000,000
July 21, 2022	Hangzhou Huafang Baisheng Venture Capital Partnership (Limited Partnership) (杭州華方柏晟創業投資合夥企業(有限合夥), previously known as Hangzhou Huafang Baisheng Investment Management Partnership (Limited Partnership) (杭州華方柏晟投資管理合夥企業(有限合夥))) (“ Huafang Baisheng ”) ⁽¹⁾	1,192,504	15,000,000
August 5, 2022 . .	Zhongtai Venture Capital (Shanghai) Co., Ltd. (中泰創業投資(上海)有限公司) (“ Zhongtai VC ”) ⁽¹⁾	1,192,504	15,000,000

(1) Pursuant to the investment agreement, Qingdao Yinshengtai initially subscribed for our increased registered capital of RMB3,975,012 at a total consideration of RMB50,000,000. Pursuant to respective equity transfer agreements, each of Huafang Baisheng and Zhongtai VC agreed to assume Qingdao Yinshengtai’s capital contribution obligation of RMB15,000,000 and acquired our registered capital of RMB1,192,504, respectively.

Equity Transfer in 2022

Pursuant to an equity transfer agreement dated September 2022, Qianjiang Motorcycle transferred our registered capital of RMB1,871,992 held by it to Tianjin Boyuan Management Consulting Partnership (Limited Partnership) (天津博遠管理諮詢合夥企業(有限合夥)) (“**Tianjin Boyuan**”) at a consideration of RMB15,030,000 (the “**Equity Transfer in 2022**”). Such consideration was determined based on relevant parties’ arm’s-length negotiations.

Series C+ Financing

From 2022 to 2024, our series C+ financing investors set forth below agreed to subscribe for our increased registered capital (the “**Series C+ Financing**”) as detailed below:

Date of agreement	Subscribers	Registered capital subscribed for (RMB)	Consideration (RMB)
December 12, 2022	National Research and Reform Fund Partnership Enterprise (Limited Partnership) (國調科改基金合夥企業(有限合夥)) (“ National R&R Fund ”)	8,831,762	130,000,000

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Date of agreement	Subscribers	Registered capital subscribed for (RMB)	Consideration (RMB)
December 12, 2022	Hainan Dongyi Qianhan Venture Capital Partnership (L. P.) (海南東翼乾瀚創業投資合夥企業(有限合夥)) (“ Dongyi Qianhan ”)	679,366	10,000,000
December 12, 2022	Qingchuang Bole Wangtian (Qingdao) Equity Investment Partnership (L. P.) (青創伯樂望天(青島)股權投資合夥企業(有限合夥)) (“ Qingchuang Bole ”)	679,366	10,000,000
July 26, 2024	Xuzhou Boshuo	6,793,657	100,000,000

Equity Transfer after Series C+ Financing

Pursuant to an equity transfer agreement dated November 30, 2024, Mr. Xu Longya transferred our registered capital of RMB645,397 to National R&R Fund at nil consideration for our failure to achieve certain performance targets as set by National R&R Fund in our Series C+ Financing instruments (the “**Equity Transfer after Series C+ Financing**”).

Series D Financing and Equity Transfer in 2025

Pursuant to an investment agreement dated June 25, 2025 entered into among our Company, Yuyao Shunxin Investment Co., Ltd. (餘姚市舜欣投資有限公司) (“**Yuyao Shunxin**”) and our then Shareholders, Yuyao Shunxin subscribed for our increased registered capital of RMB17,601,750 at a consideration of RMB300 million (the “**Series D Financing**”). Pursuant to an equity transfer agreement dated December 30, 2025, Yuyao Shunxin transferred our registered capital of RMB2,822,300 held by it to Yuyao Industry Investment Development Co., Ltd. (餘姚市工業(中小企業)投資發展有限公司) (“**Yuyao Industry**”) at a consideration of RMB48,925,000 as determined after relevant parties’ arm’s length negotiations with reference to our development stage (the “**Equity Transfer in 2025**”).

Conversion into a Joint Stock Company

On April 30, 2026, our Company was converted into a joint stock company. Upon the completion of the conversion, our registered capital became RMB146,681,241, divided into 146,681,241 Shares with a nominal value of RMB1.00 each.

Series E Financing

On May 7, 2026, our series E financing investors set forth below agreed to subscribe for our newly issued Shares (the “**Series E Financing**”) as detailed below:

Subscribers	Number of Shares subscribed for	Consideration (RMB)
Hangzhou Hehe Bodong Enterprise Management Consulting Partnership (Limited Partnership) (杭州禾合博動企業管理諮詢合夥企業(有限合夥)) (“ Hangzhou Hehe ”)	6,509,691	200,000,000
Hangzhou CICC Renault Ampere Rong Sheng Venture Capital Investment Partnership Enterprise (Limited Partnership) (杭州中金雷諾安培融盛創業投資合夥企業(有限合夥)) (“ CICC Renault ”)	3,254,846	100,000,000
Galaxy Yuanhui	976,454	30,000,000

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

MAJOR ACQUISITIONS, DISPOSALS AND MERGER

Pursuant to an equity transfer agreement dated July 18, 2025 entered between our Company and Ningbo Qiankai Urban Construction Development Co., Ltd. (寧波前開城市建設發展有限公司) (“**Ningbo Qiankai**”), a state-owned entity and an independent third party, our Company acquired 100% equity interest in GLB Ningbo (then known as Ningbo Yuqian Construction Development Co., Ltd. (寧波宇前建設發展有限公司)) from Ningbo Qiankai at a consideration of RMB42,750,000 (the “**GLB Ningbo Acquisition**”). The consideration was determined based on arm’s length negotiations with reference to a valuation report. Prior to the GLB Ningbo Acquisition, GLB Ningbo did not carry on any substantive business operations and the principal asset held by GLB Ningbo comprised a parcel of land use right. The primary purpose of the GLB Ningbo Acquisition was to obtain the land use right held by GLB Ningbo for the Group’s facility development. Upon completion of the GLB Ningbo Acquisition on July 29, 2025, GLB Ningbo became our wholly-owned subsidiary.

As of the Latest Practicable Date, the GLB Ningbo Acquisition has been properly and legally completed, and all relevant approvals required from the relevant authorities have been obtained. As none of the applicable percentage ratios as defined under the Listing Rules in respect of the GLB Ningbo Acquisition exceeds 25%, the GLB Ningbo Acquisition does not constitute an acquisition of a material subsidiary or business during the Track Record Period and the pre-acquisition financial information of GLB Ningbo is not required to be disclosed pursuant to Rule 4.05A of the Listing Rules.

Save as disclosed above, during the Track Record Period and up to the Latest Practicable Date, we had not conducted any acquisitions, disposals or mergers that we consider material to us.

EMPLOYEE INCENTIVE PLATFORMS

In recognition of the contributions of our employees and to incentivize them to further promote our development, we established following employee incentive platforms:

Employee Incentive Platforms	General Partner	Date of Establishment	As of June 2, 2026	
			Percentage of Shareholding in our Company	Limited Partners
Bozhikong No. 1	Mr. Guan Bo ⁽²⁾	April 2, 2026	3.27% ⁽¹⁾	Mr. Yin Hao (殷浩) (our Director) (13.82%), Mr. Pan Shunbo (潘順波) (our Director) (11.57%), Bozhihao (26.28%), Bozhishun (24.15%) and Bozhixin (24.17%)
Bozhihao	Mr. Yin Hao	April 24, 2026	—	49 current employees of our Group
Bozhishun	Mr. Pan Shunbo	April 24, 2026	—	Mr. Ren Pingzhi (任平志) (our Director), Mr. Deng Sheng (鄧昇) (our Director), and 34 current employees of our Group
Bozhixin	Mr. Guan Bo	April 24, 2026	—	24 current employees of our Group

(1) Pursuant to a capital increase agreement dated May 6, 2026 entered into between our Company and Bozhikong No. 1, Bozhikong No. 1 subscribed for 5,320,045 newly issued Shares at a consideration of RMB14,303,392.

(2) Mr. Guan Bo is our Director.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PRE-[REDACTED] INVESTMENTS

Summary of Pre-[REDACTED] Investments

The following table sets forth a summary of the details of the Pre-[REDACTED] Investments ⁽¹⁾ :

	Series A	Series B	Series B+	Series C	Series C+	Series D	Series E
Amount of registered capital/Shares subscribed for . . .	RMB12,289,156	RMB9,511,731	RMB13,599,398	RMB16,695,051	RMB16,984,151	RMB17,601,750	10,740,991
Amount of consideration paid (RMB in millions) .	51	75	133	210	250	300	330
Post-money valuation of our Company (RMB in millions) ⁽⁴⁾	300	645	933	1,410	1,900	2,500	5,000
Date of agreement . .	November 8, 2016	November 28, 2017, and December 11, 2017	August 2018, December 11, 2018 and April 1, 2020	March 31, 2021, July 2021, October 2021, December 2021, July 21, 2022, and August 5, 2022	December 12, 2022, July 26, 2024	June 25, 2025	May 7, 2026
Date of payment of full consideration .	December 27, 2016	December 28, 2017	April 30, 2020	August 19, 2022	October 11, 2024	June 26, 2025	May 21, 2026
Approximate Cost per Share paid to our Company (RMB) ⁽²⁾ .	4.15	7.89	9.78	12.58	14.72	17.04	30.72
Discount to the [REDACTED] ⁽³⁾ . .	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%
Basis of consideration . . .	The consideration for each round of the Pre-[REDACTED] Investments were determined based on arm’s length negotiations among the relevant parties taking into consideration the timing of the investments and our Company’s development stage.						
Lock-up period . . .	Pursuant to the applicable PRC laws, within one year following the [REDACTED], all existing Shareholders (including our Pre-[REDACTED] Investors) could not dispose of any of the Shares held by them.						
Use of proceeds and whether they have been fully utilized .	We utilized the proceeds from the Pre-[REDACTED] Investments for our principal business, including but not limited to the growth and expansion of our Company’s business and general working capital purposes. As of the Latest Practicable Date, approximately 75.53% of the net proceeds from the Pre-[REDACTED] Investments had been utilized.						
Strategic benefits . .	At the time of the Pre-[REDACTED] Investments, our Directors were of the view that (i) our Company would benefit from the additional capital provided by the Pre-[REDACTED] Investors and their market influence, knowledge and experience and (ii) the Pre-[REDACTED] Investments demonstrated the Pre-[REDACTED] Investors’ confidence in the operation and development of our Group.						

(1) The Hongshan Mingde Acquisition I is not included in the above table as the consideration of RMB47,123,300 for the transfer was paid by Hongshan Mingde to Qianjiang Motorcycle (instead of our Company) pursuant to the equity transfer agreement dated December 20, 2016. The consideration of such transfer was fully settled on December 27, 2016. The cost per Share of such transfer was approximately RMB4.15. The discount to the [REDACTED] of such transfer is approximately [REDACTED]%. For details of such transfer, see “Establishment and Corporate Development — Series A Financing” in this section.

The Hongshan Mingde Acquisition II is not included in the above table as no consideration was paid to our Company in connection with such transfer. For details of such transfer, see “Establishment and Corporate Development — Series A Financing” in this section.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The equity transfer to Taizhou Kenli in December 2017 is not included in the above table as the consideration for such transfer in the total amount of RMB5,000,000 was paid to Mr. Xu Longya (instead of our Company) by Taizhou Kenli. The consideration for such transfer was determined after relevant parties’ arm’s length negotiations with reference to our valuation in Series B Financing and was fully settled on December 28, 2017. The cost per Share of such transfer was approximately RMB7.88. The discount to the [REDACTED] of such transfer is approximately [REDACTED]%. For details of such transfer, see “Establishment and Corporate Development — Series B Financing” in this section.

The equity transfer to Chengyi Yuda in December 2017 is not included in the above table as the consideration for such transfer in the total amount of RMB5,000,000 was paid to Mr. Xu Longya (instead of our Company) by Chengyi Yuda. The consideration for such transfer was determined after relevant parties’ arm’s length negotiations with reference to our valuation in Series B Financing and was fully settled on December 26, 2017. The cost per Share of such transfer was approximately RMB7.89. The discount to the [REDACTED] of such transfer is approximately [REDACTED]%. For details of such transfer, see “Establishment and Corporate Development — Series B Financing” in this section.

The Equity Transfer in 2017 is not included in the above table as no consideration was paid to our Company in connection with such transfer. For details of such transfer, see “Establishment and Corporate Development — Equity Transfer in 2017” in this section.

The Equity Transfer in 2022 is not included in the above table as the consideration for such transfer in the total amount of RMB15,030,000 was paid to Qianjiang Motorcycle (instead of our Company) by Tianjin Boyuan. The consideration was fully settled on November 10, 2022. The cost per Share of such transfer was approximately RMB8.03. The discount to the [REDACTED] of such transfer is approximately [REDACTED]%. For details of such transfer, see “Establishment and Corporate Development — Equity Transfer in 2022” in this section.

The Equity Transfer after Series C+ Financing is not included in the above table as no consideration was paid to our Company in connection with such transfer. For details of such transfer, see “Establishment and Corporate Development — Equity Transfer after Series C+ Financing” in this section.

The Equity Transfer in 2025 is not included in the above table as the consideration for such transfer in the total amount of RMB48,925,000 was paid to Yuyao Shunxin (instead of our Company) by Yuyao Industry. The consideration was fully settled on December 31, 2025. The cost per Share of such transfer was approximately RMB17.34. The discount to the [REDACTED] of such transfer is approximately [REDACTED]%. For details of such transfer, see “Establishment and Corporate Development — Series D Financing and Equity Transfer in 2025” in this section.

- (2) Taking into account our conversion into a joint stock company in April 2026.
- (3) Calculated based on the mid-point of the indicative [REDACTED] range as described in this document.
- (4) The increase in the valuation of our Company reflects investors’ confidence in our business growth. The significant increase in the valuation of our Company from the Series D Financing to the Series E Financing was primarily attributable to, among other things, (i) the significant growth in our revenue for the year ended December 31, 2025 and (ii) the further growth and diversification of our customer base.

Special Rights of the Pre-[REDACTED] Investors

The Pre-[REDACTED] Investors were granted certain special rights including, but not limited to, redemption rights, right of first refusal, anti-dilution rights, pre-emptive rights, information and inspection rights, liquidation preference. All special rights granted to our Pre-[REDACTED] Investors have been terminated in compliance with Chapter 4.2 of the Guide. The redemption rights granted by Mr. Xu Longya and Boheng Co. to our Pre-[REDACTED] investors shall be restored if the [REDACTED] does not take place including, but not limited to, any occurrence of events which would render the withdrawal, rejection, return or lapse of a [REDACTED].

Sole Sponsor’s Confirmation

On the basis that (i) the [REDACTED], being the first day of [REDACTED] of the Shares on the Stock Exchange, will take place no earlier than 120 clear days after completion of the Pre-[REDACTED] Investments; and (ii) all the special rights granted to the Pre-[REDACTED] Investors as set out above have been terminated, the Sole Sponsor confirms that the Pre-[REDACTED] Investments are in compliance with Chapter 4.2 of the Guide.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Information about our Pre-[REDACTED] Investors

The background information of our Pre-[REDACTED] Investors is set out below. To the best knowledge of our Directors, save as disclosed below, each of our Pre-[REDACTED] Investors is independent from, and not connected with, any Director, chief executive or substantial shareholder of our Company, its subsidiaries or any of their respective close associates, and each of such Pre-[REDACTED] Investors is independent from each other.

Pre-[REDACTED] Investors	Background
Hongshan Mingde . . .	Hongshan Mingde is a limited partnership established in the PRC and is principally engaged in equity investment and investment management. The general partner of Hongshan Mingde is Hongshan Kunde Investment Management Center (Limited Partnership) (北京紅杉坤德投資管理中心(有限合夥)) (“ Hongshan Kunde ”). The general partner of Hongshan Kunde is Shanghai Huanyuan Investment Management Co., Ltd. (上海桓遠投資管理有限公司) (“ Shanghai Huanyuan ”), holding approximately 41.2% of the equity interests therein, which is owned as to approximately 97% by Zhou Kui (周逵). The limited partners of Hongshan Mingde are Beijing Hongshan Shengde Equity Investment Center (Limited Partnership) (北京紅杉盛德股權投資中心(有限合夥)) (“ Hongshan Shengde ”) and Beijing Hongshan Kangde Equity Investment Center (Limited Partnership) (北京紅杉濂德股權投資中心(有限合夥)) (“ Hongshan Kangde ”), holding approximately 60.74% and 39.26% of the partnership interests, respectively.
Qianjiang Motorcycle .	Qianjiang Motorcycle is a joint stock limited company established in PRC and listed on the Shenzhen Stock Exchange (stock code: 000913), which is mainly engaged in research, development, manufacture and sales of motorcycles and engines.
Yuyao SASMC	Two entities, namely Yuyao Shunxin and Yuyao Industry, ultimately controlled by Yuyao State-owned Assets Management Center (餘姚市國有資產管理中心) (“ Yuyao SASMC ”) made Pre-[REDACTED] Investments in our Company. Yuyao Shunxin is a limited liability company established in PRC and mainly engaged in industrial investment and asset management. Yuyao Shunxin has 11 shareholders with nine of them controlled by Yuyao SASMC aggregately holding more than 85.32% and other two holding approximately 14.68%. Yuyao Industry is a limited liability company established in PRC and mainly engaged in investment and asset management and is indirectly wholly owned by Yuyao SASMC.
Xuzhou Boshuo	Xuzhou Boshuo is a limited liability company established in PRC and mainly engaged in equity investment. Xuzhou Boshuo is indirectly wholly owned and ultimately wholly owned by Finance Bureau of Pizhou City (邳州市財政局).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Pre-[REDACTED] Investors

Background

National R&R Fund . . .	National R&R Fund is a limited partnership established in the PRC and mainly engaged in equity investment. The general partner of National R&R Fund is Shengcheng Private Equity Fund Management (Suzhou) Co., Ltd. (盛澄私募基金管理(蘇州)有限公司) (“Shengcheng Fund”). Shengcheng Fund is owned as to approximately 34.95% by Shanghai Guoxiang Jincheng Management Consulting Partnership Enterprise (Limited Partnership) (上海國相錦城管理諮詢合夥企業(有限合夥)) (“Guoxiang Jincheng”), as to approximately 34.95% by Ningbo Meishan Bonded Port Jintianhe Investment Management Co., Ltd. (寧波梅山保稅港區錦甜河投資管理有限公司) (“Jintianhe Investment”) and as to approximately 30.10% by four other shareholders with each of them holding less than 30.00%. The general partner of Guoxiang Jincheng is Lin Xuemei (林雪梅). Jintianhe Investment is wholly owned by China State-owned Enterprise Structural Adjustment Fund Co., Ltd., which is in turn owned as to approximately 30.36% by China Chengtong Group Co., Ltd. (中國誠通控股集團有限公司) and as to approximately 69.64% by nine other shareholders with each of them holding less than 30.00%. China Chengtong Group Co., Ltd. is wholly owned by the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會). National R&R Fund has seven limited partners, with China State-owned Enterprise Structural Adjustment Fund Co., Ltd. (中國國有企業結構調整基金股份有限公司) holding approximately 32.81% of the partnership interests and none of the other six limited partners directly holding more than 20.00% of the partnership interests.
Taizhou Kenli	Taizhou Kenli is a limited partnership established in the PRC and mainly engaged in equity investment. The general partner of Taizhou Kenli is Ningbo Meishan Free Trade Port Bihong Private Fund Management Co., Ltd. (寧波梅山保稅港區碧鴻私募基金管理有限公司) (“Ningbo Bihong”). Ningbo Bihong is owned as to 70% by Li Ni (李妮) (daughter of Mr. Li Shufu, the de facto controller of Qianjiang Motorcycle, one of our Pre-[REDACTED] Investors) and 30% by Zheng Xin (鄭鑫). Taizhou Kenli has two limited partners, namely, Ningbo Meishan Bonded Port Huizhong Investment Management Co., Ltd. (寧波梅山保稅港區惠中投資管理有限公司) and Taizhou Lingang Industrial Belt Master Fund Co., Ltd. (台州市臨港產業帶母基金有限公司), holding approximately 69.90% and 30.00% of the partnership interests, respectively.
Hangzhou Hehe	Hangzhou Hehe is a limited partnership established in the PRC and mainly engaged in equity investment. The general partner of Hangzhou Hehe is Hangzhou Gaoxin Venture Investment Co., Ltd. (杭州高新創業投資有限公司), which is in turn wholly owned by Hangzhou High-tech Financial Investment Holding Group Co., Ltd. (杭州高新金投控股集團有限公司) (a state-owned entity). Hangzhou Hehe has one limited partner, namely, Hangzhou Gaoxin Fengqi Wutong Equity Investment Partnership (Limited Partnership) (杭州高新鳳棲梧桐股權投資合夥企業(有限合夥)), holding approximately 99.95% of its partnership interests.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Pre-[REDACTED] Investors

Background

Guangzhou Yingpeng .

Three funds managed by Guangzhou Yingpeng Private Equity Fund Management Co., Ltd. (廣州盈蓬私募基金管理有限公司) (“**Guangzhou Yingpeng**”), namely Guangqi No. 1, Xinguang Ruiwen and Guangzhou Yingyue Tongxing, made Pre-[REDACTED] Investments in our Company as detailed below. Guangzhou Yingpeng is ultimately controlled by Guangzhou Automobile Group Co., Ltd. (廣州汽車集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601238) and the Stock Exchange (stock code: 02238).

Guangqi No. 1 is a limited partnership established in PRC and mainly engaged in venture capital. The general partner of Guangqi No. 1 is Guangzhou Yingpeng. Guangqi No. 1 has five limited partners, with Guangzhou Chentu No. 5 Venture Capital Fund Partnership Enterprise (Limited Partnership) (廣州辰途五號創業投資基金合夥企業(有限合夥)) and Guangzhou SUN Tour CAPITAL Co., Ltd. (廣州謝諾辰途股權投資管理有限公司) holding as to 32.03% and 30.34% of the partnership interests, respectively, and none of the other limited partners directly holding more than 30% of the partnership interests.

Xinguang Ruiwen is a limited partnership established in PRC and mainly engaged in investment in automobile industry. The general partners of Xinguang Ruiwen are Guangzhou Yingpeng and Wu Chunlei (吳春蕾), Xinguang Ruiwen has two limited partners, with Xinyu Dingfu Changlong Investment Center (Limited Partnership) (新余鼎富昌隆投資中心(有限合夥)) and Guangqi Capital Co., Ltd. (廣汽資本有限公司) holding approximately 54.52% and 41.24% of the partnership interests, respectively.

Guangzhou Yingyue Tongxing is a limited partnership established in the PRC and mainly engaged in venture capital investment. The general partners of Guangzhou Yingyue Tongxing are Guangzhou Yingpeng and Guangzhou Yuexiu Industry Investment Fund Management Co., Ltd. (廣州越秀產業投資基金管理股份有限公司) (“**Yuexiu Fund Management**”). Yuexiu Fund Management is indirectly owned as to 90% by Guangzhou Yuexiu Capital Holdings Group Co., Ltd. (廣州越秀資本控股集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000987). Guangzhou Yingyue Tongxing has two limited partners, with Guangzhou Yingyue Venture Capital Partnership (Limited Partnership) (廣州盈越創業投資合夥企業(有限合夥)) and Guangzhou Xingtong Venture Capital Partnership (Limited Partnership) (廣州興同創業投資合夥企業(有限合夥)) holding approximately 65.79% and 32.89% of the partnership interests, respectively.

Chengdu Hongtai

Chengdu Hongtai is a limited partnership established in PRC and mainly engaged in equity investment. The general partners of Chengdu Hongtai are Shanghai Orient Securities Capital Investment Co., Ltd. (上海東方證券資本投資有限公司) (“**Shanghai Orient**”) and Beijing Hongtai Private Fund Co., Ltd. (北京弘泰私募基金有限公司) (“**Beijing Hongtai**”). Shanghai Orient is in turn wholly owned by Orient Securities Company Limited (東方證券股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600958) and the Stock Exchange (stock code: 03958). Beijing Hongtai is wholly owned by Hainan Yunzhuo Investment Holdings Co., Ltd. (海南雲卓投資控股有限公司), which in turn is owned as to 79% by Ma Yuntao (馬雲濤). Chengdu Hongtai has two limited partners, with Yunzhuo Capital Investment (Chengdu) Co., Ltd. (雲卓資本投資(成都)有限公司) and Guohua Life Insurance Co., Ltd. (國華人壽保險股份有限公司) holding approximately 49.64% and 30.30% of the partnership interests, respectively.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Pre-[REDACTED] Investors

Background

Boda Fund	Boda Fund is a limited partnership established in PRC and mainly engaged in equity investment. The general partners of Boda Fund are Jiangsu Shengshi Guojin Investment Management Co., Ltd. (江蘇盛世國金投資管理有限公司) (“Jiangsu Shengshi Guojin”) and Xuzhou Bohaoda Equity Investment Co., Ltd. (徐州博灝達股權投資有限公司) (“Bohaoda Investment”). Jiangsu Shengshi Guojin is owned as to 65.00% by Jiangsu Shengshi Juxin Private Equity Fund Management Co., Ltd. (江蘇盛世聚鑫私募基金管理有限公司) (“Shengshi Juxin”) and as to 35.00% by Xuzhou Guosheng Holding Group Co., Ltd. (徐州市國盛控股集團有限公司), a state-owned entity. Shengshi Juxin is owned as to 45.00% by Jiangsu Shengshi Qitong Consulting Management Co., Ltd. (江蘇盛世啟同諮詢管理有限公司), which is in turn ultimately controlled by Jiang Ming (姜明明), as to 35.00% by Jiangsu Equity Investment Center Co., Ltd. (江蘇省股權投資中心有限公司), a state-owned entity. Bohaoda Investment is indirectly owned as to 80% by Shanghai Dianzhi Intelligent Technology Partnership (Limited Partnership) (上海點赤智能科技合夥企業(有限合夥)) (“Dianzhi Partnership”). The general partner of Dianzhi Partnership is Shanghai Xinhao Investment Management Co., Ltd. (上海新灝投資管理有限公司), which is in turn owned as to 50% by Yu Xiang (于祥) and 50% by Xiang Jianfei (項建飛), respectively. Boda Fund has two limited partners, with Xuzhou Boshuo (our another Pre-[REDACTED] Investor) holding approximately 69.72% and another limited partner directly holding less than 30.00% of the partnership interests.
CICC Renault	CICC Renault is a limited partnership established in the PRC and mainly engaged in equity investment. The general partner of CICC Renault is CICC Private Equity Investment Management Co., Ltd. (中金私募股權投資管理有限公司), which is in turn wholly owned by China International Capital Corporation Limited (中國國際金融股份有限公司) (a company listed on the Stock Exchange (stock code: 03908) and Shanghai Stock Exchange (stock code: 601995)). CICC Renault has four limited partners, with the largest being AMPERE INVESTMENT COMPANY, which is ultimately controlled by Renault SA (an international leading OEM), holding approximately 30.00% of its partnership interests, and none of the other three limited partners directly holding more than 30% of the partnership interests. Hangzhou Gaoxin Venture Investment Co., Ltd. (a general partner of Hangzhou Hehe, another Pre-[REDACTED] Investor) also holds 25.00% limited partnership interests in CICC Renault.
Hangzhou Junfu	Hangzhou Junfu is a limited partnership established in PRC and mainly engaged in equity investment. The general partner of Hangzhou Junfu is Hangzhou Jiafu Zejin Equity Investment Management Co., Ltd. (杭州嘉富澤錦股權投資管理有限公司) (“Jiafu Zejin”). Jiafu Zejin is indirectly owned as to approximately 49.50% by Hangzhou Xiaocanglan Investment Management Partnership (Limited Partnership) (杭州小蒼蘭投資管理合夥企業(有限合夥)) (“Hangzhou Xiaocanglan”) and 49.00% by Zhejiang Orient Group Industry & Finance Investment Co., Ltd. (浙江東方集團產融投資有限公司) (a wholly-owned subsidiary of Zhejiang Orient Holdings Group Co., Ltd. (浙江東方控股集團股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600120))). Hangzhou Xiaocanglan is managed by its general partner Hangzhou Tianquan Investment Management Co., Ltd. (杭州天全投資管理有限公司), which is in turn controlled by Chen Wanxiang (陳萬翔). Hangzhou Junfu has 31 limited partners with none of the limited partners directly holding more than 30% of the partnership interests.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Pre-[REDACTED] Investors

Background

Tianjin Boyuan	Tianjin Boyuan is a limited partnership established in PRC and mainly engaged in corporate management consulting. The general partner of Tianjin Boyuan is Beijing Youjia Interactive Entertainment Network Technology Co., Ltd. (北京游嘉互娛網絡科技有限公司) (“ Beijing Youjia ”). Beijing Youjia is owned as to 90.00% by Zhao Xinghua (趙興華). Tianjin Boyuan has two limited partners with Ma Mingyue (馬明越) being the largest limited partner holding approximately 83.98% of the partnership interests.
Shengxin Fund	Shengxin Fund is a limited partnership established in the PRC and mainly engaged in investments in the semiconductor industry. The general partner of Shengxin Fund is Xuzhou Yikehui Enterprise Management Partnership (Limited Partnership) (徐州易科匯企業管理合夥企業(有限合夥)) (“ Xuzhou Yikehui ”). Xuzhou Yikehui is managed by Yikehui (Qingdao) Private Equity Fund Management Co., Ltd. (易科匯(青島)私募基金管理有限公司), which is in turn controlled by Xu Haizhong (徐海忠). Shengxin Fund has 16 limited partners with none of them directly holding more than 30.00% of the partnership interests.
Qingdao Yinshengtai	Qingdao Yinshengtai is a limited partnership established in the PRC and mainly engaged in equity investment. The general partner of Qingdao Yinshengtai is Qingdao Furunjia Enterprise Management Consulting Co., Ltd. (青島富潤佳企業管理諮詢有限公司), which is in turn owned as to 90.00% by Qingdao Guangyufeng Investment Management Partnership (Limited Partnership) (青島廣裕豐投資管理合夥企業(有限合夥)) (“ Qingdao Guangyufeng ”). Qingdao Guangyufeng is owned as to approximately 33.33% by each of Liu Yong (劉勇), Yu Xizheng (于希政) and Qingdao Hepin Enterprise Management Co., Ltd. (青島合品企業管理有限責任公司) (a company owned as to 50.00% by each of Liu Yong and Yu Xizheng). Qingdao Yinshengtai has six limited partners with Qingdao Jingzhuo Investment Co., Ltd. (青島精卓投資有限公司) and Yancheng Zhirui Enterprise Management Consulting Co., Ltd. (鹽城市智銳企業管理諮詢有限公司) holding approximately 35.48% and 32.26% of the partnership interests, respectively, and none of the other limited partners directly holding more than 30.00% of the partnership interests.
Galaxy Yuanhui	Galaxy Yuanhui is a limited liability company established in PRC and mainly engaged in securities and equity investment. Galaxy Yuanhui is wholly owned by China Galaxy Securities Co., Ltd. (中國銀河證券股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601881) and the Stock Exchange (stock code: 06881).
Huafang Baisheng	Huafang Baisheng is a limited partnership established in the PRC and is mainly engaged in venture capital investment. The general partner of Huafang Baisheng is Hangzhou Huafang Chuangliang Investment Management Co., Ltd. (杭州華方創量投資管理有限公司), which is in turn ultimately controlled by Wang Licheng (汪力成). Huafang Baisheng has 17 limited partners with none of them directly holding more than 30% of the partnership interests.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Pre-[REDACTED] Investors	Background
Zhongtai VC	Zhongtai VC is a limited liability company established in PRC and mainly engaged in equity investment and venture capital. Zhongtai VC is wholly owned by Zhongtai Securities Co., Ltd. (中泰證券股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600918).
Guangzhou SUN Tour Capital	Two funds managed by Guangzhou SUN Tour Capital Co., Ltd. (廣州謝諾辰途股權投資管理有限公司) (“Guangzhou SUN Tour Capital”), namely Guangzhou Chentu and Xiamen Chenyang, made Pre-[REDACTED] Investments in our Company. Guangzhou SUN Tour Capital is owned as to approximately 10.00% by Chen Ruibin (陳銳彬) and 90.00% by Guangzhou Xieno Investment Group Co., Ltd. (廣州謝諾投資集團有限公司), which is in turn owned by 23 shareholders with none of them directly holding more than 30% of the equity interests. Guangzhou Chentu is a limited partnership established in the PRC and is mainly engaged in venture capital and equity investment. The general partner of Guangzhou Chentu is Guangzhou SUN Tour Capital. Guangzhou Chentu has 16 limited partners with none of them directly holding more than 30% of the partnership interests. Xiamen Chenyang is a limited partnership established in PRC and mainly engaged in venture capital. The general partner of Xiamen Chenyang is Guangzhou SUN Tour Capital. Xiamen Chenyang has 25 limited partners with none of them directly holding more than 30% of the partnership interests.
Dongyi Qianhan	Dongyi Qianhan is a limited partnership established in the PRC and mainly engaged in venture capital investment. The general partner of Dongyi Qianhan is Shenyang Dongyi Entity Cci Capital Ltd. (瀋陽東翼股權投資管理有限公司), which is in turn controlled by Chen Lijun (陳利軍). Dongyi Qianhan has six limited partners, with Xu Honghui (徐宏輝) holding approximately 43.48% and none of the other limited partners directly holding more than 30% of the partnership interests.
Qingchuang Bole	Qingchuang Bole is a limited partnership established in PRC and mainly engaged in equity investment. The general partner of Qingchuang Bole is Beijing Qingchuang Bole Investment Co., Ltd. (北京青創伯樂投資有限公司), which is in turn owned by five shareholders with none of them holding more than 30% of the equity interests. Qingchuang Bole has nine limited partners with none of them directly holding more than 30% of the partnership interests.
Chengyi Yuda	Chengyi Yuda is a limited partnership established in PRC and mainly engaged in corporate management consulting. The general partner of Chengyi Yuda is Chen Jiye (陳即憶). Chengyi Yuda has one limited partner, being Cheng Changyu (程昶宇) holding 98% of the partnership interests.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PUBLIC FLOAT

Apart from [REDACTED] H Shares held by Hongshan Mingde, Qianjiang Motorcycle, Boheng Co., Bozhikong No.1 and Bozhida to be converted from the Unlisted Shares, all other H Shares will be counted towards the public float for the purpose of Rule 19A.13A of the Listing Rules upon completion of the [REDACTED] and conversion of the Unlisted Shares into H Shares, assuming that the [REDACTED] is not exercised.

Upon completion of the [REDACTED] and conversion of the Unlisted Shares into H Shares, assuming that (i) [REDACTED] H Shares being [REDACTED] in the [REDACTED]; (ii) the [REDACTED] is not exercised; and (iii) [REDACTED] Unlisted Shares being converted to H Shares, [REDACTED] Shares, representing approximately [REDACTED]% of the total issued Shares, which is higher than the prescribed threshold of H Shares required to be held in public hands (being [REDACTED]%, [REDACTED]% and [REDACTED]% on the basis of low-end, mid-point and high-end of the indicative [REDACTED], respectively) under Rule 19A.13A of the Listing Rules.

FREE FLOAT

Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought, that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50,000,000; or (b) have an expected market value at the time of listing of not less than HK\$600,000,000.

Based on an [REDACTED] of HK\$[REDACTED] per H Share, being the low-end of the indicative [REDACTED] range, our Company will satisfy the free float requirement under Rule 19A.13C of the Listing Rules.

CAPITALIZATION OF OUR COMPANY

The following table is a summary of the capitalization of our Company:

Shareholder	As of June 2, 2026		Immediately following the completion of the [REDACTED] and conversion of the Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised)					
	Number of Shares	Shareholding	Number of Unlisted Shares	Shareholding in the Unlisted Shares	Number of H Shares	Shareholding in the H Shares	Number of Total Shares	Shareholding in the Total Issued Share Capital
Hongshan Mingde . .	27,783,863	17.07%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Qianjiang Motorcycle.	21,772,588	13.38%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Boheng Co. .	15,500,000	9.52%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Bozhikong No. 1 . . .	5,320,045	3.27%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Bozhida . . .	867,470	0.53%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Sub-total . . .	21,687,515	13.33%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Yuyao Shunxin . .	14,779,450	9.08%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Yuyao Industry . .	2,822,300	1.73%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Sub-total . . .	17,601,750	10.82%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Xuzhou Boshuo . .	10,768,669	6.62%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Boda Fund . .	3,975,012	2.44%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Sub-total . . .	14,743,681	9.06%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%

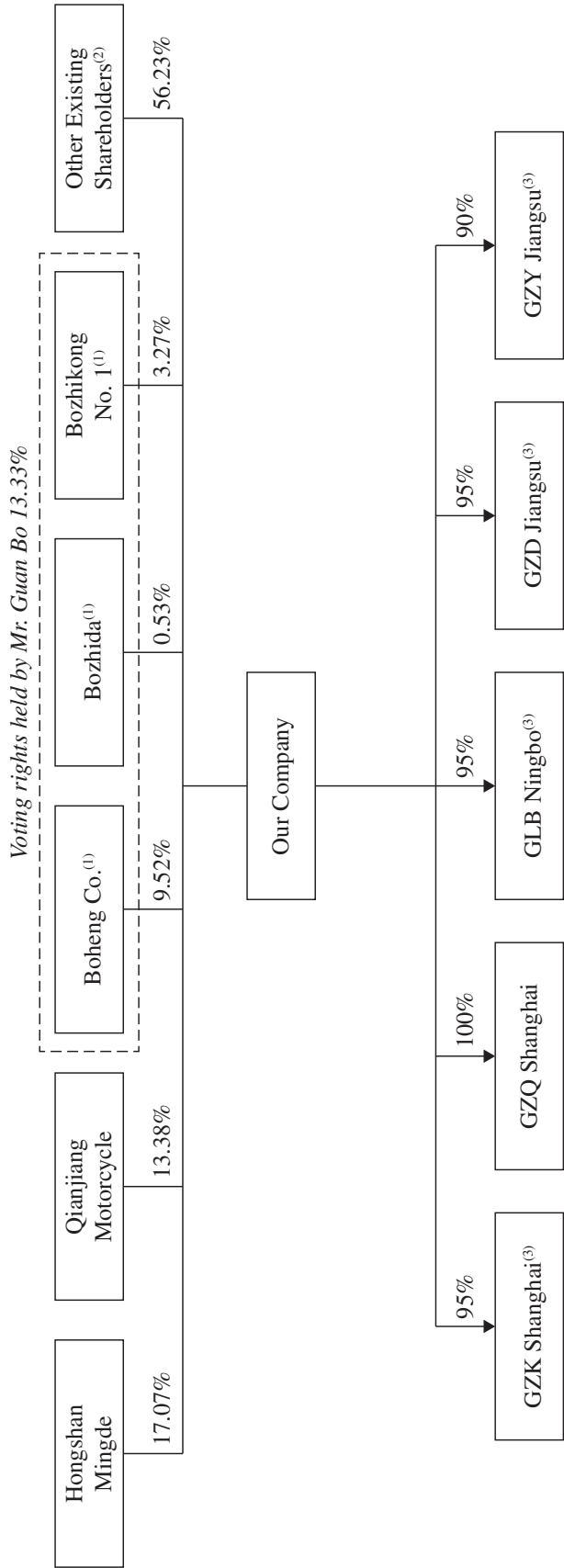
HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholder	As of June 2, 2026		Immediately following the completion of the [REDACTED] and conversion of the Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised)					
	Number of Shares	Shareholding	Number of Unlisted Shares	Shareholding in the Unlisted Shares	Number of H Shares	Shareholding in the H Shares	Number of Total Shares	Shareholding in the Total Issued Share Capital
National R&R Fund	9,477,159	5.82%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Guangqi No. 1	5,072,923	3.12%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Xinguang Ruiwen . .	2,536,462	1.56%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Guangzhou Yingyue Tongxing .	1,533,767	0.94%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Sub-total . .	9,143,152	5.62%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Taizhou Kenli . . .	6,626,506	4.07%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Hangzhou Hehe	6,509,691	4.00%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Chengdu Hongtai . .	4,090,045	2.51%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
CICC Renault . .	3,254,846	2.00%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Hangzhou Junfu . . .	3,180,010	1.95%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Xu Longya .	2,886,372	1.77%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Galaxy Yuanhui . .	2,510,221	1.54%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Guangzhou Chentu . . .	1,124,762	0.69%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Xiamen Chenyang .	920,260	0.57%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Sub-total . .	2,045,022	1.26%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Tianjin Boyuan . .	1,871,992	1.15%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Qingdao Yinshengtai.	1,590,004	0.98%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Shengxin Fund	1,590,005	0.98%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Huafang Baisheng .	1,192,504	0.73%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Zhongtai VC.	1,192,504	0.73%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Dongyi Qianhan . .	679,366	0.42%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Qingchuang Bole	679,366	0.42%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Chengyi Yuda	634,115	0.39%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
[REDACTED] taking part in the [REDACTED] .	—	—	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Total	162,742,277	100.00%	[REDACTED]	100.00%	[REDACTED]	100.00%	[REDACTED]	100.00%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

Corporate Structure Immediately before Completions of the [REDACTED]



(1) As of the Latest Practicable Date, Boheng Co. is controlled by Mr. Guan Bo.

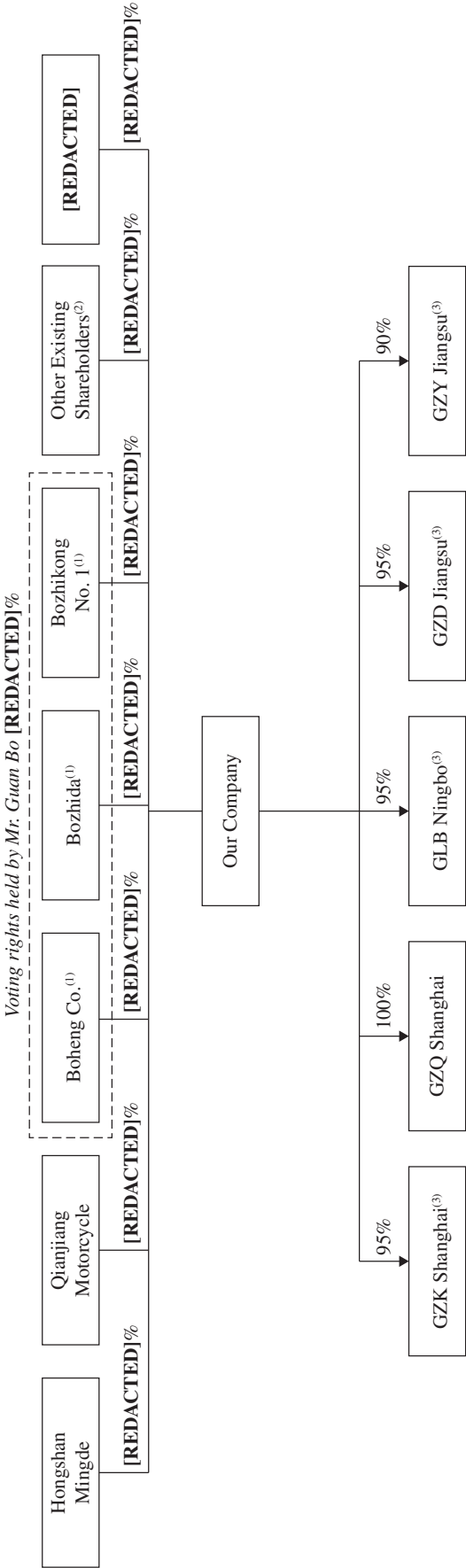
Bozhikong No. 1 is an Employee Incentive Platform and Bozhida is an employee shareholding platform, with Mr. Guan Bo being their respective general partner. Bozhida is held by Mr. Guan Bo as to approximately 13.38%; and the following limited partners: (i) Mr. Yin Hao, our Director, as to approximately 37.13%; (ii) Mr. Pan Shunbo, our Director, as to approximately 24.75%; (iii) Mr. Deng Sheng, our Director, as to approximately 7.43%; and (iv) two current employees of our Group. For details of Bozhikong No. 1, see “— Employee Incentive Platforms” in this section.

(2) Including our Pre-[REDACTED] Investors, see “Summary of Pre-[REDACTED] Investments” and “Information about our Pre-[REDACTED] Investors” for details.

(3) As of the Latest Practicable Date, the remaining 5% equity interest in each of GZK Shanghai, GLB Ningbo and GZD Jiangsu were held by GZQ Shanghai. The remaining 10% equity interest in GZY Jiangsu was held by GZD Jiangsu.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Corporate Structure Immediately Following Completion of the [REDACTED]



(1) — (3) Please see the details contained in the preceding pages.

CONNECTED TRANSACTIONS

OVERVIEW

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

OUR CONNECTED PERSONS

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

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

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

CONNECTED TRANSACTIONS

NON-EXEMPT CONTINUING CONNECTED TRANSACTION

Supply Framework Agreements

Principal Terms

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

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

Reasons for the Transaction

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

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

Pricing Policy

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

Historical Transaction Amounts

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

CONNECTED TRANSACTIONS

Annual Caps and Basis of Annual Caps

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

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

Listing Rules Implications

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

Procurement Framework Agreement

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

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

Reasons for the Transaction

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

Pricing Policy

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

CONNECTED TRANSACTIONS

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

Historical Transaction Amounts

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

Annual Caps and Basis of Annual Caps

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

- (i) the historical transaction amounts between our Group and Longquan Xiazhi during the Track Record Period in respect of the procurement of relevant products and services;
- (ii) the anticipated procurement requirements of our Group for Procured Products and Services, taking into account our Group’s expected business growth and expansion plans during the next two years; and
- (iii) the potential impact of inflation and increases in raw material, labour, manufacturing and logistics costs, as well as other market trends affecting the prices of comparable products.

Listing Rules Implications

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

INTERNAL CONTROL MEASURES FOR CONTINUING CONNECTED TRANSACTIONS

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

- We have adopted and implemented a management system for connected transactions. Under such system, our Audit Committee is responsible for overseeing compliance with relevant laws, regulations, our Group’s internal policies, and the Listing Rules in respect of the connected transactions. In addition, our Audit Committee, our Board, and the internal departments of our Group (including but not limited to our internal audit department and procurement department) are jointly responsible for evaluating the terms under the framework agreements for continuing connected transactions;
- With respect to the fairness of the pricing policies and annual caps under the framework agreements with connected persons, our management team will regularly review them through the following procedures: (i) if a comparable market price is available, we will compare the proposed product price or service fee with the market price to ensure that the proposed product price or service fee will not be less favorable to us than the market price; and (ii) if no comparable market price is available, our procurement or sales department will conduct arm’s

CONNECTED TRANSACTIONS

length negotiation with the relevant connected persons to determine the terms in line with the relevant pricing policies based on a number of factors including prices offered by independent third parties, competition landscape, production costs and expenses, transaction volumes and etc.;

- After arm’s length negotiation with the relevant connected persons and several rounds of internal assessment conducted on individual transactions based on the above factors by our Company’s internal departments, a final report will be made to our senior management who will approve individual transactions;
- Our internal audit department will regularly collect and monitor the transaction amount of continuing connected transactions to ensure timely assessment of whether the annual caps are exceeded or about to be exceeded; and
- Our independent non-executive Directors will also conduct an annual review on the non-exempt continuing connected transactions to ensure that such transactions have been entered into on normal commercial terms, are fair and reasonable, and are conducted according to the terms of the relevant framework agreements. The auditor of our Company will also conduct an annual review on the pricing and annual caps of non-exempt continuing connected transactions.

WAIVERS

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

DIRECTORS’ CONFIRMATION

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

SOLE SPONSOR’S CONFIRMATION

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

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this document were extracted from different official government publications, available sources from public market research and other sources from independent suppliers, and from the independent industry report prepared by CIC. We engaged CIC to prepare an independent industry report in connection with the [REDACTED] (the “CIC Report”). The information from official government sources has not been independently verified by us, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, [REDACTED], any of the [REDACTED], any of their respective directors and advisors, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy. Accordingly, the information from official government sources contained herein may not be accurate and should not be unduly relied upon.

OVERVIEW OF DOMAIN-CONTROLLED ELECTRIC DRIVE SOLUTION INDUSTRY

Evolution of Global Intelligent Era

The world is entering an industrial transformation driven by intelligence, with rapid development of new energy vehicles (NEVs), artificial intelligence (AI) infrastructure, and embodied intelligence. Electrification plays a crucial role in the commercialization of various intelligent functions, hardware, and algorithms, and its strategic significance in the intelligent era continues to grow. As the waves of industrial transformation in NEVs, AI infrastructure and embodied intelligence emerge and converge, electrification and intelligence jointly shape the core trajectory and ecosystem of the global intelligent era.

Automotive electrification evolution

The automotive industry is undergoing a structural transition from internal combustion propulsion to electrification, driven by ongoing technological advancements and increasing demand for efficient and low-carbon mobility. This transition accelerates the replacement of conventional mechanical transmission systems with electrified systems and components. Electric drive systems and power supply systems emerge as the core components of new energy vehicles, playing a critical role in determining a vehicle’s driving range, performance, and stability.

Artificial intelligence acceleration

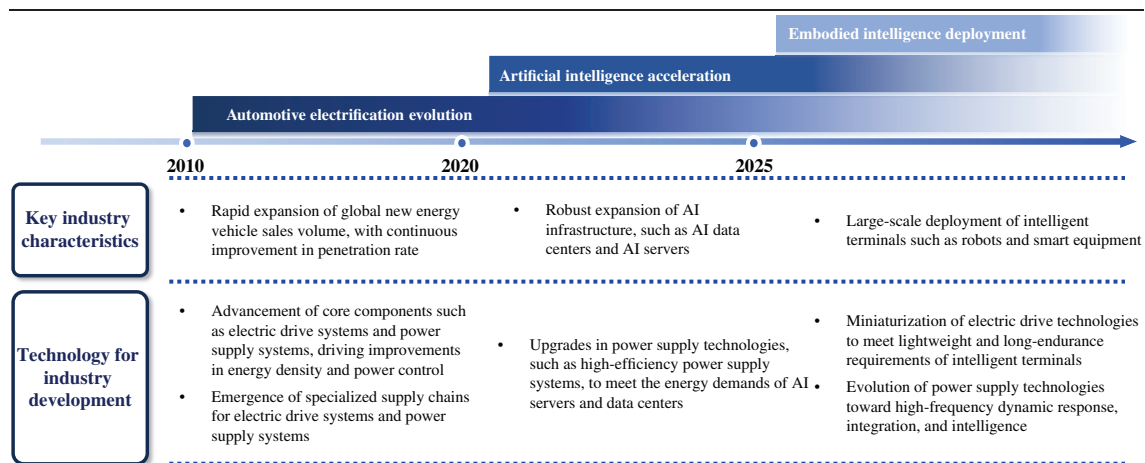
Breakthroughs and large-scale deployment of artificial intelligence technologies are driving rapid growth in computing demand, accelerating the build-out and upgrade cycles of AI infrastructure such as Artificial Intelligence Data Center (AIDC) clusters and AI servers. The high-density deployment and continuous operation of AI infrastructure increase requirements for the efficiency, reliability, and adaptability of energy supply, driving growing demand for high-performance AIDC power supply systems.

Embodied intelligence deployment

The 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. High-performance electric drive and power supply systems are critical to embodied intelligent terminals, supporting precise motion control, stable operation, and efficient energy management.

INDUSTRY OVERVIEW

Evolution of Global Intelligent Era



Source: CIC

Domain-Controlled Electric Drive Solutions as Core Components of Energy Management and Motion Control

Domain-controlled electric drive solutions, comprising electric drive systems and power supply systems, serve as core components for energy management and motion control. These solutions are underpinned by power electronics, electric motor systems, thermal management, and system integration technologies. Among these, power electronics technologies enable flexible control of energy flow, voltage, and power, while electric motor technologies facilitate efficient conversion of electrical energy into mechanical power. Combined with thermal management and system integration technologies, these capabilities realize coordinated management and optimization of electrical, magnetic, mechanical, and energy systems, ensuring efficient energy conversion, precise power transmission, thermal stability, and reliable system operation. Additionally, advanced technologies such as 800V high-voltage direct current (HVDC) architecture and drive-control integration further empower the precise control of power electronics and improve the adaptability of the electric motor under dynamic operating conditions. As a result, domain-controlled electric drive solutions have become critical energy management components across the automotive electrification, AI infrastructure, and embodied intelligence sectors.

ANALYSIS OF GLOBAL NEV DOMAIN-CONTROLLED ELECTRIC DRIVE SOLUTION INDUSTRY

Overview of NEV Domain-Controlled Electric Drive Solutions

NEV domain-controlled electric drive solutions include NEV domain-controlled x-in-one electric drive solutions, three-in-one electric drive solutions, two-in-one electric drive solutions, and non-integrated electric drive solutions. NEV domain-controlled x-in-one electric drive solutions refer to architectures mainly comprising electric drive systems, power supply systems and other components. The electric drive systems, centered on electric motors, motor control units (MCU), and reducers, enable efficient conversion and control of electrical and mechanical energy. The power supply systems, consisting of on-board chargers (OBC), DC/DC converters, and power distribution units (PDU), are responsible for energy storage, conversion, distribution, and management.

INDUSTRY OVERVIEW

Development Stages of Global NEV Domain-Controlled Electric Drive Solution Industry

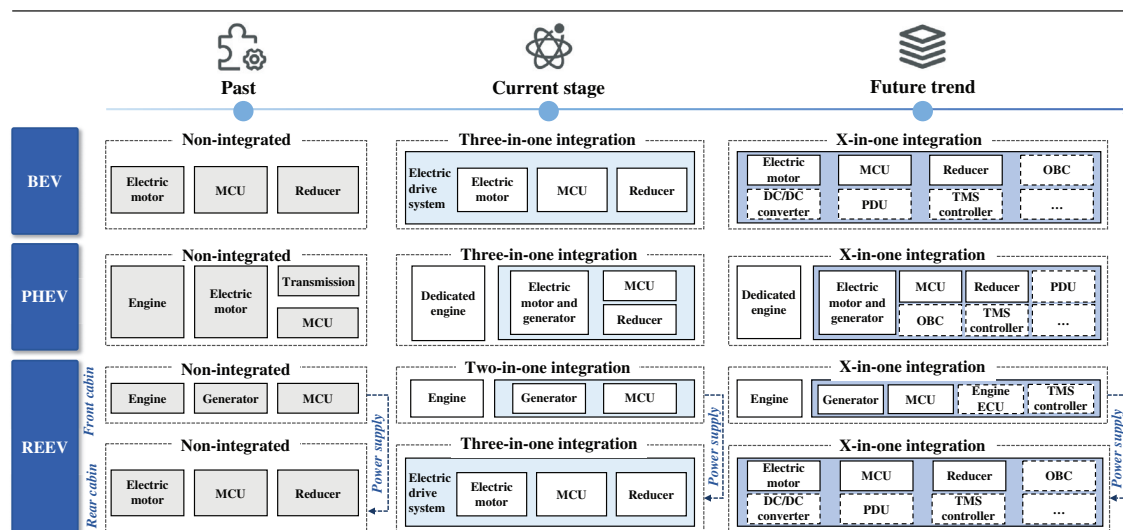
With car owners’ growing demand for longer driving range, enhanced performance and optimized cabin space, traditional non-integrated electric drive solutions, characterized by dispersed components, numerous interfaces and long wiring paths, are increasingly constrained by inefficiencies, high costs and reliability issues, and are unable to meet the growing requirements of NEVs. As a result, domain-controlled electric drive solutions are continuously evolving from non-integrated solutions to highly integrated solutions. Different energy types require differentiated solutions, depending on factors such as power source, drive architecture, and vehicle layout. Currently, Battery Electric Vehicles (BEVs) and Plug-in Hybrid Electric Vehicles (PHEVs) primarily adopt three-in-one electric drive solutions, while Range-Extended Electric Vehicles (REEVs) typically use a combination of two-in-one electric drive solutions in the front cabin and three-in-one electric drive solutions in the rear cabin. Looking ahead, domain-controlled electric drive solutions for BEVs, PHEVs, and REEVs are expected to gradually evolve toward more advanced x-in-one integration.

BEVs rely solely on battery power and are driven entirely by electric motors. Three-in-one electric drive solutions integrate the electric motor, reducer, and MCU into a single unit, effectively reducing size, weight, and energy loss, while simplifying assembly and lowering costs. Therefore, three-in-one electric drive solutions have become the mainstream choice for balancing efficiency, cost, and space. As integration extends to power supply system components and thermal management system (TMS) controllers, domain-controlled electric drive solutions are evolving towards domain-controlled x-in-one electric drive solutions.

PHEVs must balance both electric and gasoline power sources, with low-speed driving by the electric drive systems and high-speed driving by engines. Traditional transmissions are unable to efficiently coordinate dual power sources. In contrast, three-in-one electric drive solutions allow flexible switching among electric drive, engine drive, and hybrid modes. This allows vehicles to leverage the smoothness and energy efficiency of electric drive at low speeds, while reducing energy conversion losses through engine drive at high speeds, effectively balancing energy consumption, power performance, and operational costs. Domain-controlled electric drive solutions are expected to further integrate power supply components.

For REEVs, where electric motors provide full-time drive and engines function only as generators, two-in-one electric drive solutions are adopted in the front cabin for power generation, eliminating the need for mechanical coupling between engines and drive systems. This design simplifies the structure, reduces energy loss, and optimizes space utilization. Three-in-one electric drive solutions are adopted in the rear cabin dedicated to vehicle propulsion, securing pure electric driving performance while further enhancing space efficiency. Future development is expected to focus on x-in-one integration and energy efficiency optimization, further reducing overall energy consumption.

Technology Evolution of Global NEV Domain-Controlled Electric Drive Solutions



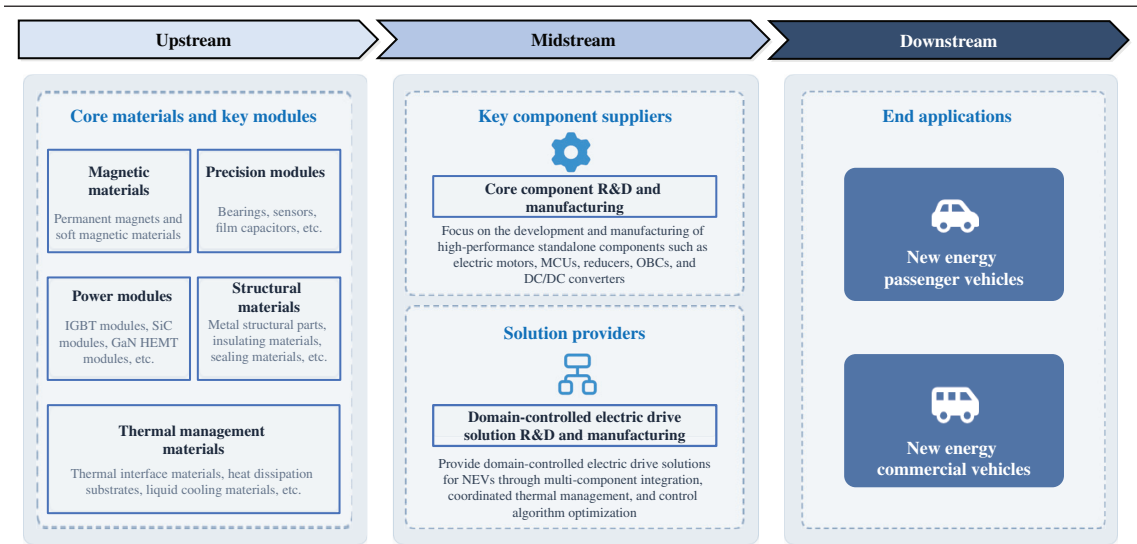
Source: CIC

INDUSTRY OVERVIEW

Value Chain of Global NEV Domain-Controlled Electric Drive Solution Industry

The upstream of the NEV domain-controlled electric drive solution industry consists of core materials and key modules suppliers, including magnetic materials, power modules, precision modules, structural materials, and thermal management materials. Power modules, which integrate multiple power semiconductor chips, driver circuits, and protection components into highly functional units, directly determine the power conversion efficiency and reliability of domain-controlled electric drive solutions. The midstream of the industry is divided by supplier specialization into key component suppliers and solution suppliers, and classified by supplier type into independent third-party suppliers and OEM-affiliated suppliers. The downstream primarily includes new energy passenger vehicles and commercial vehicles.

Value Chain of Global NEV Domain-Controlled Electric Drive Solution Industry



Source: CIC

Market Size of Global NEV Domain-Controlled Electric Drive Solution Industry

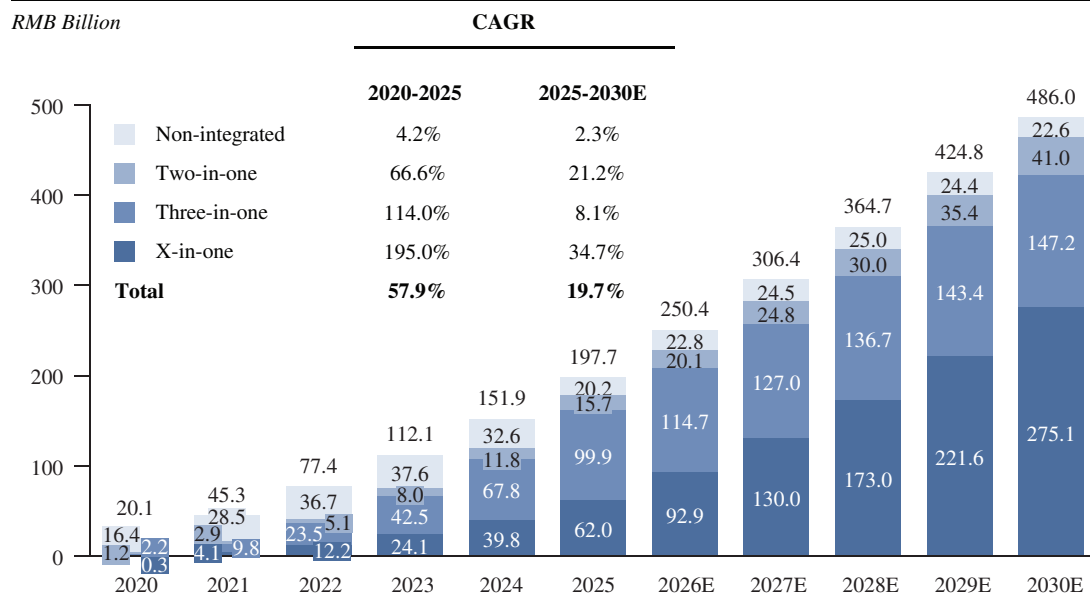
Driven by the ongoing electrification of global automotive industry, the market size of global NEV domain-controlled electric drive solution industry is projected to grow from RMB197.7 billion in 2025 to RMB486.0 billion in 2030, with a CAGR of 19.7% between 2025 and 2030.

As the global new energy vehicle industry advances towards intelligence and domain-based architectures, the demand for lightweight, integrated, and high-efficiency solutions continues to rise, accelerating the shift towards higher integration of domain-controlled electric drive solutions. Following this trend, the penetration rate of domain-controlled x-in-one electric drive solutions in global NEV domain-controlled electric drive solution industry grew rapidly, increasing from 1.4% in 2020 to 31.4% in 2025, and is expected to reach 56.6% by 2030. 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, with a CAGR of 34.7% during the period.

Meanwhile, the market for two-in-one electric drive solutions is also expanding, driven by rising REEV sales volume and growing demand for the integration of front cabin two-in-one electric drive solutions. The market size of global NEV two-in-one electric drive solution industry is expected to grow from RMB15.7 billion in 2025 to RMB41.0 billion in 2030, with a CAGR of 21.2% between 2025 and 2030.

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Market Size of Global NEV Domain-Controlled Electric Drive Solution Industry¹, in Terms of Revenue, by Integration Level, 2020-2030E



Penetration rate of domain-controlled x-in-one electric drive solutions in global NEV domain-controlled electric drive solution industry:



Note:

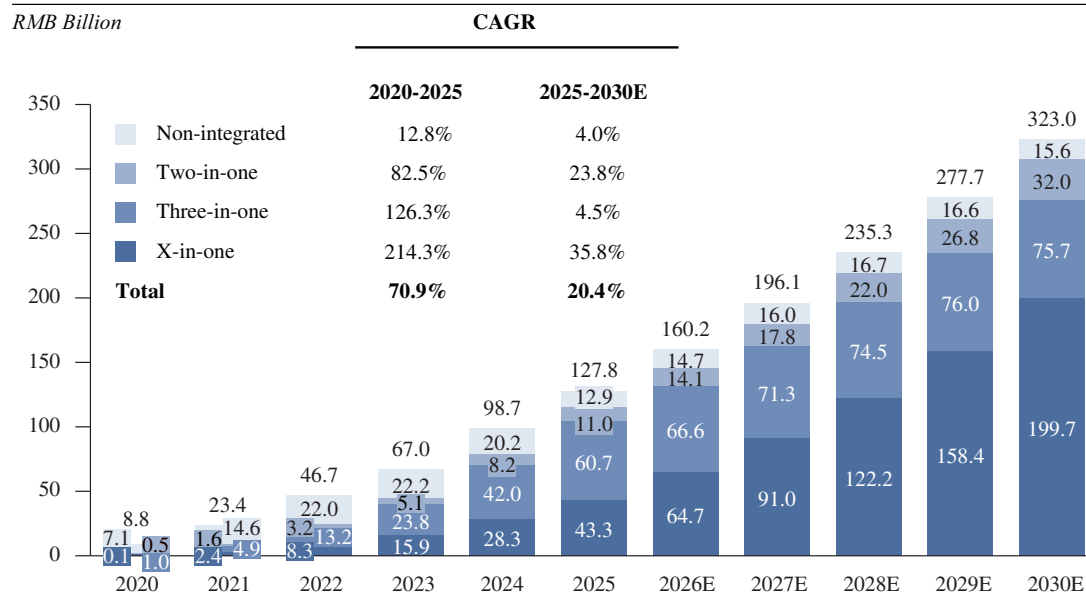
- NEV domain-controlled electric drive solutions include non-integrated electric drive solutions, two-in-one electric drive solutions, three-in-one electric drive solutions and domain-controlled x-in-one electric drive solutions. Two-in-one electric drive solution integrates the electric motor and MCU. Three-in-one electric drive solution integrates the electric motor, MCU and reducer. Domain-controlled x-in-one electric drive solution integrates the electric drive system, power supply system and other components. Numbers may not add up due to rounding.

Source: International Organization of Motor Vehicle Manufacturers, public filings of listed companies, expert interviews, industry publications, CIC

As the world's largest NEV market, China also represents the world's largest market for NEV domain-controlled electric drive solutions. 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. Driven by performance improvement, cost reduction, and enhanced reliability brought by higher integration, 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, representing a CAGR of 35.8% during the period. The penetration rate of domain-controlled x-in-one electric drive solutions in China's NEV domain-controlled electric drive solution industry stood at 33.9% in 2025 and is expected to further increase to 61.8% by 2030.

INDUSTRY OVERVIEW

Market Size of China’s NEV Domain-Controlled Electric Drive Solution Industry, in Terms of Revenue¹, by Integration Level, 2020-2030E



Penetration rate of domain-controlled x-in-one electric drive solutions in China’s NEV domain-controlled electric drive solution industry:



Note:

1. Numbers may not add up due to rounding.

Source: China Passenger Car Association, public filings of listed companies, expert interviews, industry publications, CIC

Key Drivers and Trends of Global NEV Domain-Controlled Electric Drive Solution Industry

- Acceleration of automotive electrification:** Policy and regulatory support, including carbon emission regulations and subsidies for NEV purchases, is accelerating automotive electrification. Sales volume of NEVs in China increased from 1.3 million units in 2020 to 16.2 million units in 2025, representing a CAGR of 64.9% during the period, with the penetration rate increasing from 5.1% in 2020 to 47.1% in 2025. By 2030, Sales volume of NEVs in China is expected to reach 34.4 million units, representing a CAGR of 16.3% between 2025 and 2030, and the penetration rate of NEVs is expected to reach 79.2% by 2030. As a result, the electrification trend is fundamentally reshaping vehicle architectures, driving strong demand for domain-controlled electric drive solutions.
- Technology innovation:** Domain-controlled electric drive solutions are rapidly evolving toward higher efficiency, integration, and performance.
 - Application of third-generation semiconductors:** Next-generation power modules based on SiC not only significantly improve electrical control efficiency and power density, but more importantly, support the implementation of 800V HVDC platforms, providing the foundation for ultra-fast charging, reduced overall vehicle energy consumption, and optimized thermal management.
 - Advancements in domain-controlled x-in-one integration technology:** Domain-controlled x-in-one electric drive solutions integrate electric motors, MCUs, reducers, and power supply systems into a single modular unit through redesigned component interfaces, consolidated housings, and optimized mechanical and electrical layouts. This integration enhances vehicle energy efficiency and reliability, enables optimized chassis packaging, reduces manufacturing costs, and addresses the growing demand for compact and efficient NEVs.

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- **High-voltage platform upgrade:** The 800V HVDC architecture has become a core technology within domain-controlled electric drive solutions, significantly reducing power transmission losses through higher system voltage. This enhancement supports ultra-fast charging, extends driving range, and improves overall vehicle performance, thereby driving market demand for advanced domain-controlled electric drive solutions.
- **Global expansion strategy:** Leading Chinese NEV domain-controlled electric drive solution suppliers leverage their technological capabilities, cost competitiveness and manufacturing expertise to closely support the global expansion of domestic OEMs, while increasing cooperation with international OEMs. To facilitate localized supporting services, optimize delivery lead times and align with global supply chain systems, the industry demonstrates a trend towards overseas capacity expansion. NEV domain-controlled electric drive solution suppliers continue to establish production facilities in key regions and build localized manufacturing and after-sales service networks, thereby further strengthening their global competitiveness.

Competitive Landscape of Global NEV Domain-Controlled Electric Drive Solution Industry

Global NEV domain-controlled electric drive solution suppliers can be categorized into independent third-party suppliers and OEM-affiliated suppliers. Compared to OEM-affiliated suppliers, independent third-party suppliers possess clear advantages in specialization, technological expertise, and product iteration speed. Driven by increasing demand from OEMs for specialized domain-controlled electric drive solutions and the rising penetration of NEVs worldwide, the market size of global NEV domain-controlled electric drive solutions provided by independent third-party suppliers is expected to maintain robust long-term growth, presenting favorable development prospects. The Company is one of the few independent third-party suppliers that has achieved full-stack R&D and manufacturing of NEV domain-controlled electric drive solutions, with capabilities of key component development and production.

Amid rapid technological advancement in the NEV domain-controlled electric drive solution industry, independent third-party suppliers actively adapt to evolving collaboration models. By providing core components, engaging in joint R&D initiatives, and participating in OEM product development, they strengthen supply chain efficiency, accelerate innovation, and ensure timely delivery of advanced solutions. As the industry value chain continues to specialize and OEMs increasingly focus on vehicle development and system integration, collaboration with independent third-party suppliers in key component development and supply has become increasingly common. As a result, independent third-party suppliers are playing an increasingly significant role within OEM supply chains.

Ranking of global NEV domain-controlled electric drive solution industry, 2025

Leveraging the technological capabilities and scale advantages, the Company 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.

Ranking of Global Independent Third-party NEV Domain-Controlled Electric Drive Solution Suppliers, in Terms of Installation Volume of Integrated NEV Domain-Controlled Electric Drive Solutions¹, 2025

Ranking	Suppliers	Installation volume	Market share ²
		(thousand)	(%)
1	Company A ³	~1,100	~4.4%
2	Company B ⁴	~900	~3.6%
3	The Company	653.7	2.6%
	Sub-total	~2,653.7	~10.7%

Notes:

1. Refers to two-in-one electric drive solutions, three-in-one electric drive solutions, and domain-controlled x-in-one electric drive solutions.

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- Refers to the proportion of each company’s installation volume of integrated NEV domain-controlled electric drive solutions in the global total installation volume of integrated NEV domain-controlled electric drive solutions. Numbers may not add up due to rounding.
- Company A is a listed company founded in 2016 and headquartered in Jiangsu, China. It is mainly engaged in the R&D, manufacturing and sales of domain-controlled electric drive solutions.
- Company B is a listed company founded in 1923 and headquartered in Paris, France. It is mainly engaged in the R&D, manufacturing and sales of automotive domain-controlled electric drive solutions, thermal management systems and advanced driver assistance systems.

Source: Public filings of listed companies, expert interviews, industry publications, CIC

Ranking of Global Independent Third-party NEV Domain-Controlled Electric Drive Solution Suppliers, in Terms of Installation Volume of NEV Domain-Controlled X-in-One Electric Drive Solutions, 2025

Ranking	Suppliers	Installation volume	Market share ¹
		(thousand)	(%)
1	The Company	548.3	8.2%
2	Company A	~450	~6.7%
3	Company B	~350	~5.2%
	Sub-total	~1,348.3	~20.2%

Note:

- Refers to the proportion of each company’s installation volume of NEV domain-controlled x-in-one electric drive solutions in the global total installation volume of NEV domain-controlled x-in-one electric drive solutions. Numbers may not add up due to rounding.

Source: Public filings of listed companies, expert interviews, industry publications, CIC

Entry Barriers and Key Success Factors in Global NEV Domain-Controlled Electric Drive Solution Industry

- Accumulation in mechatronic technologies:** Domain-controlled electric drive solutions are complex mechatronic systems that require long-term expertise in materials science, power control software and algorithm development. Their development involves significant technological accumulation, extensive engineering experience and continuous R&D investment to keep up with rapid technological iterations. New entrants need to make sustained investments in R&D to meet the market’s demand for high-performance products.
- Stickiness in customer relationships:** OEMs implement rigorous supplier selection and qualification procedures, which involve multiple testing and validation rounds with long review periods. Additionally, switching suppliers incurs high costs for OEMs, which gives existing suppliers a first-mover advantage and makes it difficult for new entrants to quickly secure high-quality clients.
- Strength in quality control and reliable delivery:** The automotive industry imposes stringent requirements on product quality, consistency and delivery reliability. Suppliers are generally required to establish a comprehensive vehicle-grade quality control system that covers product development, manufacturing and supply chain processes. The ability to maintain stable product quality and reliable delivery represents a key success factor in the industry.
- Stability in core technical teams:** Domain-controlled electric drive solution industry requires professionals with expertise across multiple fields, including mechanical design and software algorithms. The cultivation of experienced technical personnel typically requires significant time and practical project experience. As a result, new entrants face challenges in quickly forming multidisciplinary teams.

INDUSTRY OVERVIEW

ANALYSIS OF GLOBAL AIDC POWER SUPPLY SYSTEM INDUSTRY

Background and Definition of AIDC Power Supply System

Rapid advancements of artificial intelligence are accelerating the expansion of AI infrastructure, in which AIDC clusters play a central role. Increasing power density and continuous high-load operation of AIDCs raise requirements for power delivery performance. Therefore, AIDC power supply systems have become pivotal in ensuring reliable and efficient power delivery, optimizing energy consumption, and supporting sustained high-performance operation, which are all essential for maintaining the performance and scalability of AI infrastructure.

AIDC power supply systems are high-performance switched-mode power supply systems specifically designed for AI workloads. Through a three-layer architecture consisting of uninterruptible power supply (UPS), AC/DC conversion, and DC/DC conversion, they convert alternating current into stable direct current tailored to the requirements of central processing unit (CPU), graphics processing unit (GPU), application-specific integrated circuit (ASIC), memory and storage device, ensuring continuous and reliable power delivery to AIDCs. These systems are composed of key components including power modules and magnetic component modules. Among them, power modules account for approximately 30% to 40% of total module value, and serve as the core determinant of efficiency, power density, and reliability, thereby setting the performance ceiling of AIDC power supply systems.

Commonalities between NEV Domain-Controlled Electric Drive Solution Industry and AIDC Power Supply System Industry

The NEV domain-controlled electric drive solution industry shares commonalities with the AIDC power supply industry in various aspects, allowing NEV domain-controlled electric drive solution suppliers to rapidly enter the AIDC power supply industry.

- **Technology commonality:** The NEV domain-controlled electric drive solution industry has accumulated extensive technical expertise in areas such as magnetic core loss control, high-frequency winding optimization and precise electromagnetic coupling. These technologies can be directly applied to the design and manufacturing of high-frequency transformers in AIDC power supply systems, meeting requirements for high-frequency power conversion and compact structural design. Additionally, AC/DC and DC/DC power conversion technologies in the NEV domain-controlled electric drive solution industry, characterized by efficient energy conversion, dynamic load response and high reliability, can be directly transferred to the AIDC power supply system industry.
- **Architecture commonality:** Benefiting from a shared technological ecosystem and mature supply chains, the 800V HVDC architecture is expanding from the NEV domain-controlled electric drive solution industry into AIDC power supply system industry. Traditional low-voltage power architectures struggle to support the increasing power density requirements of data centers, with issues such as excessive space usage, high energy loss, and increased thermal management complexity. By contrast, the 800V HVDC technology supports high-power applications while operating at lower current levels, thereby reducing transmission losses, thermal load, and copper usage. These characteristics contribute to improved system efficiency and enhanced reliability, making the architecture increasingly suitable for next-generation AIDC power supply systems.
- **Manufacturing capability reuse:** NEV domain-controlled electric drive solution industry has established manufacturing capabilities for power-related products, such as power distribution units and power modules. When extending NEV power supply system production capabilities to the AIDC power supply sector, only minor adjustments to parameters based on the characteristics of AIDCs are required. This enables NEV domain-controlled electric drive solution suppliers to capitalize on their process expertise and manufacturing capability, facilitating rapid scaling to meet the growing demand for AIDC power supply systems.

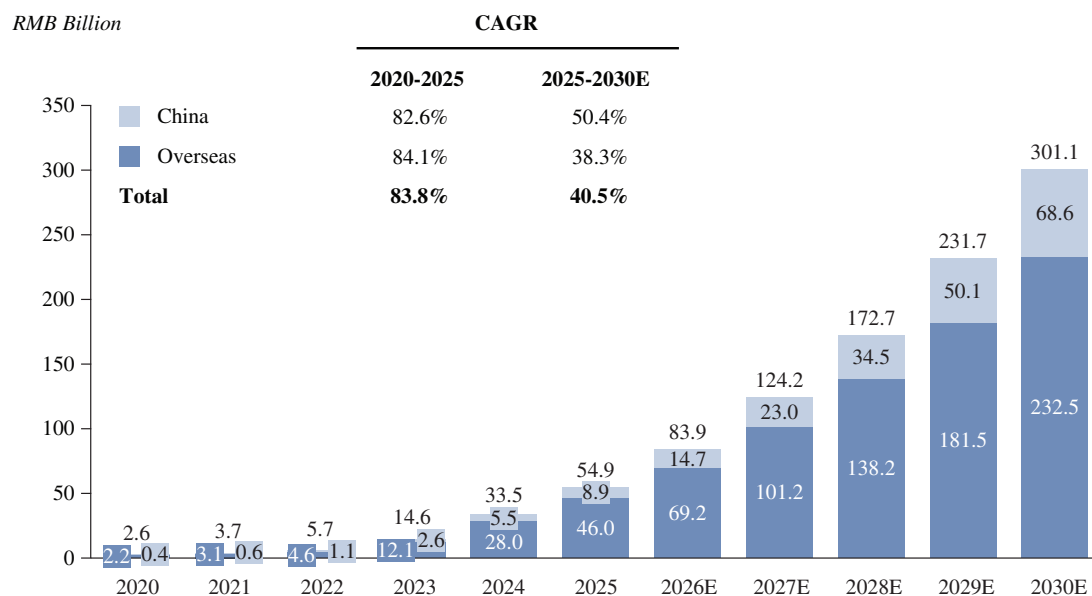
INDUSTRY OVERVIEW

- Supply chain commonality:** The NEV domain-controlled electric drive solution industry has developed a well-established and resilient supply chain, with proven capabilities for ensuring product reliability and supply stability. Core components used in AIDC power supply systems, such as power semiconductors including SiC and GaN, are also commonly applied in NEV power supply systems. As a result, the existing supply chain of NEV power supply system industry can be efficiently leveraged in the AIDC power supply sector, significantly shortening certification cycles, reducing procurement costs and enabling rapid scale-up of mass production.
- Service capability commonality:** The NEV domain-controlled electric drive solution industry and the AIDC power supply industry both serve large enterprise customers, which impose stringent requirements on R&D capabilities, large-scale delivery, and quality management. Given the similarity in customer structure and capability requirements, NEV domain-controlled electric drive solution suppliers are well positioned to expand into the AIDC power supply system industry.

Market Size of Global and China’s AIDC Power Supply System Industry

Driven by the rapid adoption of generative AI, continued expansion of AI infrastructure and rising power density per rack, the market size of global AIDC power supply system industry is entering a high-growth phase, and is expected to increase from RMB54.9 billion in 2025 to RMB301.1 billion in 2030, representing a CAGR of 40.5%. Supported by the accelerated development of domestic AI infrastructure, 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, representing a CAGR of 50.4%.

Market Size of Global AIDC Power Supply System Industry, in Terms of Revenue¹, by Region, 2020-2030E



Note:

1. Numbers may not add up due to rounding.

Source: Public filings of listed companies, expert interviews, industry publications, CIC

INDUSTRY OVERVIEW

Key Drivers and Trends of Global and China’s AIDC Power Supply System Industry

- **Rapid expansion of AI infrastructure:** The rapid advancement of AI technology and the expansion of AI infrastructure are driving the large-scale deployment of AIDC clusters, which impose stringent power performance requirements. As a result, demand for high-performance AIDC power supply systems is growing rapidly.
- **Accelerated technological evolution:** HVDC architectures reduce power losses and are particularly suitable for high-power rack applications. Meanwhile, semiconductors such as GaN and SiC enhance power density and stability, which in turn drives the AIDC power supply system industry toward higher efficiency and reliability.
- **Energy efficiency regulation pressure:** Amid tightening data center energy efficiency requirements, coupled with the high energy loss of traditional power architectures, the penetration rate of high-performance AIDC power supply systems increases rapidly.

ANALYSIS OF GLOBAL EMBODIED INTELLIGENCE DOMAIN-CONTROLLED ELECTRIC DRIVE SYSTEM INDUSTRY

Overview of Embodied Intelligence Domain-Controlled Electric Drive System Industry

Embodied intelligence integrates artificial intelligence with physical embodiment, enabling intelligent terminals to perceive, learn, and execute. Its technical architecture consists of three layers, with the brain handling advanced cognition and decision-making, the cerebellum responsible for motion control and balance, and the body comprising hardware components such as joints and electric motors. Embodied intelligence domain-controlled electric drive systems provide critical support for the cerebellum and body, offering precise motion control, stable power supply, and accelerating the commercialization of embodied intelligence.

Commonalities between NEV Domain-Controlled Electric Drive Solution Industry and Embodied Intelligence Domain-Controlled Electric Drive System Industry

The NEV domain-controlled electric drive solution industry shares significant commonalities with the embodied intelligence domain-controlled electric drive system industry in various aspects, allowing NEV domain-controlled electric drive solution suppliers to rapidly enter the embodied intelligence domain-controlled electric drive system industry.

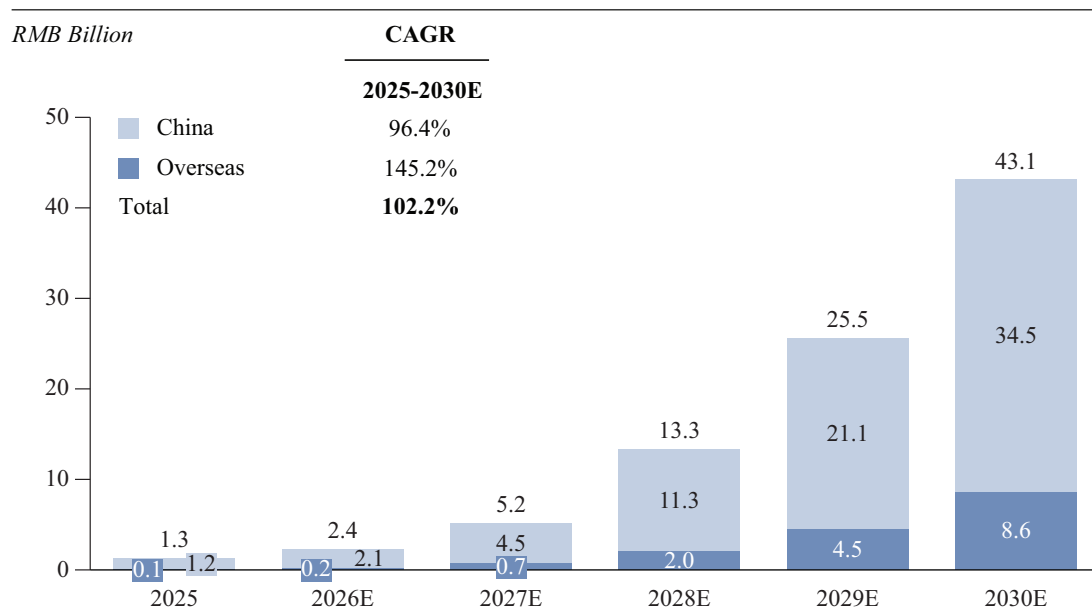
- **Technology commonality:** NEV domain-controlled electric drive solutions rely on electric drive systems and power supply systems to achieve precise power output and dynamic energy management. Electric drive technology enables precision grasping and other motion executions through precise torque control, while power supply technology dynamically allocates energy to meet efficiency requirements for long-duration operations. In addition, amorphous metal cores can be applied in joint motors that provide power output, reducing high-frequency losses, lowering weight, improving efficiency and enhancing endurance performance. GaN devices can be incorporated into servo drives responsible for precise control, improving response speed and force-control capabilities while meeting the miniaturization requirements of integrated modules. These technologies can be directly transferred to the field of embodied intelligence.
- **Architecture commonality:** NEV domain-controlled electric drive solutions create a coordinated architecture between electric drive systems and power supply systems, enabling real-time interaction between power output and energy supply. This architecture can be applied to multi-joint systems in the field of embodied intelligence, which coordinates multiple joint drive units and power modules to enhance motion synchronization and response speed.
- **Design principles commonality:** NEV domain-controlled electric drive solutions incorporate redundancy mechanisms, overload protection, and charge-discharge safety features to ensure stable and continuous operation under complex conditions. These high-robustness design principles and technologies can be applied directly to the field of embodied intelligence, ensuring sustained, stable, and reliable operation in high-load, long-duration scenarios.

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Market Size of Embodied Intelligence Domain-Controlled Electric Drive System Industry

Driven by the evolution of embodied intelligent terminals toward lighter weight, longer endurance, and greater degrees of freedom, as well as increasing investment in intelligent manufacturing, applications for embodied intelligence domain-controlled electric drive systems continue to expand. Meanwhile, as leading embodied intelligence companies accelerate commercialization and large-scale deployment, the demand for embodied intelligence domain-controlled electric drive systems is expected to grow rapidly. The market size of global embodied intelligence domain-controlled electric drive system industry is projected to increase from RMB1.3 billion in 2025 to RMB43.1 billion in 2030, representing a CAGR of 102.2%. The market size of China’s embodied intelligence domain-controlled electric drive system industry is projected to increase from RMB1.2 billion in 2025 to RMB34.5 billion in 2030, representing a CAGR of 96.4%. Rapid growth across global and China’s markets positions embodied intelligence domain-controlled electric drive systems as a key growth segment within the embodied intelligence industry.

Market Size of Global Embodied Intelligence Domain-Controlled Electric Drive System Industry, in Terms of Revenue¹, by Region, 2025-2030E



Note:

1. Numbers may not add up due to rounding.

Source: International Federation of Robotics, public filings of listed companies, expert interviews, industry publications, CIC

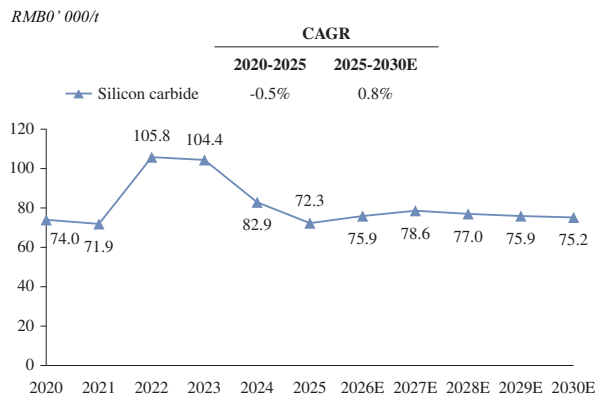
RAW MATERIAL OF DOMAIN-CONTROLLED ELECTRIC DRIVE SOLUTION INDUSTRY

Silicon carbide and enameled wire are key raw materials used in domain-controlled electric drive solutions. Silicon carbide serves as a core raw material for power modules, which directly determine the performance, efficiency, switching capability, and power density of the power supply system and MCU. The price of silicon carbide increased during the early stages of industry development, primarily due to limited production capacity and rapidly growing demand from the new energy vehicle market. As industry investment accelerated and additional production capacity was gradually commissioned, supply conditions improved, resulting in a moderation of silicon carbide price. Going forward, continued capacity expansion and technological progress are expected to further alleviate supply constraints, supporting the long-term stabilization of silicon carbide price.

INDUSTRY OVERVIEW

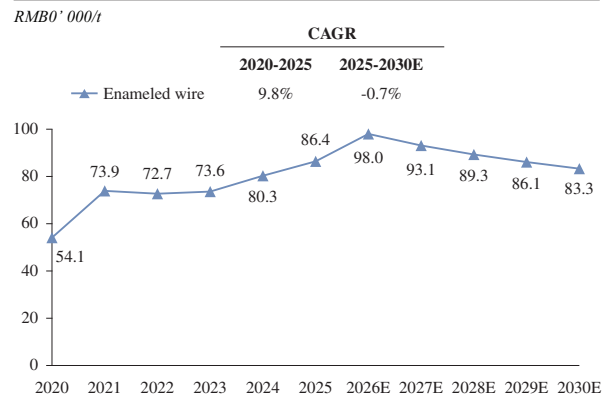
Enameled wire is a key raw material used in electric motors, directly affecting efficiency, power output, thermal performance, and operational reliability. The price of enameled wire is influenced by fluctuations in upstream copper prices and demand from downstream electrification applications. Supported by stronger demand from the new energy vehicle market and higher raw material costs, the price of enameled wire generally trended upward from 2020 to 2025, and is expected to increase higher in 2026. As upstream supply conditions improve and industry capacity continues to expand, the price is expected to gradually decline and stabilize over the longer term.

Price Trend of Silicon Carbide, 2020-2030E



Source: General Administration of Customs of the People's Republic of China, CIC

Price Trend of Enameled Wire, 2020-2030E



Source: Shanghai Metals Market, CIC

SOURCE OF INFORMATION

In connection with the [REDACTED], we engaged CIC, an independent market research consultant, to conduct an analysis of, and to prepare a report about global domain-controlled electric drive solution industry. The CIC Report has been prepared by CIC independent of the influence of our Group and other interested parties. We have agreed to pay CIC a total fee of RMB560,000 for the preparation and use of the CIC Report, and we believe that such fees are consistent with the market rate. CIC is a consulting firm founded in Hong Kong and provides professional industry consulting services across multiple industries. CIC's services include industry consultancy services, commercial due diligence and strategic consulting.

CIC conducted both primary and secondary research using a variety of resources. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources. The market projections in the commissioned report are based on the following key assumptions: (i) given China's enduringly stable political system, effective social governance and robust economic foundation, it is anticipated that the overall social, economic and political environments in China will remain stable during the forecast period; (ii) according to the National Bureau of Statistics of China, key economic indicators such as GDP, industrial added value, and urbanization rate have shown an upward trend in China over the past decade. Therefore, we believe that the economic and industry development in China is likely to maintain a steady growth trajectory during the forecast period, accompanied by continuing urbanization; and (iii) there will be no extreme force majeure event or unforeseen industry regulation that may significantly or fundamentally affect the relevant market and industry.

Unless otherwise specified, all data and forecasts contained in this section are derived from the consultancy report of CIC. The Directors, upon acting with reasonable prudence, confirmed that there has been no occurrence of adverse change in the overall market information that would subject the data to significant restrictions, contradiction or negative effects since the date of the consultancy report.

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REGULATIONS RELATING TO ELECTRIC MOTORS, DRIVES AND CONTROL SYSTEMS

On May 8, 2015, the State Council issued the Made in China 2025 (《中國製造2025》), which requires promoting the deep integration of informatization and industrialization, and accelerating the development of intelligent manufacturing equipment and products. It aims to achieve breakthroughs in intelligent core devices such as new sensors, intelligent measuring instruments, industrial control systems, servo electric motors and drives, and reducers, and promote their engineering and industrialization. It vigorously promotes breakthrough development in key areas. It also involves the development of a batch of precision, high-speed, high-efficiency, flexible CNC machine tools, fundamental manufacturing equipment and integrated manufacturing systems. It accelerates the research and development of frontier technologies and equipment such as high-end CNC machine tools and additive manufacturing. Focusing on improving reliability and precision retention, it develops major functional components and key application software such as high-end CNC systems, servo electric motors, bearings and gratings, and accelerates their industrialization.

On October 20, 2020, the General Office of the State Council issued the New Energy Vehicle Industry Development Plan (2021-2035) (《新能源汽車產業發展規劃(2021-2035年)》), which explicitly requires improving the basic capabilities of the industry. It deepens the “three horizontal” layout of power batteries and management systems, electric motors and power electronics, and networking and intelligent technologies, and builds a technological supply system for key components. It explores new-generation vehicle electric motor drive system solutions and strengthens the development of key components and systems for intelligent connected vehicles. At the same time, it implements the basic technology improvement project for new energy vehicles. It achieves breakthroughs in key technologies and products such as automotive-grade chips, automotive operating systems, new electronic and electrical architectures, and high-efficiency and high-density electric motor systems.

On December 12, 2021, the State Council issued the “14th Five-Year” Digital Economy Development Plan (《「十四五」數字經濟發展規劃》) to enhance the competitiveness of core industries. It focuses on improving the supply level of basic software and hardware, core electronic components, key basic materials, and production equipment, and strengthens the self-sufficiency guarantee capability of key products. It improves the supply chain systems of key industries such as 5G, integrated circuits, new energy vehicles, artificial intelligence, and the industrial internet.

On December 21, 2021, government departments including the Ministry of Industry and Information Technology of the PRC (the “MIIT”), the National Development and Reform Commission of the PRC (the “NDRC”), the Ministry of Education of the PRC, the Ministry of Science and Technology of the PRC, and the Ministry of Finance of the PRC (the “MOF”) jointly issued the “14th Five-Year” Intelligent Manufacturing Development Plan (《「十四五」智能製造發展規劃》), which includes industrial control equipment such as advanced controllers, high-precision servo drive systems, intelligent CNC systems, high-end distributed control systems, programmable logic controllers, and supervisory control and data acquisition systems in the intelligent manufacturing equipment innovation and development action.

On July 7, 2022, the MIIT, the NDRC, and the Ministry of Ecology and Environment of the PRC (the “MEE”) issued the Implementation Plan for Carbon Peaking in the Industrial Sector (《工業領域碳達峰實施方案》) to improve the energy efficiency of key energy-consuming equipment. It implements energy efficiency improvement plans for transformers, electric motors, etc., and promotes the energy-saving renovation and upgrading of key energy-consuming equipment systems such as industrial kilns, boilers, compressors, fans, and pumps. It focuses on promoting new energy-saving equipment such as rare earth permanent magnet ironless electric motors, ultra-large power high-voltage variable-frequency transformers, triangular 3D wound core transformers, controllable heat pipe energy-saving heat treatment furnaces, variable-frequency stepless speed regulation fans, and magnetic levitation centrifugal fans.

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According to the Guiding Catalogue for Industrial Structure Adjustment (2024 Version) (《產業結構調整指導目錄(2024年本)》) issued by the NDRC on December 27, 2023 and effective from February 1, 2024, key components such as high-precision reducers for robots, high-performance servo systems, intelligent controllers, and intelligent integrated joints, as well as CNC systems, servo drives and electric motors for high-end CNC machine tools, and electric motor systems for electric vehicles are all listed as encouraged industries.

LAWS AND REGULATIONS RELATING TO THE COMPANY

The Company Law of the PRC (《中華人民共和國公司法》) was promulgated by the Standing Committee of the National People’s Congress (the “SCNPC”) on December 29, 1993, became effective on July 1, 1994, and was most recently amended on December 29, 2023 and became effective on July 1, 2024. According to the Company Law of the PRC, companies are generally classified into two categories, namely limited liability companies and joint stock limited companies. The major amendments of the latest Company Law of the PRC effective on July 1, 2024 include improving the company establishment and exit system, optimizing the setup of company organizational structures, improving the company capital system, strengthening the responsibilities of controlling shareholders (控股股東) and management personnel, and strengthening corporate social responsibilities.

LAWS AND REGULATIONS RELATING TO PRODUCTION SAFETY

On June 29, 2002, the SCNPC promulgated the Production Safety Law of the PRC (《中華人民共和國安全生產法》) (the “**Production Safety Law**”), which was most recently amended by the SCNPC on June 10, 2021 and became effective on September 1, 2021. According to the Production Safety Law, production and business operation entities must comply with laws and regulations relating to production safety, strengthen production safety management, establish and improve production safety responsibility systems and production safety rules and regulations, increase the input guarantee for production safety funds, materials, technologies, and personnel, improve production safety conditions, strengthen production safety standardization and informatization construction, build a dual prevention mechanism of safety risk classification and control and hidden danger investigation and governance, improve the risk prevention and resolution mechanism, enhance the level of production safety, and ensure production safety. The safety facilities of newly built, expanded, or reconstructed engineering projects of production and business operation entities must be designed, constructed, and put into production and use simultaneously with the main body of the projects. Investments in safety facilities shall be included in the estimated budget of the construction project. Entities that do not possess production safety conditions shall not engage in production and business operation activities.

LAWS AND REGULATIONS RELATING TO PRODUCT QUALITY

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated by the SCNPC on February 22, 1993 and most recently amended and effective on December 29, 2018, producers shall (i) be responsible for the quality of the products they produce; (ii) not produce products explicitly phased out by the State; (iii) not forge the origin of products, nor forge or falsely use another’s factory name or address; not forge or falsely use quality marks such as certification marks; (iv) not adulterate products, mix improper elements with them, pass off fake products as genuine ones, pass off inferior products as quality ones, or pass off substandard products as standard ones; and (v) ensure that the packaging quality of fragile, flammable, explosive, toxic, corrosive, radioactive, and other dangerous goods, as well as products that cannot be inverted during storage and transportation and products with other special requirements, meets the corresponding requirements, with warning marks or Chinese warning instructions attached, indicating matters needing attention during storage and transportation. Where a defective product causes physical injury to a person or damage to another’s property, the victim may claim compensation from the producer or the seller of such product. Those producing or selling substandard products shall be ordered to stop production and sales, have their illegally produced and sold products confiscated, and be fined; if there are illegal gains, such illegal gains shall be confiscated concurrently; in severe cases, their business licenses shall be revoked; if a crime is constituted, criminal responsibilities shall be pursued in accordance with the law.

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LAWS AND REGULATIONS RELATING TO THE IMPORT AND EXPORT OF GOODS AND TECHNOLOGIES

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994, most recently amended on December 27, 2025 and effective on March 1, 2026, and the Notice of the Department of Enterprise Management and Audit on Matters relating to the Filing of Consignees and Consignors of Imported and Exported Goods (《企業管理和稽查司關於進出口貨物收發貨人備案有關事宜的通知》) promulgated by the General Administration of Customs of the PRC (the “GAC”) on January 3, 2023 and effective immediately, a consignee or consignor of imported and exported goods applying for filing shall obtain the qualification of a market entity and is not required to obtain the filing of a foreign trade operator. The import and export of technologies subject to free import and export shall be registered for contract filing with the foreign trade competent department of the State Council or its entrusted institutions.

LAWS AND REGULATIONS RELATING TO CONSTRUCTION AND ENVIRONMENTAL PROTECTION

According to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》) promulgated by the SCNPC, effective from January 1, 2008 and most recently amended and effective on April 23, 2019, the Construction Law of the PRC (《中華人民共和國建築法》) promulgated by the SCNPC, effective from March 1, 1998 and most recently amended and effective on April 23, 2019, the Administrative Measures for Construction Permits of Construction Projects (《建築工程施工許可管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on June 25, 2014, most recently amended and effective on March 30, 2021, and the Regulations on Quality Management of Construction Projects (《建設工程質量管理條例》) promulgated on January 30, 2000, amended and effective on April 23, 2019, construction activities within the built-up areas of cities, towns, and villages, as well as areas where planning control must be implemented due to the needs of urban and rural construction and development, must comply with the relevant provisions of the Urban and Rural Planning Law of the PRC. The construction entity shall obtain the construction land planning permit and the construction project planning permit issued by the urban and rural planning competent department of the county people’s government, and apply for a construction permit from the housing and urban-rural development competent department of the municipal, county or above people’s government where the project is located before the commencement of construction. After receiving the construction project completion report, the construction entity shall organize the design, construction, engineering supervision, and other relevant entities to conduct the completion acceptance.

According to the Regulations on the Administration of Approval and Filing of Enterprise Investment Projects (《企業投資項目核准和備案管理條例》) promulgated by the State Council on November 30, 2016 and effective on February 1, 2017, projects concerning national security, major national productive force layout, strategic resource development, and major public interests are subject to approval management. The specific scope of projects, as well as the approval authorities and approval jurisdiction, are subject to the catalogue of investment projects approved by the government.

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) promulgated by the SCNPC on December 26, 1989, amended on April 24, 2014 and effective on January 1, 2015, the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) promulgated by the SCNPC on October 28, 2002 and most recently amended and effective on December 29, 2018, the Regulations on the Administration of Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998, amended on July 16, 2017 and effective on October 1, 2017, the Administrative Measures for the Filing of Environmental Impact Registration Forms of Construction Projects (《建設項目環境影響登記表備案管理辦法》) promulgated by the MEE on November 16, 2016 and effective on January 1, 2017, the Interim Measures for the Acceptance of Environmental Protection upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) promulgated by the MEE on November 20, 2017 and effective immediately, and other relevant environmental laws and regulations, entities that cause environmental pollution and other public hazards must incorporate environmental protection work into their plans and

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establish environmental protection responsibility systems. Therefore, construction projects should go through environmental impact assessment procedures. If a construction project may cause significant environmental impacts, an environmental impact report shall be prepared to comprehensively assess the environmental impacts; if a construction project may cause light environmental impacts, an environmental impact report form shall be prepared to analyze or specifically assess the environmental impacts; if a construction project has minimal environmental impacts and does not require an environmental impact assessment, an environmental impact registration form shall be filled out.

LAWS AND REGULATIONS RELATING TO POLLUTANT DISCHARGE PERMITS

According to the Regulations on the Administration of Pollutant Discharge Permits (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and effective on March 1, 2021, enterprises, public institutions, and other production and business operators implementing pollutant discharge permit management shall apply for and obtain a pollutant discharge permit in accordance with the provisions of these regulations; those who have not obtained a pollutant discharge permit shall not discharge pollutants.

According to the Catalogue of Classified Management of Pollutant Discharge Permits for Stationary Pollution Sources (2019 Version) (《固定污染源排污許可分類管理名錄(2019年版)》) promulgated by the MEE on December 20, 2019 and effective on the same date, pollutant discharge entities subject to registration management do not need to apply for a pollutant discharge permit, but shall fill out a pollutant discharge registration form on the national pollutant discharge permit management information platform to register basic information, the destination of pollutant discharge, the implemented pollutant discharge standards, and the pollution prevention and control measures adopted.

LAWS AND REGULATIONS RELATING TO LABOR, SOCIAL INSURANCE, AND HOUSING PROVIDENT FUND

Labor Contracts

According to the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007, most recently amended on December 28, 2012 and effective on July 1, 2013, and the Implementation Regulations of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council on September 18, 2008 and effective immediately, a written labor contract shall be concluded when establishing a labor relationship. Where an employer fails to conclude a written labor contract with a worker after one year from the date of employment, the employer shall immediately retroactively conclude a written labor contract with the worker and pay the worker double wages monthly for the period from the day following the expiration of one month from the date of employment to the day prior to the conclusion of the labor contract. Such regulations also require employers to pay economic compensation to workers upon termination of the contract under certain circumstances. In addition, if an employer intends to enforce a non-competition clause agreed upon with a worker in a labor contract or a non-competition agreement, it shall grant the worker compensation on a monthly basis during any non-competition period after the termination or expiration of the labor contract. In most cases, an employer shall pay severance payment to a worker upon termination of the employment relationship.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) promulgated by the SCNPC on October 28, 2010, amended and taking immediate effect on December 29, 2018, the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999, most recently amended and taking immediate effect on March 24, 2019, and the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council on January 22, 1999, amended and taking immediate effect on March 24, 2019, domestic enterprises shall, in accordance with the appropriate proportions of the amounts prescribed by law, pay basic pension insurance,

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unemployment insurance, maternity insurance, work-related injury insurance, basic medical insurance, and housing provident fund for their employees. If an employer fails to pay social insurance premiums on time and in full, the social insurance premium collection agency shall order it to make the payment or make up the shortfall within a stipulated period and impose a late payment fee at the rate of 0.05% per day from the date of default; if the payment is still not made within the stipulated period, the relevant administrative department shall impose a fine of one to three times the amount overdue. If an employer fails to pay or underpays the housing provident fund contributions within the time limit, the housing provident fund management center shall order it to make the payment within a stipulated period; if the payment is still not made within the stipulated period, an application may be made to the People’s Court for mandatory enforcement.

According to the Opinions of the General Office of the State Council on Comprehensively Promoting the Combined Implementation of Maternity Insurance and Basic Medical Insurance for Employees (《國務院辦公廳關於全面推進生育保險和職工基本醫療保險合併實施的意見》) promulgated by the State Council and taking immediate effect on March 6, 2019, the integration of the maternity insurance fund into the basic medical insurance fund for employees shall be accelerated to unify collection and payment.

Labor Dispatch

According to the PRC Labor Contract Law (《中華人民共和國勞動合同法》) and the Interim Provisions on Labor Dispatch (《勞務派遣暫行規定》) promulgated by the Ministry of Human Resources and Social Security of the People’s Republic of China in 2014 and effective on March 1, 2014, an employer shall strictly control the number of dispatched workers employed, and the number of dispatched workers used shall not exceed 10% of its total workforce. If a labor dispatch agency or an employer violates the relevant provisions on labor dispatch of this law, the labor administrative department shall order it to make corrections within a stipulated period; if it fails to make corrections within the stipulated period, a fine of RMB5,000 to RMB10,000 per person shall be imposed, and the labor dispatch agency’s business license for labor dispatch operations shall be revoked. If an employer causes damages to a dispatched worker, the labor dispatch agency and the employer shall bear joint and several liability for compensation. In light of the above provisions, if the number of dispatched workers used by an employer exceeds 10% of its total workforce, a fine of RMB5,000 to RMB10,000 per person shall be imposed in respect of the excess number of workers.

REGULATIONS RELATING TO REAL ESTATE

According to the Land Administration Law of the People’s Republic of China (《中華人民共和國土地管理法》) promulgated by the SCNPC on June 25, 1986, most recently amended on August 26, 2019, and effective on January 1, 2020, China implements a land use control system, including agricultural land, construction land, and unused land. All units and individuals must use land strictly in accordance with the purposes determined by the overall land use plan. The registration of land ownership and use rights shall be conducted in accordance with the laws and administrative regulations on real estate registration. The ownership and use rights of land registered in accordance with the law shall be protected by law, and no unit or individual may infringe upon them.

According to the Interim Regulations on Assignment and Transfer of the Rights to the Use of the State-Owned Urban Land (2020 Revision) (《城鎮國有土地使用權出讓和轉讓暫行條例(2020修訂)》) promulgated by the State Council on November 29, 2020, a system of assignment and transfer of the right to use state-owned land was adopted. A land user shall pay land premiums to the state as consideration for the assignment of the right to use a land site within a certain term, and the land user who obtained the right to use the land may transfer, lease out, mortgage, or otherwise commercially exploit the land within the term of use. Under the Interim Regulations on Assignment and Transfer of the Rights to the Use of the State-Owned Urban Land, the local land administration authority may enter into an assignment contract with the land user for the assignment of land use rights. The land user is required to pay the land premium as provided in the assignment contract. After the full payment of the land premium, the land user must register with the land administration authority and obtain a land use rights certificate that evidences the acquisition of land use rights.

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The Interim Regulations on Real Estate Registration (《不動產登記暫行條例》) promulgated by the State Council on November 24, 2014, effective on March 1, 2015, and amended on March 24, 2019 and March 10, 2024, and the Implementation Rules of the Interim Regulations on Real Estate Registration (《不動產登記暫行條例實施細則》) promulgated by the Ministry of Land and Resources of the People’s Republic of China (predecessor of the Ministry of Natural Resources of the People’s Republic of China) on January 1, 2016, and amended on July 24, 2019 and May 9, 2024 respectively, provides that, among others, the State implements a uniform real estate registration system and the registration of real estate shall be strictly administered and carried out in a stable and continuous manner that provides convenience for people.

REGULATIONS RELATING TO LEASED PROPERTIES

According to the Administrative Measures for Commodity Housing Leasing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development of the People’s Republic of China on December 1, 2010 and effective on February 1, 2011, the lessor and the lessee shall, within 30 days from the date of entering into the lease contract, go through the housing lease registration and filing procedures with the real estate administration department of the people’s government of the municipality directly under the central government, city, or county where the leased property is located. Failure to register the lease in accordance with these Measures may result in a fine of RMB1,000 to RMB10,000 on the parties to the lease contract.

REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Patents

According to the Patent Law of the People’s Republic of China (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984, most recently amended on October 17, 2020, and effective on June 1, 2021, and the Implementation Rules of the Patent Law of the People’s Republic of China (《中華人民共和國專利法實施細則》) promulgated by the State Council on June 15, 2001, most recently amended on December 11, 2023, and effective on January 20, 2024, the patent administration department under the State Council is responsible for managing patent work nationwide, and the departments managing patent work of the people’s governments of provinces, autonomous regions, and municipalities directly under the central government are responsible for patent management within their respective administrative areas. These laws provide for three types of patents, namely “invention”, “utility model”, and “design”. The term of patent right for inventions shall be 20 years, the term of patent right for utility models shall be 10 years, and the term of patent right for designs shall be 15 years, all calculated from the date of application. The patent system of the PRC adopts the “first to file” principle, which means that where two or more applicants separately file patent applications for the identical invention or creation, the patent right shall be granted to the applicant whose application was filed first. Inventions and utility models for which patent rights are granted must possess novelty, inventiveness, and practical applicability. Third parties must obtain the consent or appropriate license from the patentee before exploiting the patent; otherwise, exploiting the patent without permission constitutes patent infringement.

Trademarks

According to the Trademark Law of the People’s Republic of China (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982, most recently amended on April 23, 2019, and effective on November 1, 2019, the Trademark Office of the State Administration for Industry and Commerce under the State Council (predecessor of the State Administration for Market Regulation) takes charge of trademark registration and administration nationwide. The State Administration for Market Regulation established a Trademark Review and Adjudication Board to handle trademark disputes. The period of validity of a registered trademark shall be 10 years, calculated from the date of approval of registration. A trademark registrant shall go through the renewal formalities according to regulations within 12 months prior to the date of expiration; if failing to do so within this period, a six-month grace period may be granted. If no renewal formalities are completed upon the expiration of the grace period, the registered trademark shall be canceled. The period of validity for each renewal of registration shall be 10 years. On

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April 29, 2014, the State Council promulgated the revised Implementation Rules of the Trademark Law of the People’s Republic of China (《中華人民共和國商標法實施條例》), which sets forth provisions regarding the application for and renewal of trademark registration.

Copyrights

On September 7, 1990, the SCNPC promulgated the Copyright Law of the People’s Republic of China (the “**Copyright Law**”), which was most recently amended on November 11, 2020. The latest revision took effect on June 1, 2021, and expanded the scope of copyright protection to internet activities, products disseminated over the internet, and software products. In addition, the China Copyright Protection Center administers a voluntary registration system. Under the Copyright Law, Chinese citizens, legal persons, and organizations enjoy copyright in their works created in the fields of literature, art, natural science, social science, engineering technology, and computer software (whether published or not). The copyright owner enjoys statutory rights such as the right of publication, the right of authorship, and the right of reproduction. An infringer of copyrights shall bear various civil liabilities, including ceasing the infringement, apologizing to the copyright owner, and compensating the copyright owner for losses; under specific circumstances, they may also face fines and/or administrative or criminal liabilities.

To further implement the Regulations on Computer Software Protection (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991, most recently amended on January 30, 2013, and effective on March 1, 2013, the National Copyright Administration issued the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) on February 20, 2002, detailing specific procedures and requirements for software copyright registration.

Domain Names

According to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and effective on November 1, 2017, the establishment of domain name root servers and institution for operating domain name root servers, managing the registration of domain name and providing registration services in relation to domain name shall obtain a license from the MIIT or the communications administration of the province, autonomous region, or municipality directly under the central government. Domain name registration services follow a “first-to-apply, first-to-register” principle. The MIIT promulgated the Notice of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names in Internet Information Services (《工業和信息化部關於規範互聯網信息服務使用域名的通知》) on November 27, 2017, which took effect on January 1, 2018, stipulating the obligations of internet information service providers and other entities regarding anti-terrorism and the maintenance of network security.

REGULATIONS RELATING TO ENTERPRISE INCOME TAX AND VALUE-ADDED TAX

Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) amended and effective on December 29, 2018 by the SCNPC and the Implementation Regulations for the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on December 6, 2024, all enterprises established within China (including foreign-invested enterprises) are subject to enterprise income tax at a uniform rate of 25%. According to the Administrative Measures for the Determination of High and New Tech Enterprises (《高新技術企業認定管理辦法》), which was promulgated by the Ministry of Science and Technology, the Ministry of Finance, and the State Taxation Administration of the People’s Republic of China on April 14, 2008, amended on January 29, 2016 and became effective on January 1, 2016, an enterprise recognized as a high and new technology enterprise may apply for a preferential enterprise income tax rate of 15% pursuant to the relevant requirements of the Enterprise Income Tax Law.

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Value-added Tax

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) promulgated by the State Council, most recently amended and became effective on November 19, 2017 (repealed on January 1, 2026) and the Implementation Rules for the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》) promulgated by the MOF, most recently amended on October 28, 2011 and became effective on November 1, 2011, all entities and individuals that engage in the sale of goods, provision of processing, repair and replacement services, and importation of goods within the PRC are taxpayers of value-added tax and shall pay VAT. Unless otherwise specified, the tax rate for taxpayers selling or importing goods and providing processing, repair and replacement services within the PRC shall be 17%, and in certain specific circumstances, 11%, 6% or 0%.

In accordance with Notice of the Ministry of Finance and the State Taxation Administration on the Adjustment to VAT Rates (《財政部、稅務總局關於調整增值稅稅率的通知》), which was promulgated by the MOF and the STA on April 4, 2018 and implemented on May 1, 2018, the rates of 17% or 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% or 10%.

According to Announcement on Policies for Deepening the VAT Reform (《關於深化增值稅改革有關政策的公告》) promulgated by the MOF, the STA and the General Administration of Customs on March 20, 2019 and implemented on April 1, 2019, for general VAT payers’ sales activities or imports that are subject to VAT at an existing applicable rate of 16% or 10%, the applicable VAT rate is adjusted to 13% or 9% respectively.

On December 25, 2024, the SCNPC promulgated the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》) (“VAT Law”), which will come into effect on January 1, 2026, and the Provisional Regulations on Value-added Tax of the PRC will be repealed concurrently. Pursuant to the VAT Law, entities and individuals (including individual industrial and commercial proprietors) selling goods, services, intangible assets, real estate and importing goods within the territory of the PRC are taxpayers of VAT and shall pay VAT in accordance with the provisions of the law. Unless stated otherwise, for taxpayers who sell goods, and provide processing, repairs and replacement services and rental services of tangible movable assets as well as import goods, the tax rate shall be 13%, and be, in certain specified circumstances, 9%, 6% and 0%.

REGULATIONS RELATING TO FOREIGN INVESTMENT

The National People’s Congress promulgated the Foreign Investment Law of the People’s Republic of China (《中華人民共和國外商投資法》) (the “Foreign Investment Law”) on March 15, 2019, which became effective on January 1, 2020. The Foreign Investment Law specifies the basic framework for the access, promotion, protection, and administration of foreign investment. According to the Foreign Investment Law, pre-establishment national treatment shall be applied to foreign-invested enterprises, except for those foreign-invested enterprises operating in industries deemed restricted or prohibited in the negative list, and the State Council shall promulgate or approve the promulgation of a list of special administrative measures for foreign investment access. To ensure the effective implementation of the Foreign Investment Law, the State Council promulgated the Implementation Rules of the Foreign Investment Law of the People’s Republic of China (《中華人民共和國外商投資法實施條例》) on December 26, 2019, which became effective on January 1, 2020, clarifying that the State encourages and promotes foreign investment, protects the lawful rights and interests of foreign investors, regulates the administration of foreign investment, continuously optimizes the foreign investment environment, and advances a higher level of opening up. The industry access regulations for foreign investors conducting investment activities in China are contained in two catalogues, namely the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) promulgated by the NDRC and the MOFCOM on September 6, 2024 and effective on November 1, 2024, and the Catalogue of Industries for Encouraging Foreign Investment (2025 Version) (《鼓勵外商投資產業目錄(2025年版)》) promulgated by the NDRC and the MOFCOM on December 15, 2025 and effective on February 1, 2026. These two catalogues further classify foreign

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investment businesses into three categories: encouraged, restricted, and prohibited. Industries not listed in these three categories are generally deemed to fall into a fourth category, namely industries where foreign investment is permitted, unless otherwise specifically restricted by other laws and regulations in China. According to the Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》) promulgated by the NDRC and the MOFCOM on December 19, 2020 and effective on January 18, 2021, any foreign investment that affects or may affect national security shall be subject to a security review in accordance with the provisions of these Measures. Foreign investors or relevant domestic parties that invest in any important infrastructure, important transportation services, and other important fields bearing on national security, and obtain actual control over the invested enterprise, shall proactively declare to the Office of the Working Mechanism (established under the NDRC, and led by the NDRC and the MOFCOM) before implementing the investment. On December 30, 2019, the MOFCOM and the State Administration for Market Regulation promulgated the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which became effective on January 1, 2020. According to these Measures, from January 1, 2020, foreign investors or foreign-invested enterprises directly or indirectly carrying out investment activities in China shall submit investment information to the competent commerce departments through the enterprise registration system and the National Enterprise Credit Information Publicity System.

REGULATIONS RELATING TO SECURITIES AND OVERSEAS LISTING

Securities Laws and Regulations

The PRC Securities Law (collectively the “**Securities Law**”) was promulgated by the SCNPC on December 29, 1998, most recently amended on December 28, 2019, and effective on March 1, 2020. It comprehensively regulates securities market activities in Chinese Mainland, covering matters such as the issuance and trading of securities, the takeover of listed companies, securities trading venues, securities companies, and the duties of securities regulatory authorities. The Securities Law further stipulates that domestic enterprises issuing securities overseas directly or indirectly, or listing their securities for trading overseas, shall comply with the relevant provisions of the State Council. Specific measures for the subscription and trading of shares of domestic companies in foreign currencies shall be separately stipulated by the State Council. The China Securities Regulatory Commission (the “**CSRC**”) is the securities regulatory authority established by the State Council in accordance with the law, responsible for supervising and administering the securities market, maintaining market order, and ensuring its lawful operation. Currently, the issuance and trading of H Shares are mainly regulated by the laws and rules promulgated by the State Council and the CSRC.

Overseas Listing

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and issued five supporting guidelines (collectively, the “**Filing Rules**”), which came into effect on March 31, 2023. The Filing Rules comprehensively optimized and reformed the regulatory system for the overseas securities offering and listing of PRC domestic companies, regulating the direct and indirect overseas securities offering and listing of PRC domestic companies through the adoption of a filing-based regulatory model. The Filing Rules apply to the overseas equity financing and listing activities of all PRC domestic companies, including initial and follow-on offerings of shares, depository receipts, convertible corporate bonds or other equity instruments, as well as securities transactions conducted in overseas markets.

The Filing Rules stipulate that overseas securities issuance and listing is not allowed if one of the following circumstances exists: (i) financing through listing is explicitly prohibited by laws, administrative regulations or relevant national regulations; (ii) the overseas offering and listing may endanger national security as determined by the relevant competent department under the State Council after examination according to the law; (iii) a domestic enterprise or its controlling shareholder or actual controller has committed a criminal crime of corruption, bribery, embezzlement, misappropriation of property or disrupting the order of the socialist market economy in the last three years; (iv) a domestic

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enterprise is under formal investigation according to the law for being suspected of any crime or major violation of laws and regulations, but no clear conclusions have been made; or (v) there is a major dispute over ownership of the equity held by the controlling shareholder or a shareholder controlled by the controlling shareholder and/or the actual controller. In addition, the Filing Rules specify that if any of the following material events occur after an issuer has offered and listed securities overseas, the issuer shall report the specific details to the CSRC within three working days from the date of occurrence and announcement of the relevant event: (i) change of control; (ii) being subject to investigation, punishment or other measures by overseas securities regulatory authorities or relevant competent authorities; (iii) change of listing status or transfer of listing segment; and (iv) voluntary delisting or mandatory delisting. Domestic companies conducting overseas offering and listing activities shall strictly comply with laws, administrative regulations and relevant provisions on national security such as foreign investment, cybersecurity and data security, and earnestly fulfill their obligations to safeguard national security.

On February 24, 2023, the CSRC, jointly with three other relevant government departments, promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Related to Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), which came into effect on March 31, 2023. According to the Provisions on Strengthening the Confidentiality and Archives Administration Related to Overseas Securities Offering and Listing by Domestic Companies, where a domestic company provides or publicly discloses documents or materials involving state secrets or working secrets of state organs to relevant securities companies, securities service providers, overseas regulatory authorities or other entities and individuals, it shall obtain approval from the competent authority with approval authority in accordance with the law, and file with the secrecy administrative department at the same level. Working papers formed within the PRC by securities companies and securities service providers that provide corresponding services for the overseas offering and listing of domestic companies shall be kept within the PRC. If such documents need to be transferred outside the PRC, approval procedures shall be carried out in accordance with relevant state provisions.

H Share Full Circulation

According to the Guidelines for the Application for “Full Circulation” of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請「全流通」業務指引》) promulgated by the CSRC on November 14, 2019 and amended on August 10, 2023, shareholders of domestic unlisted shares may, subject to compliance with applicable laws, regulations and policies regarding state-owned asset administration, foreign investment and industry regulation, agree on the number and proportion of shares to be converted into tradable H shares through consultation, and entrust the H-share listed company to complete the filing procedures with the CSRC. Domestic joint stock companies that are not yet listed on any stock exchange may apply for the “full circulation” of their H shares in conjunction with their overseas initial public offering.

According to the Detailed Rules for the Implementation of the H Share “Full Circulation” (《H股「全流通」業務實施細則》) jointly promulgated by the China Securities Depository and Clearing Corporation Limited and the Shenzhen Stock Exchange on December 31, 2019, such rules apply to the cross-border share transfer registration, depository and holding detail maintenance, trading entrustment and instruction transmission, settlement, settlement participant management, nominee holder services and other relevant business activities under the H share “full circulation” scheme.

According to the Guidelines for the H Share “Full Circulation” of Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (《中國證券登記結算有限責任公司深圳分公司H股「全流通」業務指南》), as amended by the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited and effective on June 30, 2025, such guidelines apply to business preparation, cross-border share transfer registration, overseas centralized entrustment, initial maintenance and subsequent changes of domestic shareholding details, corporate actions, clearing and settlement, and risk management measures.

BUSINESS

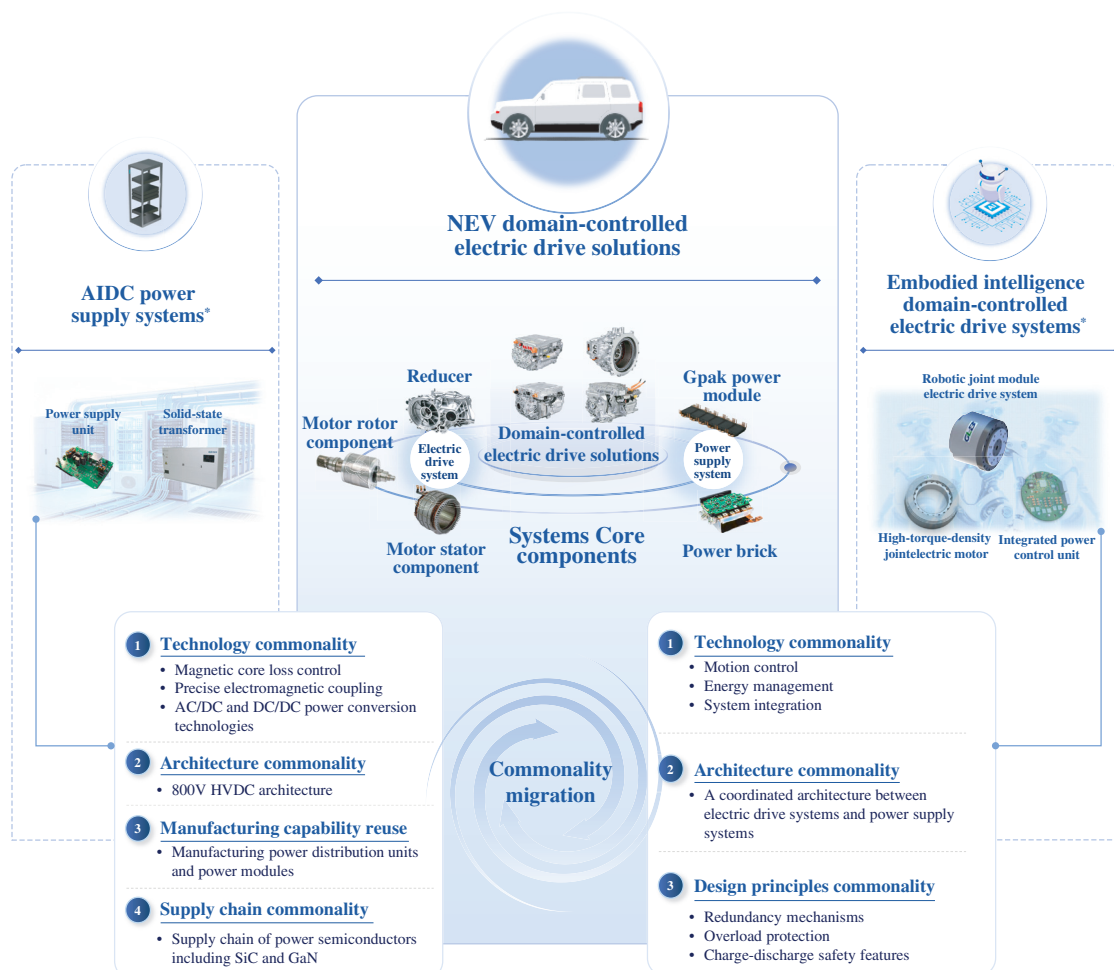
OVERVIEW

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.

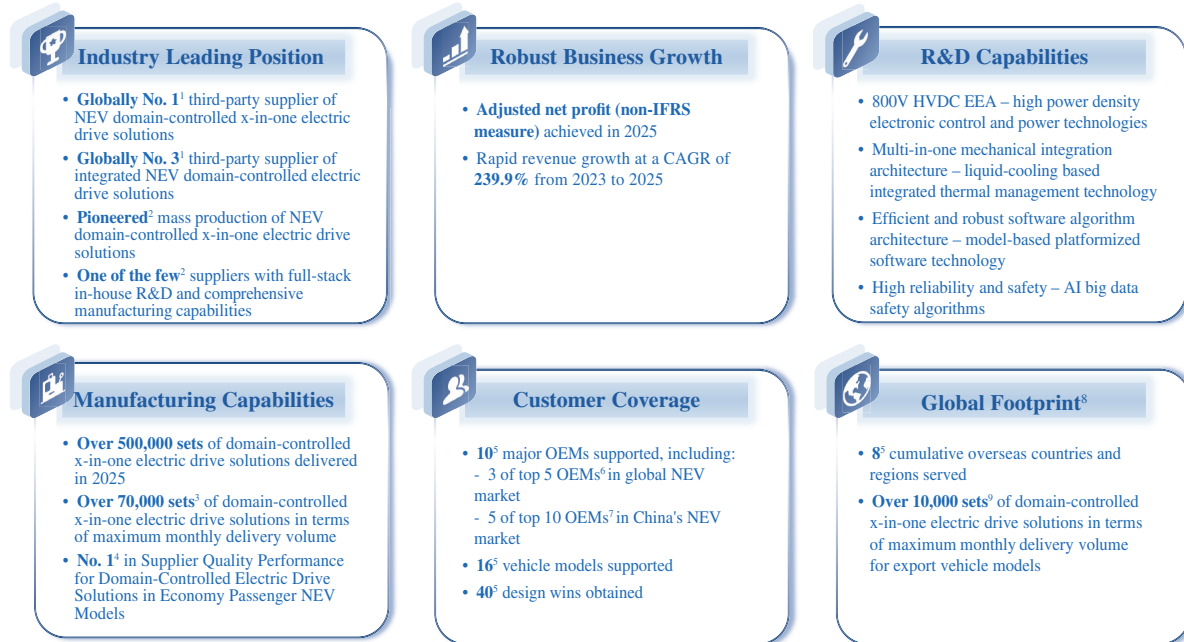


* We did not generate revenue from AIDC power supply systems and embodied intelligence domain-controlled electric drive systems during the Track Record Period.

BUSINESS

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.

BUSINESS

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.

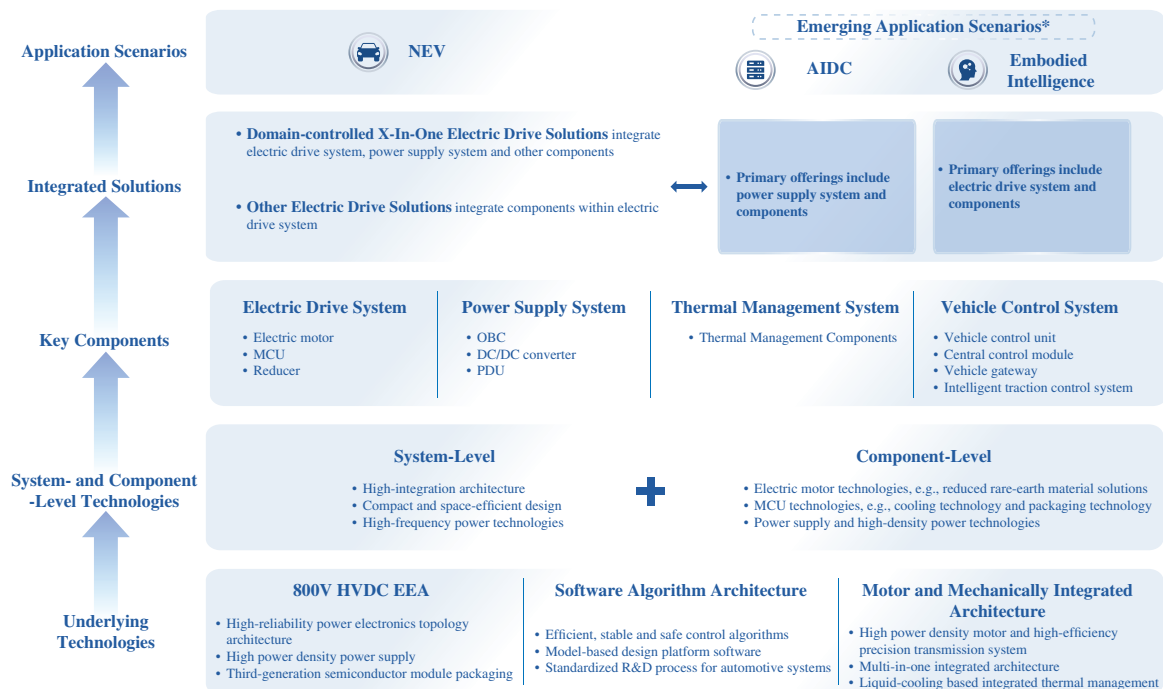
BUSINESS

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.

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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.

BUSINESS

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.

BUSINESS

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.

BUSINESS

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.

BUSINESS

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.

BUSINESS

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.

BUSINESS

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.

BUSINESS

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.

- o 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.
- o 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.

BUSINESS

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.

- o 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.
- o 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.

BUSINESS

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.

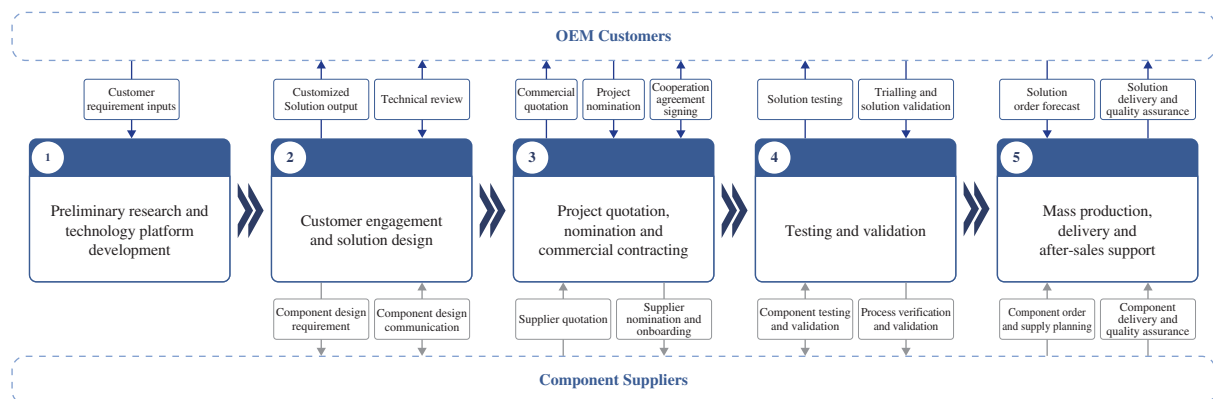
Flat team structure with enhanced operational efficiency. We will continue to strengthen our “ONE TEAM” culture of cross-discipline collaboration. Through a flat organizational structure and agile, project-based management, we aim to enhance knowledge sharing and collaboration efficiency, while attracting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

BUSINESS

- **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.”

BUSINESS

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.

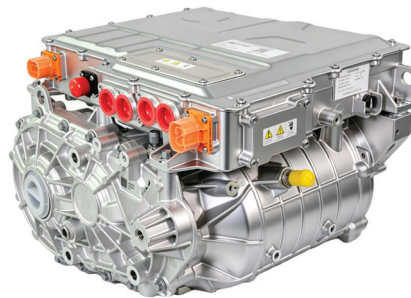
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The following table sets forth the sales volume by solution type for the years indicated:

	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;

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- **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’s 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.

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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

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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

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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.

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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.

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NEV Domain-
Controlled
Electric Drive
Solution
Components

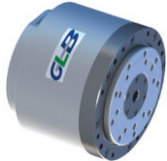
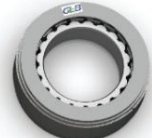
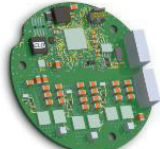
	Function	Key parts	Key Features
PDU	A PDU serves as the “power distribution hub” of a NEV’s high-voltage system. It connects high-voltage components including the power battery, MCU, OBC and DC/DC converter, achieving the distribution, control and protection of high-voltage electrical energy, ensuring 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, $\pm 800V$ or $\pm 400V$ 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, $\pm 800V$ or $\pm 400V$ 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, $\pm 800V$ or $\pm 400V$ 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

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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, $\pm 800\text{V}$ or $\pm 400\text{V}$ 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, $\pm 800\text{V}$ or $\pm 400\text{V}$ 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, $\pm 800\text{V}$ or $\pm 400\text{V}$ 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, $\pm 800\text{V}$ or $\pm 400\text{V}$ 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 . . .  • <i>high-torque-density joint motor</i> • <i>highly integrated power control unit</i>  	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

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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

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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.

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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.

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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.

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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

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Production Base	Commencement Time	GFA in use as of December 31, 2025 (sq.m.)	Main Products Manufactured
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.

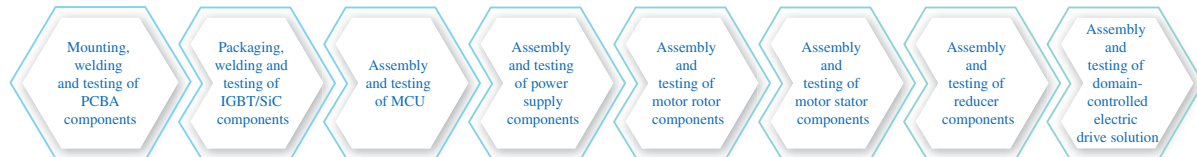
Our Production Process

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.

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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.

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- (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.

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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 (sq.m.)	Expected Completion Year
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.

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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.

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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.

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

Rank	Customer	Sales Amount (RMB'000)	Percentage of Total Revenue (%)	Products/Services Purchased	Customer Background	Credit Term	Business Relationship Since
<i>Year Ended December 31, 2023</i>							
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				

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Rank	Customer	Sales Amount (RMB'000)	Percentage of Total Revenue (%)	Products/Services Purchased	Customer Background	Credit Term	Business Relationship Since
<i>Year Ended December 31, 2024</i>							
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		<u>737,082</u>	<u>99.9</u>				

BUSINESS

Rank	Customer	Sales Amount (RMB'000)	Percentage of Total Revenue (%)	Products/Services Purchased	Customer Background	Credit Term	Business Relationship Since
<i>Year Ended December 31, 2025</i>							
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.

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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 (“領克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.

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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.

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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.

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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.

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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.

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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.

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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.

BUSINESS

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.

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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.

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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.

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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 our 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,

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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.

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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 (RMB'000)	Percentage of Total Purchase (%)	Products Purchased	Supplier Background	Credit Term and Payment method	Business Relationship Since
<i>Year Ended December 31, 2023</i>							
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				

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Rank	Supplier	Purchase Amount (RMB'000)	Percentage of Total Purchase (%)	Products Purchased	Supplier Background	Credit Term and Payment method	Business Relationship Since
<i>Year Ended December 31, 2024</i>							
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				

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Rank	Supplier	Purchase Amount (RMB'000)	Percentage of Total Purchase (%)	Products Purchased	Supplier Background	Credit Term and Payment method	Business Relationship Since
<i>Year Ended December 31, 2025</i>							
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 . .		<u>1,267,585</u>	<u>33.6</u>				

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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.

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- **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

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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 tCO₂e, 6,582.6 tCO₂e, and 12,955.8 tCO₂e, 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.

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- 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

BUSINESS

- 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)

BUSINESS

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%

BUSINESS

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.

BUSINESS

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.

BUSINESS

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 (《勞務派遣暫行規定》) (the “Labor Dispatch Provisions”).

BUSINESS

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)

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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稅務總局上海市稅務局)
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)

DIRECTORS AND SENIOR MANAGEMENT

OVERVIEW

Our Board comprises nine Directors, including five executive Directors, a non-executive Director and three independent non-executive Directors, namely:

Name	Age	Position	Responsibilities	Date of the appointment as a Director	Date of joining our Group
Mr. Guan Bo (管博)	43	Executive Director, chairperson of our Board and general manager	Responsible for the overall management, strategic planning and decision-making for key business and operational matters of our Group	December 2016	May 2010
Mr. Pan Shunbo (潘順波)	45	Executive Director, deputy general manager and chief financial officer	Responsible for the operational and financial management of our Group	December 2017	March 2015
Mr. Yin Hao (殷浩)	43	Executive Director and deputy general manager	Responsible for the product R&D and human resources management of our Group	December 2017	August 2012
Mr. Ren Pingzhi (任平志)	40	Executive Director	Responsible for the product manufacturing of our Group	July 2025	April 2018
Mr. Deng Sheng (鄧昇)	57	Executive Director	Responsible for the production base construction of our Group	November 2024	December 2014
Mr. Xiang Xiaoxiao (項曉驍)	43	Non-executive Director	Responsible for providing guidance and advice on corporate and business strategies	May 2026	December 2016
Ms. Tian Jinghua (田婧華)	44	Independent Non-executive Director	Responsible for providing independent advice on the operations and management of our Group	June 2026 ⁽¹⁾	June 2026 ⁽¹⁾

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position	Responsibilities	Date of the appointment as a Director	Date of joining our Group
Mr. Wu Guanhua (吳冠華)	52	Independent Non-executive Director	Responsible for providing independent advice on the operations and management of our Group	June 2026 ⁽¹⁾	June 2026 ⁽¹⁾
Mr. Chen Shuai (陳帥)	37	Independent Non-executive Director	Responsible for providing independent advice on the operations and management of our Group	June 2026 ⁽¹⁾	June 2026 ⁽¹⁾

(1) The appointment will become effective upon the [REDACTED].

DIRECTORS

Executive Directors

Mr. Guan Bo (管博), aged 43, has been the general manager of our Company since our establishment and our Director and the chairperson of our Board since December 2016. He was redesignated as an executive Director in June 2026. Mr. Guan has also been holding various management positions in our subsidiaries, including the director of GZK Shanghai, GZD Jiangsu and GZQ Shanghai since their respective establishment and the director and general manager of GLB Ningbo since July 2025. Mr. Guan is primarily responsible for the overall management, strategic planning and decision-making for key business and operational matters of our Group.

Prior to joining our Group, Mr. Guan served as an R&D engineer at Shanghai Yuneng Power Technology Co., Ltd. (上海御能動力科技有限公司) (currently known as INVT Industrial Technology (Shanghai) Co., Ltd. (上海英威騰工業技術有限公司)) from October 2004 to August 2006.

Mr. Guan obtained his bachelor’s degree in automation and his master’s degree in control theory and control engineering from Shanghai University (上海大學) in the PRC in July 2003 and March 2006, respectively, and his doctoral degree in electrical engineering from The Ohio State University in the United States in August 2014.

Mr. Pan Shunbo (潘順波), aged 45, was appointed as our Director in December 2017 and redesignated as an executive Director in June 2026. He has been serving as the deputy general manager and chief financial officer of our Company since July 2022. He has also been holding various management positions in our subsidiaries, including the vice president of GZK Shanghai since March 2015 and the director of GZY Jiangsu since June 2023. Mr. Pan is primarily responsible for the operational and financial management of our Group.

Prior to joining our Group, Mr. Pan served at quality assurance department and technical service department of Yaskawa Electric (China) Co., Ltd. (安川電機(中國)有限公司) from August 2003 to September 2007. He served as a technical support and sales engineer at Emerson Trading (Shanghai) Co., Ltd. (艾默生貿易(上海)有限公司) (currently known as InSinkErator Trading (Shanghai) Co., Ltd. (愛適易貿易(上海)有限公司)) from September 2007 to February 2012. He served at Schneider Electric (China) Co., Ltd. Shanghai Branch (施耐德電氣(中國)有限公司上海分公司) from February 2012 to August 2012. He served as a product manager at Eaton (China) Investments Co., Ltd. (伊頓(中國)投資有限公司) from August 2012 to December 2014. He also worked at Moeller Electric (Shanghai) Co., Ltd. (穆勒電氣(上海)有限公司) from January 2015 to March 2015.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Pan obtained his bachelor’s degree in automation from Shanghai University (上海大學) in the PRC in July 2003.

Mr. Yin Hao (殷浩), aged 43, was appointed as our Director in December 2017 and redesignated as an executive Director in June 2026. He has successively served as the software engineer, software manager and product director of our Company and has been serving as the deputy general manager of our Company since August 2012. He has also been holding various management positions in our subsidiaries, including the supervisor of GZD Jiangsu and GZQ Shanghai since their respective establishment. He is primarily responsible for the product R&D and human resources management of our Group.

Prior to joining our Group, Mr. Yin served at Shanghai Hitachi Electrical Appliances Co., Ltd. (上海日立電器有限公司) (currently known as Shanghai Highly Electrical Appliances Co., Ltd. (上海海立電器有限公司)) from July 2005 to April 2010. He served at Shanghai Dajun Technologies Inc. (上海大郡動力控制技術有限公司) from April 2010 to February 2012. He also served at Sungrow Power Supply Co., Ltd. (陽光電源股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300274), from February 2012 to July 2012.

Mr. Yin obtained his bachelor’s degree in measurement and control technology and instruments from University of Shanghai for Science and Technology (上海理工大學) in the PRC in July 2005, his master’s degree in electrical engineering from Tongji University (同濟大學) in the PRC in June 2016 through part-time study and the degree of master of business administration (MBA) from Fudan University (復旦大學) in the PRC in January 2023 through part-time study.

Mr. Ren Pingzhi (任平志), aged 40, was appointed as our Director in July 2025 and redesignated as an executive Director in June 2026. He has successively served as the process supervisor, process manager and manufacturing deputy director of our Company since April 2018. Mr. Ren is primarily responsible for the product manufacturing of our Group.

Prior to joining our Group, Mr. Ren worked at the automotive division of Shanghai Yuneng Power Technologies Co., Ltd. (上海御能動力科技有限公司) (currently known as INVT Industrial Technology (Shanghai) Co., Ltd. (上海英威騰工業技術有限公司)) from April 2006 to March 2010. He served as a deputy process manager at Shanghai Dajun Technologies Inc. (上海大郡動力控制技術有限公司) from March 2010 to January 2018. He also served at Shanghai Zhongwo Electronic Technology Co., Ltd. (上海中沃電子科技有限公司) from February 2018 to March 2018.

Mr. Ren obtained his diploma in mechanical manufacturing and automation through the self-taught higher education examinations from Shanghai University (上海大學) in the PRC in June 2010 and his bachelor’s degree in mechanical design, manufacturing and automation through online education from Shanghai Jiao Tong University (上海交通大學) in the PRC in June 2016.

Mr. Deng Sheng (鄧昇), aged 57, was appointed as our Director in November 2024 and redesignated as an executive Director in June 2026. He has been serving as the plant manager and the deputy director of the operations center of our Company since December 2014. He has also been holding various management positions in our subsidiaries, including the supervisor of GZY Jiangsu since June 2023, the supervisor of GLB Ningbo since July 2025, and the supervisor of GZK Shanghai since March 2026. Mr. Deng is primarily responsible for the production base construction of our Group.

Prior to joining our Group, Mr. Deng worked as an on-site engineer at Venture Top Ltd. (吉遠有限公司) from March 2003 to August 2005. He served as an industrial process engineer at Shanghai Power Max Electronic Technology Co., Ltd. (上海鮑麥克斯電子科技有限公司) from August 2005 to March 2011. He also served as a manager of the manufacturing department at Shanghai Yuneng Power Technologies Co., Ltd. (上海御能動力科技有限公司) (currently known as INVT Industrial Technology (Shanghai) Co., Ltd. (上海英威騰工業技術有限公司)) from March 2011 to December 2014.

Mr. Deng obtained his diploma in electronic technology from Jiangxi Xinyu Electronic Technology Technical School (江西新余電子科技技工學校) in the PRC in April 1992.

DIRECTORS AND SENIOR MANAGEMENT

Non-executive Director

Mr. Xiang Xiaoxiao (項曉驍), aged 43, was appointed as our Director in May 2026 and redesignated as a non-executive Director in June 2026. He served as the chairman of the supervisory committee of our Company from December 2016 to May 2026. Mr. Xiang is primarily responsible for providing guidance and advice on corporate and business strategies.

Mr. Xiang served as a senior project manager at GCL Technology Holdings Limited (協鑫科技控股有限公司) (formerly known as GCL-Poly Energy Holdings Limited (保利協鑫能源控股有限公司)), a company listed on the Stock Exchange (stock code: 3800), from May 2014 to March 2015. He joined HongShan China (紅杉中國) in 2015 and currently serves as a partner primarily responsible for investments.

Mr. Xiang obtained his bachelor’s degree in engineering from Beijing Information Science and Technology University (北京信息科技大學) in the PRC in July 2006, his master’s degree in business administration from The University of Virginia in the United States in June 2013, and his master’s degree in business administration from Tsinghua University (清華大學) in the PRC in December 2025.

Independent Non-executive Directors

Ms. Tian Jinghua (田靖華), aged 44, was appointed as our independent non-executive Director in June 2026 with effect from the [REDACTED].

Ms. Tian served as the senior China legal assistant at Morrison Foerster (美富律師事務所) from December 2007 to April 2011. She served as the senior legal counsel at Shenzhen Jiexin Financial Services Co., Ltd. (深圳捷信金融服務有限公司) from August 2011 to December 2012. She has been serving as the general counsel at NetDragon Websoft Holdings Limited (網龍網絡控股有限公司), a company listed on the Exchange (stock code: 777) since May 2013.

Ms. Tian obtained her bachelor’s degree in law from Jinan University (暨南大學) in the PRC in June 2004 and her master’s degree in corporate finance law from the University of Hong Kong (香港大學) in Hong Kong in December 2006. Ms. Tian obtained the Certificate of National Legal Professional Qualification (國家法律職業資格證書) issued by the Ministry of Justice of the PRC (中華人民共和國司法部) in February 2009.

Mr. Wu Guanhua (吳冠華), aged 52, was appointed as our independent non-executive Director in June 2026 with effect from the [REDACTED].

Mr. Wu was appointed as the vice president of finance and board secretary of Cirrus Aircraft Corporation in February 2012 and March 2012, respectively. He served as the partner of Potamic Conflux Capital LLC in January 2019 to June 2022. He has been working at Nexteer Automotive Group Limited (耐世特汽車系統集團有限公司), a company listed on the Exchange (stock code: 1316), as an executive director of board affairs and investor relations and a member of global operating committee since July 2022 and a company secretary since March 2024, where he is primarily responsible for the day-to-day operations of the board and investor relations management. He has also served as a director of Nexteer UK Holdings Ltd. since November 2022.

Mr. Wu obtained his master’s degree in business administration from University of Chicago in the United States in March 2018.

Mr. Chen Shuai (陳帥), aged 37, was appointed as our independent non-executive Director in June 2026 with effect from the [REDACTED].

DIRECTORS AND SENIOR MANAGEMENT

Mr. Chen served as a senior auditor at Deloitte Touche Tohmatsu Certified Public Accountants LLP (德勤華永會計師事務所(特殊普通合夥)) from September 2011 to July 2015. He served as a senior investment manager at China Mintou Capital Management Co., Ltd. (中民投資本管理有限公司) from August 2015 to October 2016. He served as a vice president of investment at Legend Capital Co., Ltd. (君聯資本管理股份有限公司) from October 2016 to June 2023. He has been serving as the deputy general manager and board secretary at Hichain Logistics Co., Ltd. (江蘇海晨物流股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300873) from October 2023.

Mr. Chen obtained his bachelor’s degree in business administration from Capital University of Economics and Business (首都經濟貿易大學) in July 2011 and his master’s degree in business administration from Tsinghua University (清華大學) in the PRC in January 2018. Mr. Chen has been a member of The Chinese Institute of Certified Public Accountants (中國註冊會計師協會) from July 2015 and was also recognized as a Chartered Financial Analyst by CFA Institute in October 2018.

SENIOR MANAGEMENT

The following table sets forth the key information about the senior management of our Company.

Name	Age	Position	Responsibilities	Date of the appointment as senior management	Date of joining our Group
Mr. Guan Bo (管博)	43	Executive Director, chairperson of our Board and general manager	Responsible for the overall management, strategic planning and decision-making for key business and operational matters of our Group	May 2010	May 2010
Mr. Pan Shunbo (潘順波)	45	Executive Director, deputy general manager and chief financial officer	Responsible for the operational and financial management of our Group	July 2022	March 2015
Mr. Yin Hao (殷浩)	43	Executive Director and deputy general manager	Responsible for the product R&D and human resources management of our Group	August 2012	August 2012

Mr. Guan Bo (管博), aged 43, is our executive Director, chairperson of our Board and general manager of our Company. For details of his biography, see “— Directors — Executive Directors” in this section.

Mr. Pan Shunbo (潘順波), aged 45, is our executive Director, deputy general manager and chief financial officer of our Company. For details of his biography, see “— Directors — Executive Directors” in this section.

Mr. Yin Hao (殷浩), aged 43, is our executive Director and deputy general manager of our Company. For details of his biography, see “— Directors — Executive Directors” in this section.

DIRECTORS AND SENIOR MANAGEMENT

JOINT COMPANY SECRETARIES

Ms. Long Jiaxin (龍佳欣), was appointed as one of our joint company secretaries in June 2026. She has also been serving as the financing director of our Company since September 2024.

Prior to joining our Group, Ms. Long served as an audit specialist in the risk management department of Hainan Equity Trading Center Co., Ltd. (海南股權交易中心有限責任公司), a subsidiary of Hainan Financial Holdings Co., Ltd. (海南金融控股股份有限公司), from July 2016 to March 2019. She served as an investment and financing manager at Dayou Holding Co., Ltd. (大有控股有限公司) from May 2019 to August 2022. She also served as an investment and financing director at Wuxi Xindong Semiconductor Technology Co., Ltd. (無錫芯動半導體科技有限公司), a subsidiary engaged in semiconductor of Great Wall Motor Company Limited (長城汽車股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601633) and the Stock Exchange (stock code: 2333), from September 2022 to August 2024.

Ms. Long obtained her bachelor’s degree in accounting from Yunnan University (雲南大學) in the PRC in July 2016.

Ms. Lam Wing Chi (林穎芝), was appointed as one of our joint company secretaries in June 2026.

Ms. Lam has over 12 years of experience in corporate secretarial and governance services. She currently serves as a director of corporate secretarial services of Ascentium Corporate Services (HK) Limited (“**Ascentium**”). Prior to joining Ascentium, Ms. Lam had been working at a leading professional services firm, where she provided corporate secretarial and compliance services to Hong Kong listed companies as well as multinational, private and offshore companies.

Ms. Lam currently holds company secretary position at K2 F&B Holdings Limited, a company listed on the Stock Exchange (stock code: 2108).

Ms. Lam is a Chartered Secretary, a Chartered Governance Professional and an associate of both the Hong Kong Chartered Governance Institute and the Chartered Governance Institute in the United Kingdom. Ms. Lam obtained her bachelor’s degree of commerce (honors) in accounting from the Hong Kong Shue Yan University in July 2012.

OTHER INFORMATION

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on May 15, 2026, and (ii) understands his or her obligations as a director of a [REDACTED] under the Listing Rules.

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

Each of our Directors (excluding our independent non-executive Directors) confirms that he or she does not have any interest in a business apart from the business of our Group which competes or is likely to compete, whether directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

Except as disclosed above, none of our Directors or members of senior management held any other directorships in public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years immediately preceding the Latest Practicable Date.

To the best knowledge, information and belief of our Directors having made all reasonable inquiries, there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, and there were no other matters with respect to the appointment of the Directors that need to be brought to the attention of our Shareholders.

MANAGEMENT AND CORPORATE GOVERNANCE

Board Committees

Audit Committee

Our Board has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”). The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of our Group, review and approve connected transactions and provide advice and comments to our Board. The Audit Committee comprises Mr. Chen Shuai, Ms. Tian Jinghua and Mr. Wu Guanhua, with Mr. Chen Shuai as the chairperson.

Remuneration and Evaluation Committee

Our Board has established the Remuneration and Evaluation Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The primary duties of the Remuneration and Evaluation Committee are to review and make recommendations to our Board on the terms of remuneration packages, bonuses and other compensation payable to our Directors and other members of senior management. The Remuneration and Evaluation Committee comprises Mr. Chen Shuai, Mr. Guan Bo and Mr. Wu Guanhua, with Mr. Chen Shuai as the chairperson.

Nomination Committee

Our Board has established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code. The primary duties of the Nomination Committee are to make recommendations to our Board on the appointment of Directors and management of our Board succession. The Nomination Committee comprises Mr. Guan Bo, Ms. Tian Jinghua and Mr. Chen Shuai, with Mr. Guan Bo as the chairperson.

Strategy Committee

Our Board has established the Strategy Committee with written terms of reference. The primary duties of the Strategy Committee are to make recommendations to our Board on the long-term development strategy and major investments and projects of our Company. The Strategy Committee comprises Mr. Guan Bo, Mr. Pan Shunbo and Mr. Yin Hao, with Mr. Guan Bo as the chairperson.

Corporate Governance

We aim to achieve high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. In order to accomplish this, we expect to comply with all applicable code provisions of the Corporate Governance Code upon [REDACTED] save for the below.

Pursuant to code provision C.2.1 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Our Company deviates from this provision because Mr.

DIRECTORS AND SENIOR MANAGEMENT

Guan Bo performs both the roles of the chairperson of our Board and general manager of our Company. Our Board believes that, in view of his experience, personal profile and understanding of our business operations, Mr. Guan Bo is the Director best suited to identify strategic opportunities and vesting the roles of both chairperson and general manager and he can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board.

Our Board considers that the balance of power and authority will not be impaired due to this arrangement. In addition, all major decisions are made in consultation with members of the Board, including the relevant Board committees, and independent non-executive Directors. Our Board will reassess the division of the roles of chairperson and the general manager from time to time, and may recommend dividing the two roles between different people in the future, taking into account the circumstances of our Group as a whole.

Board Diversity

Our Company has adopted a board diversity policy which sets out the approach to achieve diversity of our Board. We recognize and embraces the benefits of having a diverse Board and sees increasing diversity at our Board level, including gender diversity, as an essential element in maintaining our competitive advantage and enhancing our ability to attract, retain and motivate employees from the widest possible pool of available talent. In reviewing and assessing suitable candidates to serve as a Director, the Nomination Committee will consider a number of aspects, including, but not limited to, gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience.

Our Board currently consists of one female and eight male Directors ranging from 37 to 57 years old with a balanced mix of knowledge and skills, including, but not limited to, overall management and strategic development, accounting and corporate governance. They obtained degrees in various majors including engineering, law, economics and business administration. Taking into account our existing business model and specific needs, as well as the diverse background of our directors, the composition of our Board satisfies the board diversity policy.

Our Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on our Board and recommend them to our Board for adoption.

REMUNERATION

Our Directors receive remuneration in the form of Directors' fees, salaries, allowances and benefits in kind, share-based payments, retirement scheme contributions and discretionary bonuses. We determine the remuneration of our Directors based on their responsibilities, qualification, position and seniority.

The aggregate amount of remuneration of our Directors for the years ended December 2023, 2024 and 2025 were RMB2.8 million, RMB6.2 million and RMB5.9 million, respectively. None of our Directors waived or agreed to waive any emolument during the same periods.

Under the arrangements in force at the date of this document, we estimate the aggregate remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2026 to be approximately RMB17.3 million.

The five highest paid individuals of our Group for the years ended December 31, 2023, 2024 and 2025 included three, three and three Directors, respectively. During the same periods, the aggregate amount of remuneration of the remaining two, two and two highest-paid non-director individuals (including salaries, allowances and benefits in kind, retirement scheme contributions and discretionary bonuses) were RMB1.7 million, RMB2.5 million and RMB2.5 million, respectively.

DIRECTORS AND SENIOR MANAGEMENT

During the Track Record Period, no remuneration was paid to, or received by, our Directors, or the five highest paid individuals as an inducement to join or upon joining us. No compensation was paid to, or received by, our Directors, former Directors or the five highest paid individuals for the loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.

Save as disclosed above, no other payments have been made or are payable by our Group to our Directors in respect of the Track Record Period.

COMPLIANCE ADVISOR

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

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

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

SHARE CAPITAL

BEFORE THE COMPLETION OF THE [REDACTED]

As of June 2, 2026, the issued share capital of our Company was RMB162,742,277 comprising 162,742,277 Shares with a nominal value of RMB1.00 each.

UPON THE COMPLETION OF THE [REDACTED]

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

Description of Shares	Number of Shares	Approximate percentage of the total share capital of our Company (%)
Unlisted Shares	[REDACTED]	[REDACTED]
H Shares to be converted from Unlisted Shares ⁽¹⁾	[REDACTED]	[REDACTED]
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00

(1) For details of the identities of the Shareholders whose Shares will be converted into H Shares upon the [REDACTED], see “History, Development and Corporate Structure — Capitalization of our Company.”

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

Description of Shares	Number of Shares	Approximate percentage of the total share capital of our Company (%)
Unlisted Shares	[REDACTED]	[REDACTED]
H Shares to be converted from Unlisted Shares ⁽¹⁾	[REDACTED]	[REDACTED]
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00

(1) For details of the identities of the Shareholders whose Shares will be converted into H Shares upon the [REDACTED], see “History, Development and Corporate Structure — Capitalization of our Company.”

OUR SHARES

The H Shares, to be issued following the completion of the [REDACTED] and converted from the Unlisted Shares, and the Unlisted Shares are ordinary Shares in the share capital of our Company. Apart from certain qualified domestic institutional [REDACTED] in the PRC, qualified PRC [REDACTED] under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons entitled to hold H Shares pursuant to the relevant PRC laws and regulations or upon approval by any competent authorities, H Shares generally may not be [REDACTED] for by, or [REDACTED] between, [REDACTED] of the PRC. The H Shares may only be [REDACTED] for, and [REDACTED] in, Hong Kong dollars.

The Unlisted Shares and H Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. Dividends in respect of our Shares may be paid by us in Hong Kong dollars or Renminbi, as the case may be. In addition to cash, dividends may be distributed in the form of Shares.

SHARE CAPITAL

CONVERSION OF UNLISTED SHARES INTO H SHARES

The Unlisted Shares are currently not [REDACTED] or [REDACTED] on any stock exchange.

According to the regulations by the CSRC and our Articles of Association, the holders of these Unlisted Shares may, at their own option, authorize our Company to apply to the CSRC for conversion of their respective Unlisted Shares to H Shares upon the [REDACTED], and such converted Shares may be [REDACTED] and [REDACTED] on an overseas stock exchange provided that the conversion, [REDACTED] and [REDACTED] of such converted Shares have been approved by the CSRC. Additionally, such conversion, [REDACTED] and [REDACTED] shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the CSRC and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of the Unlisted Shares are to be converted, [REDACTED] and [REDACTED] as H Shares on the Stock Exchange, such conversion, [REDACTED] and [REDACTED] will need filings with the relevant PRC regulatory authorities, including the CSRC, and the approval of any internal approval process and the Stock Exchange. Based on the procedures for the conversion of Unlisted Shares into H Shares as set forth below, we will apply for the [REDACTED] of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion after the [REDACTED] to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As the [REDACTED] of additional Shares after the [REDACTED] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior application for [REDACTED] at the time of our [REDACTED] in Hong Kong. No Shareholder voting is required for the conversion of such Shares or the [REDACTED] and [REDACTED] of such converted Shares on an overseas stock exchange. Any application for [REDACTED] the converted shares on the Stock Exchange after our [REDACTED] is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

After all the requisite approvals have been obtained, the relevant Unlisted Shares will be withdrawn from the Share register, and our Company will re-register such Shares on the [REDACTED] maintained in Hong Kong and instruct the [REDACTED] to issue [REDACTED]. Registration on the [REDACTED] of our Company will be on the conditions that (i) the [REDACTED] lodges with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the [REDACTED] and the due dispatch of [REDACTED]; and (ii) the admission of the H Shares to be [REDACTED] on the Stock Exchange complies with the Listing Rules and the General Rules of HKSCC and the HKSCC Operational Procedures in force from time to time. Until the converted Shares are re-registered on the [REDACTED] of our Company, such Shares would not be [REDACTED] as H Shares.

RESTRICTIONS OF SHARE TRANSFER

In accordance with the PRC Company Law, the shares issued prior to any [REDACTED] of shares by a company cannot be transferred within one year from the date on which such publicly [REDACTED] shares are [REDACTED] and [REDACTED] on the relevant stock exchange. As such, the Shares issued by our Company prior to the [REDACTED] of H Shares will be subject to such statutory restriction on transfer within a period of one year from the [REDACTED].

Our Directors and members of the senior management of our Company shall declare their shareholdings in our Company and any changes in their shareholdings. Shares transferred by our Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the aforementioned persons held in our Company cannot be transferred within one year from the date on which the Shares are [REDACTED] and [REDACTED], nor within half a year after they leave their positions in our Company. The Articles of Association may contain other restrictions on the transfer of the Shares held by our Directors and members of senior management of our Company.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

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

SUBSTANTIAL SHAREHOLDERS

As far as our Directors are aware, immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised) and the conversion of the Unlisted Shares into H Shares, the following persons will have an interest and/or short position in the Shares or underlying Shares which will be required to be disclosed to our Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of interest	As of June 2, 2026		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)				
		Number and description of the Shares	Approximate percentage of interest in our Company	Number of the Unlisted Shares	Approximate percentage of interest in the Unlisted Shares ⁽¹⁾	Number of the H Shares	Approximate percentage of interest in the H Shares ⁽¹⁾	Approximate percentage of interest in our Company ⁽¹⁾
			%		%		%	%
Hongshan Mingde	Beneficial owner	27,783,863 Unlisted Shares	17.07	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Hongshan Kunde ⁽²⁾	Interest in controlled corporation	27,783,863 Unlisted Shares	17.07	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Hongshan Shengde ⁽²⁾	Interest in controlled corporation	27,783,863 Unlisted Shares	17.07	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Hongshan Kangde ⁽²⁾	Interest in controlled corporation	27,783,863 Unlisted Shares	17.07	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Huanyuan ⁽²⁾	Interest in controlled corporation	27,783,863 Unlisted Shares	17.07	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Zhou Kui ⁽²⁾	Interest in controlled corporation	27,783,863 Unlisted Shares	17.07	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Xiamen Hongshan ⁽²⁾	Interest in controlled corporation	27,783,863 Unlisted Shares	17.07	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Hongshan Huanrui ⁽²⁾	Interest in controlled corporation	27,783,863 Unlisted Shares	17.07	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Meishan Hongshan ⁽²⁾	Interest in controlled corporation	27,783,863 Unlisted Shares	17.07	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Hongshan Yade ⁽²⁾	Interest in controlled corporation	27,783,863 Unlisted Shares	17.07	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Hangzhou Hongshan ⁽²⁾	Interest in controlled corporation	27,783,863 Unlisted Shares	17.07	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Wuhu Juncheng ⁽²⁾	Interest in controlled corporation	27,783,863 Unlisted Shares	17.07	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Jingmu Investment ⁽²⁾	Interest in controlled corporation	27,783,863 Unlisted Shares	17.07	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Nature of interest	As of June 2, 2026		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)				
		Number and description of the Shares	Approximate percentage of interest in our Company	Number of the Unlisted Shares	Approximate percentage of interest in the Unlisted Shares ⁽¹⁾	Number of the H Shares	Approximate percentage of interest in the H Shares ⁽¹⁾	Approximate percentage of interest in our Company ⁽¹⁾
			%		%		%	%
Shanghai Jingmu Enterprise ⁽²⁾ . . .	Interest in controlled corporation	27,783,863 Unlisted Shares	17.07	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Taiming ⁽²⁾ .	Interest in controlled corporation	27,783,863 Unlisted Shares	17.07	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Tan Wenhong ⁽²⁾ . . .	Interest in controlled corporation	27,783,863 Unlisted Shares	17.07	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Hongshan Haoxin ⁽²⁾ .	Interest in controlled corporation	27,783,863 Unlisted Shares	17.07	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Qianjiang Motorcycle	Beneficial owner	21,772,588 Unlisted Shares	13.38	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Boheng Co. ⁽³⁾ . . .	Beneficial owner	15,500,000 Unlisted Shares	9.52	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Guan Bo ⁽³⁾	Interest in controlled corporation	21,687,515 Unlisted Shares	13.33	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Yuyao Shunxin ⁽⁴⁾ . .	Beneficial owner	14,779,450 Unlisted Shares	9.08	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Yuyao SASMC ⁽⁴⁾ . . .	Interest in controlled corporation	17,601,750 Unlisted Shares	10.82	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Xuzhou Boshuo ⁽⁵⁾ .	Beneficial Owner	10,768,669 Unlisted Shares	6.62	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	Interest in controlled corporation	3,975,012 Unlisted Shares	2.44	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Xuzhou Botou Industrial Development Group Co., Ltd. ⁽⁵⁾	Interest in controlled corporation	14,743,681 Unlisted Shares	9.06	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Pizhou Industrial Investment Holding Group Co., Ltd. ⁽⁵⁾	Interest in controlled corporation	14,743,681 Unlisted Shares	9.06	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Pizhou Economic Development Holding Group Co., Ltd. ⁽⁵⁾	Interest in controlled corporation	14,743,681 Unlisted Shares	9.06	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Nature of interest	As of June 2, 2026		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)				
		Number and description of the Shares	Approximate percentage of interest in our Company	Number of the Unlisted Shares	Approximate percentage of interest in the Unlisted Shares ⁽¹⁾	Number of the H Shares	Approximate percentage of interest in the H Shares ⁽¹⁾	Approximate percentage of interest in our Company ⁽¹⁾
			%		%		%	%
Pizhou Municipal Finance Bureau . . .	Interest in controlled corporation	14,743,681 Unlisted Shares	9.06	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
National R&R Fund ⁽⁶⁾	Beneficial owner	9,477,159 Unlisted Shares	5.82	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Shengcheng Fund ⁽⁶⁾	Interest in controlled corporation	9,477,159 Unlisted Shares	5.82	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Guoxiang Jincheng ⁽⁶⁾	Interest in controlled corporation	9,477,159 Unlisted Shares	5.82	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Jintianhe Investment ⁽⁶⁾	Interest in controlled corporation	9,477,159 Unlisted Shares	5.82	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Lin Xuemei ⁽⁶⁾	Interest in controlled corporation	9,477,159 Unlisted Shares	5.82	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
SOE Structural Adjustment Fund ⁽⁶⁾	Interest in controlled corporation	9,477,159 Unlisted Shares	5.82	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

- (1) The calculation is based on the total number of [REDACTED] H Shares in issue upon [REDACTED] comprising (i) an aggregate of [REDACTED] H Shares to be converted from the Unlisted Shares and (ii) [REDACTED] H Shares to be issued pursuant to the [REDACTED] (without taking into account the H Shares which may be issued upon the exercise of the [REDACTED]).
- (2) As of the Latest Practicable Date, the general partner of Hongshan Mingde was Hongshan Kunde. The general partner of Hongshan Kunde was Shanghai Huanyuan. Xiamen Hongshan Xingrui Innovation Technology Co., Ltd. (廈門紅杉興瑞創新科技有限公司) (“**Xiamen Hongshan**”) held 58.8% limited partnership interests in Hongshan Kunde. Xiamen Hongshan was held as to 96.67% by Beijing Hongshan Huanrui Management Consulting Co., Ltd. (北京紅杉桓瑞管理諮詢有限公司) (“**Hongshan Huanrui**”). HongShan Huanrui was owned as to 51% by Zhou Kui.

As of the Latest Practicable Date, Hongshan Shengde and Hongshan Kangde held approximately 60.74% and 39.26% of the limited partnership interest in Hongshan Mingde, respectively. The general partner of Hongshan Shengde and Hongshan Kangde was Ningbo Meishan Bonded Port Area Hongshan Huide Investment Management Partnership (Limited Partnership) (寧波梅山保稅港區紅杉薈德投資管理合夥(有限合夥)) (“**Meishan Hongshan**”). The limited partnership interest of Hongshan Shengde was held as to 40.89% and 38.30% by Beijing Hongshan Yade Equity Investment Centre (Limited Partnership) (北京紅杉亞德股權投資中心(有限合夥)) (“**Hongshan Yade**”) and Hangzhou Hongshan Peide Zhihui Equity Investment Centre (Limited Partnership) (杭州紅杉佩德智股權投資合夥企業(有限合夥)) (“**Hangzhou Hongshan**”), respectively. The limited partnership interest of Hongshan Yade was held as to 36.95% by Wuhu Juncheng Investment Centre (Limited Partnership) (蕪湖俊成投資中心(有限合夥)) (“**Wuhu Juncheng**”). The limited partnership interest of Wuhu Juncheng was held as to 50% by Shanghai Jingmu Investment Management Co., Ltd. (上海景穆投資管理有限公司) (“**Shanghai Jingmu Investment**”) and the general partner of Wuhu Juncheng was Shanghai Jingmu Enterprise Management Co., Ltd. (上海景穆企業管理有限公司) (“**Shanghai Jingmu Enterprise**”). Shanghai Jingmu Investment was wholly owned by Shanghai Taiming Asset Management Co., Ltd. (上海鈺銘資產管理有限公司) (“**Shanghai Taiming**”), which was in turn wholly owned by Tan Wenhong (譚文虹). The limited partnership interest of Hangzhou Hongshan was held as to 92.37% by Beijing HongShan Haoxin Management Consulting Center (Limited Partnership) (北京紅杉皓信管理諮詢中心(有限合夥)) (“**Hongshan Haoxin**”).

By virtue of the SFO, Hongshan Kunde, Hongshan Shengde, Hongshan Kangde, Shanghai Huanyuan, Zhou Kui, Xiamen Hongshan, HongShan Huanrui, Meishan Hongshan, Hongshan Yade, Hangzhou Hongshan, Wuhu Juncheng, Shanghai Jingmu Investment, Shanghai Jingmu Enterprise, Shanghai Taiming, Tan Wenhong and Hongshan Haoxin are deemed to be interested in the 27,783,863 Shares held by Hongshan Mingde.

SUBSTANTIAL SHAREHOLDERS

- (3) As of the Latest Practicable Date, Boheng Co. was owned as to 99% by Mr. Guan Bo. Bozhikong No. 1 is an Employee Incentive Platform and Bozhida is an employee shareholding platform of our Company, with Mr. Guan Bo being their respective general partner. By virtue of SFO, Mr. Guan Bo is deemed to be interested in the 15,500,000 Shares held by Boheng Co, 5,320,045 Shares held by Bozhikong No.1, and 867,470 Shares held by Bozhida.
- (4) As of the Latest Practicable Date, Yuyao State-owned Assets Management Center (余姚市國有資產管理中心) (“**Yuyao SASMC**”) through its nine controlled entities aggregately held more than 85.32% equity interests in Yuyao Shunxin. Yuyao Industry was also indirectly wholly owned by Yuyao SASMC. By virtue of SFO, Yuyao SASMC is deemed to be interested in the 14,779,450 Shares held by Yuyao Shunxin and 2,822,300 Shares held by Yuyao Industry.
- (5) As of the Latest Practicable Date, Xuzhou Boshuo held approximately 69.72% of the limited partnership interests in Boda Fund. By virtue of SFO, Xuzhou Boshuo is deemed to be interested in the 3,975,012 Shares held by Boda Fund.

As of the Latest Practicable Date, Xuzhou Boshuo was wholly owned by Xuzhou Botou Industrial Development Group Co., Ltd. (徐州博投產業發展集團有限公司), which was in turn owned as to 60% by Pizhou Industrial Investment Holding Group Co., Ltd. (邳州市產業投資控股集團有限公司) and as to 40% by Pizhou Economic Development Holding Group Co., Ltd. (邳州經開控股集團有限公司). Pizhou Industrial Investment Holding Group Co., Ltd. was wholly owned by Finance Bureau of Pizhou City (邳州市財政局). By virtue of SFO, Xuzhou Botou Industrial Development Group Co., Ltd., Pizhou Industrial Investment Holding Group Co., Ltd., Pizhou Economic Development Holding Group Co., Ltd. and Finance Bureau of Pizhou City are deemed to be interested in the 14,743,681 Shares held by Xuzhou Boshuo and Boda Fund.

- (6) As of the Latest Practicable Date, the general partner of National Research and Reform Fund Partnership Enterprise (Limited Partnership) (國調科改基金合夥企業(有限合夥)) (“**National R&R Fund**”) was Shengcheng Private Equity Fund Management (Suzhou) Co., Ltd. (盛澄私募基金管理(蘇州)有限公司) (“**Shengcheng Fund**”). Shengcheng Fund was held as to approximately 34.95% by each of Shanghai Guoxiang Jincheng Management Consulting Partnership Enterprise (Limited Partnership) (上海國相錦城管理諮詢合夥企業(有限合夥)) (“**Guoxiang Jincheng**”) and Ningbo Meishan Bonded Port Jintianhe Investment Management Co., Ltd. (寧波梅山保稅港區錦甜河投資管理有限公司) (“**Jintianhe Investment**”). The general partner of Guoxiang Jincheng was Lin Xuemei (林雪梅). Jintianhe Investment was wholly owned by China State-owned Enterprise Structural Adjustment Fund Co., Ltd. (中國國有企業結構調整基金股份有限公司) (“**SOE Structural Adjustment Fund**”). By virtue of SFO, Shengcheng Fund, Guoxiang Jincheng, Jintianhe Investment, Lin Xuemei and SOE Structural Adjustment Fund are deemed to be interested in the 9,477,159 Shares held by National R&R.

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You should read the following discussion and analysis in conjunction with our consolidated financial statements included in the Accountants’ Report in Appendix I to this document, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with IFRS Accounting Standards. You should read the entire Accountant’s Report and not merely rely on the information contained in this section.

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

OVERVIEW

We are a global provider of intelligent domain-controlled electric drive solutions and standardized 800V high-voltage direct current (“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 new energy vehicle (“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 solution market.

BASIS OF PREPARATION AND PRESENTATION

Our Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board (the “IASB”). The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, we have adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Period are set out in Note 33 the Accountants’ Report set out in Appendix I to this document.

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except the financial assets measured at fair value through other comprehensive income (“FVOCI”) and financial assets measured at fair value through profit and loss at the end of each year of the Track Record Period.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Ability to Keep Innovating and Upgrading Our Product Portfolio

We have been dedicated to satisfying evolving customer needs, sustaining product competitiveness and ensuring profitability through technology and product innovation as well as product portfolio expansion. During the Track Record Period, we mainly sold NEV domain-controlled electric drive solutions, including domain-controlled x-in-one electric drive solutions and other electric drive solutions. Our revenue generated from NEV domain-controlled electric drive solutions amounted to RMB312.0 million, RMB730.0 million and RMB3,496.3 million in 2023, 2024 and 2025, primarily due to the increased demand from our OEM customers attracted by our high-integrated solutions. We integrate our key NEV domain-controlled electric drive solution components to suit different energy architectures, including battery electric vehicles, plug-in hybrid electric vehicles and extended-range electric vehicles, as well as the specific configuration requirements of their vehicle models across a full range of vehicle segments. In terms of our core product portfolio during the Track Record Period:

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- In 2024, we delivered our domain-controlled x-in-one electric drive solutions, which rapidly gained market recognition and became the primary growth engine of our operation and financial position. In 2023, 2024 and 2025, our revenue generated from domain-controlled x-in-one electric drive solutions amounted to nil, RMB381.4 million and RMB3,136.5 million, representing nil, 51.7% and 86.5% of our total revenue, respectively. Our domain-controlled x-in-one electric drive solutions enable OEM customers to achieve higher levels of solution integration and functional optimization, supporting the development of competitive NEV models with balanced performance, efficiency, reliability and user experience, and ultimately resulting in strong market recognition.
- We also provide other electric drive solutions, including integrated range-extended generator solution and electric drive solution. In 2023, 2024 and 2025, our revenue from other electric drive solutions increased continuously and stably, accounting for RMB312.0 million, RMB348.6 million and RMB359.9 million, which is also an important part of our total revenue. We believe our product portfolio has laid a solid foundation for our steady revenue growth and long-term profitability.

In addition to offering NEV domain-controlled electric drive solutions, we also supplied standalone components as spare parts in connection with our NEV domain-controlled electric drive solutions, comprising key components across the electric drive system, power supply system and other vehicle control systems. Building upon our in-house research and development capabilities and vertically integrated production capacity, we intend to expand the sales of core components for NEV domain-controlled electric drive solutions to our customers, enhancing our revenue growth.

Extending beyond the NEV sector, we also continue to leverage the migration and reuse of our underlying technologies to explore emerging application scenarios including AIDC power supply systems and embodied intelligence domain-controlled electric drive systems, thereby expanding our business footprint. See “Business — Overview — Who We Are — An Explorer in Emerging Sectors” for details.

Ability to Retain Existing Customers and Obtain New Design Wins

Regarding our ability to retain existing customers, it is our strategy to consolidate and strengthen our leading position as a third-party NEV domain-controlled electric drive solution supplier, by deepening our partnerships with top OEM customers and expanding our presence in broader application scenarios. During the Track Record Period, we had collaborated with various leading OEMs in Chinese Mainland, such as Geely Related Group and Leapmotor, and supported the mass production of their best-selling vehicle models. We have maintained stable cooperation with our top two OEM customers. Geely Related Group is the largest customer in each year during the Track Record Period. Revenue from Geely Related Group and other associates of Mr. Li Shufu amounted to RMB191.2 million, RMB556.5 million and RMB3,267.4 million in 2023, 2024 and 2025, respectively, accounting for 60.9%, 75.4% and 90.0% of our total revenue during the Track Record Period, respectively. Our ability to maintain long-term and stable cooperation with Geely Related Group is critical to our business development. We also generated a large portion of our revenue from Leapmotor, amounting for RMB121.3 million, RMB177.3 million and RMB312.8 million in 2023, 2024 and 2025. As our OEM customers further solidify their position in the NEV market and increase their market share in the NEV industry through successful commercialization, we are also able to enhance our reputation, generate sustainable revenue and strengthen the ability to collaborate with other OEM customers during the Track Record Period.

In order to increase our revenue and profitability, we need to obtain more design wins from a broader range of OEM customers. In 2023, 2024 and 2025, our design wins were three, four and 17, among which, our design wins from Geely Related Group were three, nil and seven during the same years, respectively. According to CIC, the period from obtaining design win to mass production is usually within one to two years. 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. Through these efforts, we aim to provide our solutions to a broader range of customers and support the global transition towards low-carbon and intelligent energy systems.

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Ability to Enhance R&D Capability and Technical Innovation

Our ability to enhance R&D capability and technical innovation is a key driver of our results of operations, enabling us to continuously strengthen our solution integration capabilities and deliver competitive solutions to major OEM customers. In 2023, 2024 and 2025, our R&D costs was RMB77.2 million, RMB93.4 million and RMB111.3 million, respectively. Leveraging our in-house R&D capabilities, we have established a technology framework centered on 800V HVDC EEA, software algorithm architecture as well as motor and mechanically integrated architecture with strong transferability and scalability, enabling us to respond effectively to rapid technological changes in the NEV industry and supporting the deployment of our products and solutions across new emerging application scenarios. We have consolidated 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.

In addition, we adopt a platform-based 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. The underlying technology of our products is highly adaptable and can be extensively reused across various OEMs’ vehicle models. By prioritizing platform-based approach, we have shortened development cycle, reduced development costs, and enhanced product stability with greater flexibility and scalability.

Ability to Manage Costs and Improve Operational Efficiency

Ability to Manage Costs

During the Track Record Period, our cost of revenue amounted to RMB335.4 million, RMB730.4 million and RMB3,366.7 million, respectively, representing 106.8%, 99.0% and 92.8% of our total revenue during the same years, respectively. As we ramped up production in 2024, the resulting economies of scale contributed to lower unit manufacturing costs and procurement prices. Together with our enhanced manufacturing capabilities of automated production for NEV domain-controlled electric drive solution components, we have further strengthened our ability to manage costs and improve operational efficiency. Meanwhile, we are committed to increasing diversity of substitutions within our supply chain and deepening our collaborations with suppliers to further enhance the stability and affordability of our supply. 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. Our ability to effectively control the cost of revenue as we scale up has affected and will continue to affect our results of operation and financial conditions.

Ability to Improve Operational Efficiency

While we value and encourage investment in innovation, our future profitability depends in part on our ability to control expenses. As a result of our efforts to rapidly develop and commercialize products with strong performance and market traction, we incurred substantial expenses in internal management. Our operating expenses, which consist of selling and marketing expenses, administrative expenses and research and development costs, amounted to RMB133.2 million, RMB159.7 million and RMB211.1 million in 2023, 2024 and 2025, respectively, representing 42.4%, 21.6% and 5.8% of our total revenue in the same years, respectively. We have been constantly improving our operating efficiency in various aspects, which is evidenced by the decrease in our operating expenses as a percentage of our total revenue during the Track Record Period. We will continue to ramp up the production and sales of products, in order to achieve better economies of scale.

MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

Certain accounting policies are material to the preparation of our consolidated financial statements. Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related to accounting items. The estimates and assumptions we use and the judgments we make

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in applying our accounting policies have a significant impact on our financial position and results of operations. See Note 3 to the Accountants’ Report in Appendix I to this document. Our management evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events that are deemed to be reasonable under the circumstances. There has not been any material deviation from our management’s estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The table below sets forth a summary of our results of operations in absolute amount and as percentages of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Revenue	314,098	100.0	737,911	100.0	3,628,233	100.0
Cost of revenue	(335,355)	(106.8)	(730,418)	(99.0)	(3,366,715)	(92.8)
Gross (loss)/profit	(21,257)	(6.8)	7,493	1.0	261,518	7.2
Other net expenses	(918)	(0.3)	(2,860)	(0.4)	(427)	(0.0)
Selling and marketing expenses	(4,727)	(1.5)	(5,317)	(0.7)	(11,656)	(0.3)
Administrative expenses	(51,290)	(16.3)	(61,013)	(8.3)	(88,156)	(2.4)
Research and development costs	(77,189)	(24.6)	(93,352)	(12.7)	(111,324)	(3.1)
Impairment loss reversal/(recognized) on trade and other receivables	1,274	0.4	(428)	(0.1)	350	0.0
(Loss)/profit from operations	(154,107)	(49.1)	(155,477)	(21.1)	50,305	1.4
Finance costs	(8,299)	(2.6)	(16,434)	(2.2)	(17,358)	(0.5)
Changes in carrying value of redemption liabilities	(107,992)	(34.4)	(173,207)	(23.5)	(321,090)	(8.8)
Loss before taxation	(270,398)	(86.1)	(345,118)	(46.8)	(288,143)	(7.9)
Income tax	—	—	—	—	—	—
Loss for the year	(270,398)	(86.1)	(345,118)	(46.8)	(288,143)	(7.9)

Non-IFRS Measures

In order to supplement our consolidated statement of profit or loss and other comprehensive income, which is presented in accordance with IFRS Accounting Standards, we use adjusted net (loss)/profit for the year (non-IFRS measure), which was defined as loss for the year adjusted by adding back changes in carrying value of redemption liabilities, [REDACTED] and equity-settled share-based payments, as additional financial measures, which are not required by, or presented in accordance with IFRS Accounting Standards to evaluate our operating performance.

We believe that these non-IFRS measures help identify underlying trends in our business and provide useful information for [REDACTED] and others to understand and evaluate our results of operations. However, adjusted net (loss)/profit for the year (non-IFRS measure) have material limitations as analytical tools. When assessing our operating and financial performance, you should not consider these non-IFRS measures in isolation from or as substitutes for financial performance metrics that are calculated in accordance with IFRS Accounting Standards. The term “adjusted net (loss)/profit for the year (non-IFRS

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measure)” are not defined under IFRS Accounting Standards and may not be comparable to other similarly named measures used by other companies. The following table reconciles our adjusted net (loss)/profit (non-IFRS measure), in absolute amounts and as percentages of our total revenue, for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Loss for the year	(270,398)	(86.1)	(345,118)	(46.8)	(288,143)	(7.9)
Add:						
Changes in carrying value of redemption liabilities ⁽¹⁾	107,992	34.4	173,207	23.5	321,090	8.8
Equity-settled share-based payments ⁽²⁾	—	—	2,289	0.3	—	—
[REDACTED] ⁽³⁾	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net (loss)/profit (non-IFRS measure)	(162,406)	(51.7)	(169,622)	(23.0)	36,497	1.0

Notes:

- (1) Changes in the carrying value of redemption liabilities were measured at the highest amount possible that we could be required to pay to the investors with redemption rights. Upon the first submission of [REDACTED] to the Stock Exchange, the redemption rights granted by us will be automatically terminated and the redemption liabilities will be reclassified to equity, such that our net liabilities position would turn into net assets position.
- (2) Equity-settled share-based payments are non-cash in nature and represented the share-based awards that we granted to the employees. Equity-settled share-based payments are not expected to result in future cash payments.
- (3) [REDACTED] were expenses incurred in connection with the [REDACTED].

Revenue

During the Track Record Period, our revenue was derived from sales of (i) NEV domain-controlled electric drive solutions, (ii) NEV domain-controlled electric drive solution components, and (iii) others. The following table sets forth a breakdown of our revenue by products, in absolute amounts and as percentages of our 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⁾	312,006	99.3	730,024	98.9	3,496,341	96.4
– 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
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

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Note:

- (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.

Comparison between 2025 and 2024: Our revenue increased significantly from RMB737.9 million in 2024 to RMB3,628.2 million in 2025, primarily driven by the increase in revenue from NEV domain-controlled electric drive solutions.

- *NEV domain-controlled electric drive solutions:* Our revenue from sales of NEV domain-controlled electric drive solutions increased significantly from RMB730.0 million in 2024 to RMB3,496.3 million in 2025, primarily due to (i) the increased sales volume of our domain-controlled x-in-one electric drive solutions from 63,507 units in 2024 to 548,309 units in 2025 as a result of increasing demand for our domain-controlled x-in-one electric drive solutions driven by the launch of new vehicle models by our customers. See “Business — Our Offerings” for more details, and (ii) improved production capability as a result of higher capacity utilization of Xuzhou Production Base and the commencement of Ningbo Production Base in the second half of 2025, which support the fulfillment of increased customer demands.
- *NEV domain-controlled electric drive solution components:* Our revenue from sales of NEV domain-controlled electric drive solution components increased significantly from RMB3.7 million in 2024 to RMB109.1 million in 2025, which is generally in line with the fluctuation of NEV domain-controlled electric drive solutions, as NEV domain-controlled electric drive solution components are typically supplied as spare parts ancillary to such solutions during the Track Record Period.
- *Others:* Our revenue from others increased significantly from RMB4.2 million in 2024 to RMB22.8 million in 2025, primarily due to the increased revenue from scrap sales as a result of increased production and sales of our NEV domain-controlled electric drive solutions, which led to a higher volume of production by-products such as copper materials.

Comparison between 2024 and 2023: Our revenue increased significantly from RMB314.1 million in 2023 to RMB737.9 million in 2024, mainly driven by the increase in revenue from NEV domain-controlled electric drive solutions.

- *NEV domain-controlled electric drive solutions:* Our revenue from sales of NEV domain-controlled electric drive solutions increased significantly from RMB312.0 million in 2023 to RMB730.0 million in 2024, primarily due to (i) the newly introduced domain-controlled x-in-one electric drive solutions in 2024 with the commencement of scaled production for the demand of our customers, and (ii) improved production capability as a result of the increased production lines of Xuzhou Production Base, which support the fulfillment of increased customer demand for NEV domain-controlled electric drive solutions.
- *NEV domain-controlled electric drive solution components:* Our revenue from sales of NEV domain-controlled electric drive solution components increased significantly from RMB1.0 million in 2023 to RMB3.7 million in 2024, which is generally in line with the fluctuation of NEV domain-controlled electric drive solutions, as NEV domain-controlled electric drive solution components are typically supplied as spare parts ancillary to such solutions during the Track Record Period.
- *Others:* Our revenue from others increased significantly from RMB1.1 million in 2023 to RMB4.2 million in 2024, primarily due to the increase in scrap sales driven by the growth in production and sales of our NEV domain-controlled electric drive solutions, resulting in a higher volume of production by-products, including copper materials.

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Cost of Revenue

Our cost of revenue includes (i) material cost, (ii) staff cost, (iii) inventory write-down, and (iv) others. The following table sets forth a breakdown of our cost of revenue by nature, in absolute and as a percentage of our total cost of revenue, for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Material cost	266,324	79.4	644,972	88.3	3,177,735	94.4
– Structural components	178,966	53.4	376,123	51.5	1,697,876	50.4
– Electronic components	77,435	23.1	251,225	34.4	1,438,139	42.7
– Others	9,923	2.9	17,624	2.4	41,720	1.3
Staff cost	13,633	4.1	33,597	4.6	117,251	3.5
Write-down/(reversal of write-down) of inventories . .	39,550	11.8	18,856	2.6	(2,559)	(0.1)
Others	15,848	4.7	32,993	4.5	74,288	2.2
Total	335,355	100.0	730,418	100.0	3,366,715	100.0

In 2023, 2024 and 2025, our cost of revenue amounted to RMB335.4 million, RMB730.4 million and RMB3,366.7 million, respectively. Material cost is the largest component of our cost of revenue, accounting for 79.4%, 88.3% and 94.4% of our cost of revenue for the same years.

Comparison between 2025 and 2024: Our cost of revenue increased significantly from RMB730.4 million in 2024 to RMB3,366.7 million in 2025, primarily attributable to the increase in material cost of structural components and electronic components and corresponding increase in staff cost, generally in line with our revenue growth.

- **Structural components:** Our cost of revenue from structural components increased significantly from RMB376.1 million in 2024 to RMB1,697.9 million in 2025, primarily due to the increased volume of our domain-controlled x-in-one electric drive solutions driven by our business expansion. The decrease in the contribution of our structural components was primarily attributable to the economies of scale as a result of our continuous enhancement of our in-house research and development and manufacturing capabilities for structural components.
- **Electronic components:** Our cost of revenue from electronic components increased significantly from RMB251.2 million in 2024 to RMB1,438.1 million in 2025, primarily due to the increased volume of our domain-controlled x-in-one electric drive solutions driven by our business expansion. Our cost of revenue from electronic components generally represents a larger proportion of material cost in our domain-controlled x-in-one electric drive solutions compared with other electric drive solutions.

Comparison between 2024 and 2023: Our cost of revenue increased significantly from RMB335.4 million in 2023 to RMB730.4 million in 2024, primarily attributable to the increase in material cost of structural components and electronic components and corresponding increase in staff cost, generally in line with our revenue growth.

- **Structural components:** Our cost of revenue from structural components increased significantly from RMB179.0 million in 2023 to RMB376.1 million in 2024, primarily due to the increased volume of our domain-controlled x-in-one electric drive solutions driven by our business expansion. The decrease in the contribution of our structural components was primarily attributable to the economies of scale as a result of our continuous enhancement of our in-house research and development and manufacturing capabilities for structural components.

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- **Electronic components:** Our cost of revenue from electronic components increased significantly from RMB77.4 million in 2023 to RMB251.2 million in 2024, primarily due to the newly introduced domain-controlled x-in-one electric drive solutions in 2024 with the commencement of scaled production.

Gross (Loss)/Profit and Gross (Loss)/Profit Margin

Our gross (loss)/profit represents our revenue less our cost of revenue, and our gross (loss)/profit margin represents our gross (loss)/profit divided by our revenue, expressed as a percentage. The table below sets forth a breakdown of our gross (loss)/profit and gross (loss)/profit margin by products for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross (Loss)/ Profit	Gross (Loss)/ Profit Margin	Gross (Loss)/ Profit	Gross (Loss)/ Profit Margin	Gross (Loss)/ Profit	Gross (Loss)/ Profit Margin
	RMB'000	%	RMB'000	%	RMB'000	%
NEV domain-controlled electric drive solutions ⁽¹⁾	(20,988)	(6.7)	11,572	1.6	267,207	7.6
– Domain-controlled x-in-one electric drive solutions	–	–	35,382	9.3	246,567	7.9
– Other electric drive solutions	(20,988)	(6.7)	(23,810)	(6.8)	20,640	5.7
NEV domain-controlled electric drive solution components	(338)	(34.6)	301	8.2	8,604	7.9
Others ⁽²⁾	69	6.2	(4,380)	(104.3)	(14,293)	(62.7)
Total	(21,257)	(6.8)	7,493	1.0	261,518	7.2

Note:

- (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 a result of the foregoing, we recorded gross loss of RMB21.3 million in 2023, and gross profit of RMB7.5 million and RMB261.5 million in 2024 and 2025, respectively.

Comparison between 2025 and 2024: our gross profit margin increased from 1.0% in 2024 to 7.2% in 2025, primarily attributable to an increase in the gross profit margin of NEV domain-controlled electric drive solutions.

- **NEV domain-controlled electric drive solutions:** Our gross profit margin from NEV domain-controlled electric drive solutions increased from 1.6% in 2024 to 7.6% in 2025, primarily due to (i) a significant increase in the revenue contribution from our domain-controlled x-in-one electric drive solutions, which command a higher selling price relative to other products given their technological advancement and higher degree of solution integration, and (ii) further optimization of our production costs as compared to the previous year, primarily attributable to enhanced economies of scale resulting from the expansion of our production volume and the increased proportion of self-supplied components.

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- *Domain-controlled x-in-one electric drive solutions:* Our gross profit margin from domain-controlled x-in-one electric drive solutions decreased from 9.3% in 2024 to 7.9% in 2025, primarily due to (i) the decrease in the average selling price of our domain-controlled x-in-one electric drive solutions as (a) during the initial stage of new vehicle product launches, our OEM customers generally placed greater emphasis on our production capacity and supply capabilities and were willing to support our capacity ramp-up through relatively higher pricing arrangements in 2024. Accordingly, our product prices were adjusted to a stable level in 2025, and (b) we offered certain price concessions to our OEM customers in 2025 given the significant increase in the sales volume of our domain-controlled x-in-one electric drive solutions and our long-term relationships with our customers, and (ii) price concessions we offered to our suppliers to ensure timely and smooth delivery as we faced significant delivery pressure for the first time in 2025.
- *Other electric drive solutions:* We recorded gross loss margin from other electric drive solutions of 6.8% in 2024 and gross profit margin of 5.7% in 2025, primarily due to the increase in revenue generated from new product R&D driven by customer demand, generally with higher gross profit margin than mass production products.
- *NEV domain-controlled electric drive solution components:* Our gross profit margin from sales of NEV domain-controlled electric drive solution components decreased from 8.2% in 2024 to 7.9% in 2025, primarily due to changes in our product portfolio as a result of our continued optimization and iteration of existing products.
- *Others:* We recorded gross loss margin from others of 104.3% in 2024 and recorded gross loss margin of 62.7% from others in 2025, primarily due to the sale of materials assessed as no longer required and waste generated during the production process, such as copper materials, the sales revenue of which was affected by prevailing market prices.

Comparison between 2024 and 2023: Our gross loss margin of 6.8% in 2023 improved to gross profit margin of 1.0% in 2024, primarily attributable to an increase in gross profit margin from sales of NEV domain-controlled electric drive solutions as we introduced domain-controlled x-in-one electric drive solutions in 2024.

- *NEV domain-controlled electric drive solutions:* We recorded gross loss margin of 6.7% in 2023 and gross profit margin of 1.6% in 2024 for NEV domain-controlled electric drive solutions, primarily due to (i) a reduction in per-unit cost of revenue driven by economies of scale as our production volume expanded, and (ii) an increase in the revenue contribution from our domain-controlled x-in-one electric drive solutions, which command a higher selling price relative to other products given their technological advancement and higher degree of solution integration.
- *Domain-controlled x-in-one electric drive solutions:* Our gross profit margin from domain-controlled x-in-one electric drive solutions was 9.3% in 2024, primarily due to (i) the increase in revenue as a result of the newly introduced domain-controlled x-in-one electric drive solutions in 2024 with the commencement of scaled production for the demand of our customers in the same year, and (ii) during the initial stage of new vehicle product launches, our OEM customers generally placed greater emphasis on our production capacity and supply capabilities and were therefore willing to support our capacity ramp-up through relatively higher pricing arrangements in 2024.
- *Other electric drive solutions:* Our gross loss margin from other electric drive solutions remained stable at 6.7% and 6.8% in 2023 and 2024.

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- *NEV domain-controlled electric drive solution components*: We recorded gross loss margin of 34.6% in 2023 and gross profit margin of 8.2% in 2024 for NEV domain-controlled electric drive solution components, primarily due to changes in our product portfolio as a result of our continued optimization and iteration of existing products.
- *Others*: We recorded gross profit margin from others of 6.2% in 2023 and recorded gross loss margin of 104.3% from others in 2024, primarily due to the sale of materials assessed as no longer required and waste generated during the production process, such as copper materials, the sales revenue of which was affected by prevailing market prices.

Other Net Expenses

Our other net expenses consist of (i) bank interest income, (ii) net realized and unrealized gains from financial assets measured at FVPL, (iii) net realized loss on discounting of bank acceptance bills receivable, (iv) government grants, (v) net foreign exchange losses, (vi) net (loss)/gain on disposal of long-lived assets, and (vii) others. The following table sets forth a breakdown of our other net expenses, both in absolute amounts and as percentages of our total other net expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Bank interest income	267	(29.1)	167	(5.8)	295	(69.1)
Net realized and unrealized gains from financial assets measured at FVPL	—	—	—	—	594	(139.1)
Net realized loss on discounting of bank acceptance bills receivable	(387)	42.2	(1,201)	42.0	(1,480)	346.6
Government grants ⁽¹⁾	166	(18.1)	110	(3.8)	542	(126.9)
Net foreign exchange losses . . .	—	—	(14)	0.5	—	—
Net (loss)/gain on disposal of long-lived assets	(902)	98.3	(1,394)	48.7	7	(1.6)
Others	(62)	6.7	(528)	18.4	(385)	90.2
Total	(918)	100.0	(2,860)	100.0	(427)	100.0

Note:

(1) Mainly representing cash awards granted by the government authorities in the PRC.

Comparison between 2025 and 2024: Our other net expenses decreased by 85.1% from RMB2.9 million in 2024 to RMB0.4 million in 2025, as we recorded net loss on disposal of long-lived assets of RMB1.4 million in 2024 and net gain on disposal of long-lived assets of RMB7.0 thousand in 2025 driven by our fewer disposal for aged and obsolete assets.

Comparison between 2024 and 2023: Our other net expenses increased significantly from RMB0.9 million in 2023 to RMB2.9 million in 2024, primarily due to (i) the increase in net realized loss on discounting of bank acceptance bills receivable as a result of an increase in the amount of discounted bills, and (ii) the increase in net loss on disposal of long-lived assets as a result of our disposal for aged and obsolete assets.

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Selling and Marketing Expenses

Our selling and marketing expenses consist of (i) staff cost, (ii) business development expense, (iii) leasing and warehousing fee, and (iv) others. In 2023, 2024 and 2025, our selling and marketing expenses amounted to RMB4.7 million, RMB5.3 million and RMB11.7 million, representing 1.5%, 0.7% and 0.3%, respectively, of our total revenue.

The table below sets forth a breakdown of our selling and marketing expenses, both in absolute amounts and as percentages of our total selling and marketing expenses, for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Staff cost	2,899	61.3	3,611	67.9	4,728	40.6
Business development expense . .	1,296	27.4	1,089	20.5	2,167	18.6
Leasing and warehousing fee . . .	393	8.3	557	10.5	4,681	40.2
Others	139	3.0	60	1.1	80	0.6
Total	4,727	100.0	5,317	100.0	11,656	100.0

Comparison between 2025 and 2024: Our selling and marketing expenses increased significantly from RMB5.3 million in 2024 to RMB11.7 million in 2025, primarily due to (i) the increase in staff cost as we expanded our sales workforce to strengthen our sales and marketing function, (ii) the increase in business development expense for enhanced communication with clients and potential projects associated with the expansion of our business, and (iii) an increase in leasing and warehousing fee as a result of increased consignment warehouses driven by our business expansion.

Comparison between 2024 and 2023: Our selling and marketing expenses increased by 12.5% from RMB4.7 million in 2023 to RMB5.3 million in 2024, primarily due to the increase in staff cost as we increased the headcount of our sales and marketing personnel to support our market expansion initiatives.

Administrative Expenses

Our administrative expenses consist of (i) staff cost, (ii) depreciation and amortization, (iii) maintenance and utility fee, (iv) professional service fee, (v) travel expense, (vi) tax and surcharges, and (vii) others. In 2023, 2024 and 2025, our administrative expenses amounted to RMB51.3 million, RMB61.0 million and RMB88.2 million, representing 16.3%, 8.3% and 2.4%, respectively, of our total revenue.

The table below sets forth a breakdown of our administrative expenses, both in absolute amounts and as percentages of our total administrative expenses, for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Staff cost	30,724	59.9	36,977	60.6	50,839	57.7
Depreciation and amortization . .	7,295	14.2	9,005	14.8	12,172	13.8
Maintenance and utility fee	4,648	9.1	3,741	6.1	5,586	6.3
Professional service fee	3,546	6.9	3,688	6.0	6,914	7.8
Travel expense	1,948	3.8	2,677	4.4	4,135	4.7
Tax and surcharges	937	1.8	3,018	5.0	6,313	7.2
Others	2,192	4.3	1,907	3.1	2,197	2.5
Total	51,290	100.0	61,013	100.0	88,156	100.0

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Comparison between 2025 and 2024: Our administrative expenses increased by 44.5% from RMB61.0 million in 2024 to RMB88.2 million in 2025, primarily due to (i) an increase in staff cost as we expanded our operational workforce in line with our overall business growth, (ii) an increase in depreciation and amortization as a result of the increased equipment at our production facilities, (iii) an increase in professional service fee in relation to [REDACTED], and (iv) an increase in tax and surcharges as a result of an increase in sales revenue.

Comparison between 2024 and 2023: Our administrative expenses increased by 19.0% from RMB51.3 million in 2023 to RMB61.0 million in 2024, primarily due to (i) an increase in staff cost as we expanded our operational workforce in line with our overall business growth, and (ii) an increase in tax and surcharges as a result of an increase in sales revenue.

Research and Development Costs

Our research and development costs consist of (i) staff cost, (ii) material cost, (iii) professional service fee, (iv) depreciation and amortization, (v) maintenance fee, and (vi) others. In 2023, 2024 and 2025, our research and development costs amounted to RMB77.2 million, RMB93.4 million and RMB111.3 million, representing 24.6%, 12.7% and 3.1%, respectively, of our total revenue.

The following table sets out a breakdown of our research and development costs, both in absolute amounts and as percentages of our total research and development costs, for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Staff cost	51,547	66.8	55,577	59.5	69,635	62.6
Material cost	13,624	17.7	12,788	13.7	18,497	16.6
Professional service fee	3,952	5.1	18,393	19.7	14,394	12.9
Depreciation and amortization . .	5,127	6.6	3,611	3.9	4,653	4.2
Maintenance fee	242	0.3	141	0.2	232	0.2
Others	2,697	3.5	2,842	3.0	3,913	3.5
Total	77,189	100.0	93,352	100.0	111,324	100.0

Comparison between 2025 and 2024: Our research and development costs increased by 19.3% from RMB93.4 million in 2024 to RMB111.3 million in 2025, primarily due to (i) the increase in staff costs as we expand our R&D personnel, and (ii) an increase in material cost of R&D as a result of the continuous increase in new R&D projects for AIDC power supply systems and embodied intelligence domain-controlled electric drive systems, partially offset by a decrease in professional service fee as a result of completion of our new product testing and inspection.

Comparison between 2024 and 2023: Our research and development costs increased by 20.9% from RMB77.2 million in 2023 to RMB93.4 million in 2024, primarily due to an increase in professional service fee as a result of our new product testing and inspection by external third parties.

Impairment Loss Reversal/(Recognized) on Trade and Other Receivables

Our impairment loss reversal/(recognized) on trade and other receivables reflects our assessment of counterparty credit risk based on historical loss experience and forward-looking factors. We recognized impairment loss reversal on trade and other receivables of RMB1.3 million in 2023 and RMB0.4 million in 2025 and impairment loss recognized on trade and other receivables of RMB0.4 million in 2024. The impairment loss reversal on trade and other receivables in 2023 represents the collection of certain amounts receivables that were previously impaired, due to our efforts in strengthening receivables

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collections. The impairment loss recognized on trade and other receivables in 2024 were in line with our impairment policies based on the trade and other receivables balance. We recorded impairment loss reversal on trade and other receivables in 2025, primarily due to collection of certain other receivables that were previously impaired.

Finance Costs

Our finance costs primarily consist of (i) interest on bank loans, (ii) interest on long-term payable from sale-and-lease-back transactions, (iii) interest on other payable arising from borrowings with a non-financial institution, and (iv) interest on lease liabilities. The table below sets forth details of our finance costs, both in absolute amounts and as percentages of our total finance costs, for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Interest on bank loans	7,546	90.9	14,274	86.9	9,965	57.4
Less: capitalized interest expense	(3,286)	(39.6)	(3,538)	(21.5)	—	—
Interest on long-term payable from sale-and-lease-back transactions	2,242	27.0	3,445	21.0	5,007	28.8
Interest on other payable arising from borrowings with a non- financial institution	—	—	764	4.6	1,069	6.2
Interest on lease liabilities	1,797	21.7	1,489	9.0	1,317	7.6
Total	8,299	100.0	16,434	100.0	17,358	100.0

Comparison between 2025 and 2024: Our finance costs increased by 5.6% from RMB16.4 million in 2024 to RMB17.4 million in 2025, primarily due to an increase in interest on long-term payable from sale-and-lease-back transactions of our equipment attributable to further expansion of our sale-and-lease-back business driven by our business development, which led to a corresponding rise in interest expenses.

Comparison between 2024 and 2023: Our finance costs increased by 98.0% from RMB8.3 million in 2023 to RMB16.4 million in 2024, primarily due to (i) an increase in interest on bank loans as we incurred more bank borrowings for business expansion in 2024, and (ii) an increase in interest on long-term payable from sale-and-lease-back transactions of our equipment attributable to further expansion of our sale-and-lease-back business driven by our business development, which led to a corresponding rise in interest expenses.

Changes in Carrying Value of Redemption Liabilities

Our changes in carrying value of redemption liabilities were measured at the highest amount possible that we could be required to pay to the investors with special rights. Our changes in carrying value of redemption liabilities increased by 60.4% from RMB108.0 million in 2023 to RMB173.2 million in 2024, and further increased by 85.4% from RMB173.2 in 2024 to RMB321.1 million in 2025, primarily due to the remeasurement of the redemption liabilities granted to Pre-[REDACTED] Investors.

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Income Tax

We did not record any income tax expense in 2023, 2024 and 2025, respectively. See Note 7 to the Accountants’ Report in Appendix I to this document for more details.

During the Track Record Period and up to the Latest Practicable Date, we had made all the required tax filings with the relevant tax authorities, and we were not aware of any outstanding or potential disputes with such tax authorities.

Loss for the Year

Our loss for the year increased by 27.6% from RMB270.4 million in 2023 to RMB345.1 million in 2024, and decreased by 16.5% to RMB288.1 million in 2025.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our use of cash was primarily related to operating activities and capital expenditure. We have historically financed our operations through cash generated from our financing activities and operating activities. As of December 31, 2025, we had cash and cash equivalents of RMB212.8 million. See Note 19 to the Accountants’ Report in Appendix I for more details. Going forward, we believe that our liquidity requirements will be satisfied with a combination of our internal resources, cash flow generated from our operating activities and net [REDACTED] from the [REDACTED].

Working Capital Sufficiency

Our Directors are of the view that, taking into account the financial resources available to us, including our cash and cash equivalents on hand, cash generated from operations and the estimated net [REDACTED] from the [REDACTED], we have sufficient working capital to meet our present requirements, that is, for the next 12 months from the date of the [REDACTED].

Cash Flow Analysis

The following table sets forth selected cash flow statement information for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Net cash (used in)/generated from operating activities	(196,921)	(56,321)	194,999
Net cash used in investing activities	(130,078)	(75,841)	(217,684)
Net cash generated from financing activities . . .	207,707	173,655	171,185
Net (decrease)/increase in cash and cash equivalents	(119,292)	41,493	148,500
Cash and cash equivalents at the beginning of the year	142,129	22,837	64,330
Cash and cash equivalents at the end of the year	22,837	64,330	212,830

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Operating Activities

In 2025, our net cash generated from operating activities was RMB195.0 million, primarily attributable to loss before taxation of RMB288.1 million, as adjusted for (i) non-cash and non-operating items which primarily consisted of changes in carrying value of redemption liabilities of RMB321.1 million and depreciation of RMB39.8 million, (ii) changes in working capital which primarily consisted of an increase in trade and other payables of RMB1,034.7 million, and (iii) income tax paid of RMB3.9 million, partially offset by an increase in trade and other receivables of RMB821.7 million and an increase in inventories of RMB86.8 million.

In 2024, our net cash used in operating activities was RMB56.3 million, primarily attributable to loss before taxation of RMB345.1 million, as adjusted for (i) non-cash and non-operating items which primarily consisted of changes in carrying value of redemption liabilities of RMB173.2 million and depreciation of RMB30.5 million, (ii) changes in working capital which primarily consisted of an increase in trade and other payables of RMB340.7 million, partially offset by an increase in trade and other receivables of RMB250.4 million and an increase in inventories of RMB80.5 million.

In 2023, our net cash used in operating activities was RMB196.9 million, primarily attributable to loss before taxation of RMB270.4 million, as adjusted for (i) non-cash and non-operating items which primarily consisted of changes in carrying value of redemption liabilities of RMB108.0 million, write-down of inventories of RMB39.6 million and depreciation of RMB21.5 million, (ii) changes in working capital which primarily consisted of an increase in trade and other receivables of RMB199.1 million, partially offset by an increase in trade and other payables of RMB57.6 million and a decrease in inventories of RMB20.6 million.

Investing Activities

In 2025, our net cash used in investing activities amounted to RMB217.7 million, which primarily resulted from payment for purchase of wealth management products of RMB310.0 million and payments for purchase of property, plant and equipment of RMB115.6 million, partially offset by the proceeds from disposal of wealth management products of RMB250.4 million.

In 2024, our net cash used in investing activities amounted to RMB75.8 million, which primarily resulted from payment for purchase of property, plant and equipment of RMB73.7 million.

In 2023, our net cash used in investing activities amounted to RMB130.1 million, which primarily resulted from payment for purchase of property, plant and equipment of RMB126.9 million.

Financing Activities

In 2025, our net cash generated from financing activities amounted to RMB171.2 million, which primarily resulted from capital contribution from investors with redemption rights of RMB300.0 million and proceeds from bank loans of RMB575.7 million, partially offset by repayment of bank loans of RMB603.0 million and payment for capital element of obligations arising from sale and leaseback transactions of RMB72.9 million.

In 2024, our net cash generated from financing activities amounted to RMB173.7 million, which primarily resulted from proceeds from bank loans of RMB144.7 million, capital contribution from investors with redemption rights of RMB100.0 million, and proceeds from borrowings under sale and leaseback transactions of RMB63.1 million, partially offset by repayment of bank loans of RMB99.2 million and payment for capital element of obligations arising from sale and leaseback transactions of RMB25.8 million.

In 2023, our net cash generated from financing activities amounted to RMB207.7 million, which primarily resulted from proceeds from bank loans of RMB241.7 million and proceeds from borrowings under sale and leaseback transactions of RMB31.4 million, partially offset by repayment of bank loans of RMB38.5 million and payment for capital element of obligations arising from sale and leaseback transactions of RMB10.6 million.

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SELECTED BALANCE SHEET ITEMS

Current Assets/Liabilities

The following table sets out our current assets and liabilities as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026 (unaudited)
Current assets				
Inventories	56,721	137,242	224,068	181,226
Trade and other receivables	292,482	542,912	1,364,616	883,324
Prepayments and other assets	2,140	3,767	16,050	13,306
Financial assets measured at fair value through profit or loss	—	—	60,145	120,246
Restricted cash	8,789	6,000	27,545	1,865
Cash and cash equivalents	22,837	64,330	212,830	129,850
Total current assets	382,969	754,251	1,905,254	1,329,817
Current liabilities				
Loans and borrowings	114,108	213,722	91,975	60,319
Trade and other payables	316,752	711,232	1,797,275	1,213,000
Contract liabilities	2	13,809	2,027	1,139
Lease liabilities	6,681	6,551	10,106	9,434
Provisions	2,507	3,621	3,628	3,799
Redemption liabilities	585,296	858,503	1,479,593	1,946,833
Total current liabilities	1,025,346	1,807,438	3,384,604	3,324,524
Net current liabilities	(642,377)	(1,053,187)	(1,479,350)	(1,904,707)

Comparison between April 30, 2026 and December 31, 2025: Our net current liabilities increased from RMB1,479.4 million as of December 31, 2025 to RMB1,904.7 million as of April 30, 2026, primarily due to (i) an increase in redemption liabilities of RMB467.2 million, (ii) a decrease in trade and other receivables of RMB533.0 million, and (iii) a decrease in cash and cash equivalents of RMB106.8 million, partially offset by (i) a decrease in trade and other payables of RMB584.3 million, and (ii) an increase in financial assets measured at fair value through profit or loss of RMB60.1 million.

Comparison between December 31, 2025 and December 31, 2024: Our net current liabilities increased from RMB1,053.2 million as of December 31, 2024 to RMB1,479.4 million as of December 31, 2025, primarily due to (i) an increase in trade and other payables of RMB1,086.0 million, and (ii) an increase in redemption liabilities of RMB621.1 million, partially offset by (i) an increase in trade and other receivables of RMB821.7 million, and (ii) an increase in cash and cash equivalents of RMB148.5 million.

Comparison between December 31, 2024 and December 31, 2023: Our net current liabilities increased from RMB642.4 million as of December 31, 2023 to RMB1,053.2 million as of December 31, 2024, primarily due to (i) an increase in trade and other payables of RMB394.5 million, (ii) an increase in redemption liabilities of RMB273.2 million, partially offset by (i) an increase in trade and other receivables of RMB250.4 million, and (ii) an increase in inventories of RMB80.5 million.

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Inventories

Our inventories comprise (i) raw materials, primarily consisting of power semiconductors, PCBs, copper enameled wire, aluminum housings, magnetic steel and stator cores, (ii) work in progress, (iii) finished goods, and (iv) contract fulfilment cost. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	33,995	38,900	65,026
Work in progress	14,967	29,406	56,703
Finished goods	30,036	54,764	100,855
Contract fulfilment cost	—	18,533	3,028
Subtotal	78,998	141,603	225,612
Less: provision for impairment of inventories . .	(22,277)	(4,361)	(1,544)
Total	56,721	137,242	224,068

Our inventories increased from RMB56.7 million as of December 31, 2023 to RMB137.2 million as of December 31, 2024, primarily due to (i) the increased finished goods and work in progress to support our growing sales volume, and (ii) the increased contract fulfillment cost as a result of ongoing R&D service contracts with certain customers in 2024. Our inventories increased from RMB137.2 million as of December 31, 2024 to RMB224.1 million as of December 31, 2025, primarily due to an increase in raw materials, work in progress and finished goods to support our growing sales volume.

The following table sets forth the ageing analysis of our inventory as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within one year	75,814	139,713	220,897
After one year but within two years	2,547	1,883	3,739
After two years but within three years	95	7	976
After three years	542	—	—
Less: provision for impairment of inventories . .	(22,277)	(4,361)	(1,544)
Total	56,721	137,242	224,068

The following table sets forth the turnover days of our inventories for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Inventory turnover days ⁽¹⁾	73	48	20

Note:

- (1) Average inventory turnover days were calculated based on the average of the beginning and ending balances of inventories less impairment for provision of a given year divided by the cost of revenue for that corresponding year and multiplied by 365 days for a year.

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Our inventory turnover days decreased from 73 days in 2023 to 48 days in 2024, and further decreased to 20 days in 2025, primarily as (i) we enhanced our delivery efficiency, and (ii) we document and monitor 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.

As of April 30, 2026, RMB220.4 million, or 98.4% of our inventory as of December 31, 2025 had been utilized or sold.

Trade and Other Receivables

Our trade and other receivables mainly consist of trade receivables and bill receivables arise from sales of products and services to our customers on credit. We grant credit terms to certain customers on a case-by-case basis. We generally grant customers credit term of less than 60 days. The table below sets forth our trade and other receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables, net of loss allowance	221,830	372,204	842,356
Bills receivables ⁽¹⁾			
– Measured at FVOCI	25,128	58,002	192,958
– Carried at amortized cost	20,517	79,846	302,570
Value-added tax recoverable	18,518	11,116	10,340
Deposits and others	6,489	21,744	16,392
Total	292,482	542,912	1,364,616

Note:

(1) Our bills receivables comprise of bank acceptance bills with low credit risk.

Our trade and other receivables increased from RMB292.5 million as of December 31, 2023 to RMB542.9 million as of December 31, 2024, and further to RMB1,364.6 million as of December 31, 2025, primarily due to the increase in trade receivables and bills receivables, which was in line with our revenue growth and business expansion.

The following table sets forth an ageing analysis of our trade receivables, based on the invoice date and net of loss allowance, as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within one year	221,830	372,204	842,194
After one year but within two years	–	–	162
Total	221,830	372,204	842,356

The following table sets forth our trade receivables turnover days for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
Trade receivables turnover days ⁽¹⁾	140	147	61

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Note:

- (1) Trade receivables turnover days were calculated based on the average of opening and closing balance of trade receivables (less allowance for impairment) for the relevant year, divided by the revenue for the same year and multiplied by 365 days for the year.

Our trade receivables turnover days were 140 days in 2023 and 147 days in 2024. Our trade receivables turnover days decreased from 147 days in 2024 to 61 days in 2025, primarily due to our strengthened bargaining position following the increase in sales scale of NEV domain-controlled electric drive solutions, resulting in shorter payment terms from customers.

During the Track Record Period, we did not experience any significant losses associated with our trade and other receivables and the increase in our trade and other receivables did not have any material adverse impact on our liquidity or cash flows.

As of April 30, 2026, RMB1,184.2 million, or 86.8% of our trade and other receivables as of December 31, 2025, had been settled.

Prepayments and Other Assets — Current

Our current portion of prepayments and other assets used in our research and development and other administrative activities include (i) purchase of materials, (ii) purchase of services and others, and (iii) prepaid corporate income tax. The following table sets forth the breakdown of our prepayments and other assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Purchase of materials	1,337	2,359	6,398
Purchase of services and others	803	1,408	5,112
Prepaid corporate income tax	—	—	3,913
[REDACTED] to be capitalized	[REDACTED]	[REDACTED]	[REDACTED]
Total	2,140	3,767	16,050

Our current portion of prepayments and other assets increased from RMB2.1 million as of December 31, 2023 to RMB3.8 million as of December 31, 2024, primarily due to an increase in purchase of materials, services and others attributable to advance payment required by certain service suppliers. Our current portion of prepayments and other assets increased from RMB3.8 million as of December 31, 2024 to RMB16.1 million as of December 31, 2025, primarily due to (i) an increase in purchase of materials, services and others attributable to advance payment required by certain service suppliers, and (ii) an increase in prepaid corporate income tax.

As of April 30, 2026, RMB9.2 million, or 57.3% of our current portion of prepayments and other assets as of December 31, 2025, had been settled.

Financial Assets Measured at Fair Value Through Profit or Loss

Our financial assets measured at fair value through profit or loss consist of wealth management products. We recorded financial assets measured at fair value through profit or loss of nil, nil, and RMB60.1 million in 2023, 2024 and 2025, respectively, primarily due to the purchase of wealth management products.

Trade and Other Payables — Current

Our current portion of trade and other payables primarily consists of trade payables incurred for purchase of raw materials and others. Our current portion of trade and other payables are non-interest-bearing except for current portion of payable arising from borrowings with a non-financial institution. The fair values of trade and other payables at the end of each year of the Track Record Period approximated to their corresponding carrying amounts due to their relatively short maturity terms.

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	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	277,874	630,675	1,639,407
Accrued payroll and benefits	17,881	29,280	42,113
Tax payable	2,031	7,494	43,702
Payables for equipment and intangible assets	15,843	29,975	49,515
Current portion of payable arising from borrowings with a non-financial institution	–	9,631	10,437
Other payables and accrual expenses	3,123	4,177	12,101
Total	316,752	711,232	1,797,275

Our trade and other payables increased from RMB316.8 million as of December 31, 2023 to RMB711.2 million as of December 31, 2024, and further increased to RMB1,797.3 million as of December 31, 2025, primarily driven by an increase in our trade payables due to higher procurement volumes of raw materials in line with our growing sales scale and business expansion.

The following table sets forth an ageing analysis of our trade payables based on the invoice date, as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within one year	249,430	562,433	1,413,525
After one year but within two years	28,016	63,470	220,041
After two years but within three years	127	4,364	4,107
After three years	301	408	1,734
Total	277,874	630,675	1,639,407

The following table sets forth our trade payables turnover days for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
Trade payables turnover days ⁽¹⁾	237	227	123

Note:

- (1) The trade payables turnover days is the average of the opening and closing trade payable divided by our total cost of revenue for that year and multiplied by 365 days for the year.

Our trade payables turnover days decreased from 237 days in 2023 to 227 days in 2024, and further to 123 days in 2025, respectively, primarily due to our faster payments to suppliers as a result of accelerated customer cash collections in order to maintain good cooperative relationships with suppliers and ensure stable raw material supply.

As of April 30, 2026, RMB1,585.5 million, or 90.4% of our current portion of trade and other payables as of December 31, 2025, had been settled.

Contract Liabilities

Our contract liabilities represent the advance payments for sales of products made by customers while the underlying products and services are yet to be provided. Our contract liabilities increased significantly from RMB2.0 thousand as of December 31, 2023 to RMB13.8 million as of December 31,

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2024, primary due to an increase in advance payments received from customers in 2024 for our research and development services. Our contract liabilities decreased from RMB13.8 million as of December 31, 2024 to RMB2.0 million as of December 31, 2025, primarily due to the fulfillment of related performance obligations and the corresponding recognition of revenue.

As of April 30, 2026, RMB1.8 million, or 100.0% of our contract liabilities as of December 31, 2025, had been subsequently recognized as revenue.

Redemption Liabilities

Our redemption liabilities represent the redemption rights of investors under successive Pre-[REDACTED] financing rounds and are measured at the highest amount possible, on a present value basis, which we could be required to pay to the investors with special rights. Our redemption liabilities increased from RMB585.3 million as of December 31, 2023 to RMB858.5 million as of December 31, 2024, and further increased to RMB1,479.6 million as of December 31, 2025, primarily due to the changes in the carrying value of financial liabilities arising from the redemption rights granted to Pre-[REDACTED] Investors.

Non-Current Assets/Liabilities

The following table sets out our non-current assets and liabilities as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment	247,550	303,381	423,991
Right-of-use assets	55,125	48,337	89,595
Intangible assets	2,985	4,176	3,623
Other receivables	—	—	1,864
Prepayments and other assets	5,914	31,404	49,044
Total non-current assets	311,574	387,298	568,117
Non-current liabilities			
Loans and borrowings	182,644	167,038	216,378
Other payables	—	5,856	2,183
Lease liabilities	26,577	20,839	18,041
Provisions	8,642	11,890	14,790
Other non-current liability	34,187	54,170	54,170
Total non-current liabilities	252,050	259,793	305,562
Net liabilities	(582,853)	(925,682)	(1,216,795)

Property, Plant and Equipment

Our property, plant and equipment consist of (i) buildings, (ii) machine and electronic equipment, (iii) office equipment, (iv) vehicles, (v) leasehold improvements, and (vi) construction in process. The following table sets forth the breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Buildings	—	137,358	145,365
Machinery and electronic equipment	79,904	139,709	222,737
Office equipment	324	805	1,219

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	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Vehicles	755	671	2,359
Leasehold improvements	7,941	4,460	6,251
Construction in process	158,626	20,378	46,060
Total	247,550	303,381	423,991

Our property, plant and equipment increased from RMB247.6 million as of December 31, 2023 to RMB303.4 million as of December 31, 2024, primarily due to (i) an increase in buildings resulted from the increased production lines of Xuzhou Production Base, and (ii) an increase in machinery and electronic equipment resulted from procuring new production machinery and equipment for our Xuzhou Production Base. Our property, plant and equipment increased from RMB303.4 million as of December 31, 2024 to RMB424.0 million as of December 31, 2025, primarily due to (i) an increase in machinery and electronic equipment resulting from the procurement of new production machinery and equipment for our Ningbo Production Base, and (ii) an increase in construction in process resulting from the construction of our Ningbo Production Base.

Right-of-Use Assets

Our right-of-use assets consist of (i) land use right and (ii) properties leased for own use. Our right-of-use assets decreased from RMB55.1 million as of December 31, 2023 to RMB48.3 million as of December 31, 2024, primarily due to a decrease in properties leased for own use resulted from amortization expenses. Our right-of-use assets increased from RMB48.3 million as of December 31, 2024 to RMB89.6 million as of December 31, 2025, primarily due to an increase in land use right resulted from the acquisition of land use right in Ningbo.

Intangible Assets

Our intangible assets consist of (i) software and (ii) non-patented technology. Our intangible assets increased from RMB3.0 million as of December 31, 2023 to RMB4.2 million as of December 31, 2024, primarily due to an increase in software resulted from purchase of software to support our business growth. Our intangible assets decreased from RMB4.2 million as of December 31, 2024 to RMB3.6 million as of December 31, 2025, primarily due to a decrease in software resulting from the accumulated amortization.

Other Receivables

Our other receivables consist of deposits. We recorded nil, nil and RMB1.9 million as of December 31, 2023, 2024 and 2025, respectively, primarily due to deposit payments related to our Ningbo Production Base.

Prepayments and Other Assets — Non-Current

Our non-current portion of prepayments and other assets represent prepayments for equipment and others. Our prepayments and other assets increased from RMB5.9 million as of December 31, 2023 to RMB31.4 million as of December 31, 2024, primarily due to an increase in procurement of new equipment for our Xuzhou Production Base. Our prepayments and other assets increased from RMB31.4 million as of December 31, 2024 to RMB49.0 million as of December 31, 2025, mainly due to the increased procurement of new equipment for our Ningbo Production Base.

Other Payables

Our other payables consist of payable arising from borrowings with a non-financial institution. We recorded nil, RMB5.9 million, and RMB2.2 million as of December 31, 2023, 2024 and 2025, respectively, mainly representing financing arrangements we entered into with a third-party company.

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Other Non-Current Liability

Our other non-current liability represents government grants received with conditions and obligations. Our other non-current liability increased from RMB34.2 million as of December 31, 2023 to RMB54.2 million as of December 31, 2024, primarily due to the increase in the government grants of operating subsidies for capital expenditure including development and construction of property, plant and equipment. Our other non-current liability remained stable at RMB54.2 million and RMB54.2 million as of December 31, 2024 and December 31, 2025, respectively.

INDEBTEDNESS

The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)
Current				
Loans and borrowings	114,108	213,722	91,975	60,319
Current portion of payable arising from borrowings with a non- financial institution included in trade and other payables	—	9,631	10,437	6,656
Lease liabilities	6,681	6,551	10,106	9,434
Non-current				
Loans and borrowings	182,644	167,038	216,378	274,987
Payable arising from borrowings with a non-financial institution included in non-current other payables	—	5,856	2,183	—
Lease liabilities	26,577	20,839	18,041	12,912
Total	330,010	423,637	349,120	364,308

Loans and Borrowings

As of December 31, 2023, 2024, 2025 and April 30, 2026, we had loans and borrowings of RMB296.8 million, RMB380.8 million, RMB308.4 million and RMB335.3 million, respectively, mainly representing secured bank loans and obligations arising from sale and leaseback transaction, primarily due to the expansion of our business, which required additional borrowings to support growth. During the Track Record Period, our loans and borrowings were all denominated in RMB with fixed or variable interest rates. The nominal interest rate of our loans and borrowings (excluding sale and leaseback transaction) as of December 31, 2023, 2024 and 2025 ranged from 1.45% to 5.45%, 0.98% to 4.80% and 2.11% to 4.30%, respectively per annum. As of April 30, 2026, our unutilized banking facilities amounted to RMB441.5 million.

Lease Liabilities

As of December 31, 2023, 2024, 2025 and April 30, 2026, we had lease liabilities of RMB33.3 million, RMB27.4 million, RMB28.1 million and RMB22.3 million, respectively, mainly representing lease liabilities under leases for our production bases and office. Our lease liabilities decreased from RMB33.3 million as of December 31, 2023 to RMB27.4 million as of December 31, 2024 primarily due to the maturity of lease agreements over one year. Our lease liabilities increased from RMB27.4 million

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as of December 31, 2024 to RMB28.1 million as of December 31, 2025 primarily due to the new lease agreements of properties for our Ningbo Production Base. Our lease liabilities decreased from RMB28.1 million as of December 31, 2025 to RMB22.3 million as of April 30, 2026, primarily due to scheduled lease payment.

Payable Arising from Borrowings with A Non-Financial Institution

As of December 31, 2023, 2024, 2025 and April 30, 2026, we had payable arising from borrowings with a non-financial institution of nil, RMB15.5 million, RMB12.6 million and RMB6.7 million, respectively.

Reasons for and Details of the Financing Arrangement

During the Track Record Period, we entered into arrangements that are borrowings in nature with an independent third party (“**NFI Lender**”), primarily to fund our domestic production capacity expansion and general working capital and due to insufficiency of our available credit facilities at the time. Together, there were three such financing arrangements with the NFI Lender pursuant to which we borrowed a total of RMB39.8 million. The interest rates, repayment terms and amounts of payable arising from borrowings with a non-financial institution at the end of each financial year ended December 31, 2024 and 2025 are set forth below:

First date of borrowing	Instalment payments	Last repayment date	Effective interest rate per annum	Amount of payable arising from borrowings with a non-financial institution as of December 31,	
				2024 RMB'000	2025 RMB'000
April 2024 . . .	Quarterly	May 9, 2025	6.96%	5,652	–
August 2024 . .	Quarterly	June 6, 2026	7.50%	9,835	4,370
May 2025	Quarterly	June 6, 2026	7.38%	–	8,250

The interest rates of these financing arrangements were determined after arm’s length negotiations between us and the NFI Lender having considered the tenure of such arrangements, the amount borrowed and our financial needs at the relevant time. Other than these financing arrangements, the NFI Lender has no business relationship with the Group.

The ultimate beneficial owner of NFI Lender is a licensed financial institution although the NFI Lender is not a financial institution itself. Given its nature as a non-financial institution, it could meet our financing needs at the time in a relatively flexible and expedient manner, requiring shorter time on negotiations, had less formal procedures and requirements compared to financing from financial institutions. As confirmed by our Directors, other than the above, we have no other financing arrangement with non-financial institutions and there was no other reason for our borrowing from the NFI Lender. According to CIC, corporates seeking financing from non-financial institutions is not uncommon in the PRC.

Lending by Non-Financial Institutions in the PRC and Relevant Legal Consequences

According to Article 73 of General Rules for Loans (《貸款通則》), where lending and borrowing, including those in convert form, are conducted between enterprises without authorization, the People’s Bank of China shall impose a fine of not less than the amount but not more than five times the amount of illegal income generated by the lender and shall terminate such activities. As advised by our PRC Legal Advisor, such financing arrangements will not subject us to any penalty under the General Rules for Loans, because we acted solely as the borrower rather than the lender. Accordingly, such financing arrangements will not result in any adverse financial or business impact on us. Further, we have not breached any of the financing terms and no disputes have arisen in respect of these financing arrangements.

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Cessation of Borrowings from Non-Financial Institutions and Enhanced Capital and Liquidity Management Measures

As of June 6, 2026, we have repaid all outstanding payables owing to the NFI Lender.

We recorded net cash generated from operating activities of RMB195.0 million in 2025. Our cash and cash equivalents as of April 30, 2026 was RMB129.9 million, and we had unutilized bank facilities of RMB441.5 million as of April 30, 2026. We completed our latest financing round in May 2026 and received proceeds of RMB330.0 million, which further strengthened our working capital position. Our Directors are of the view that, taking into account the financial resources presently available to us, we have sufficient means to finance our working capital through cash generated from our operations, borrowings from financial institutions and/or other equity or debt financing.

Going forward, we will implement stringent policies and procedures to closely monitor and manage our capital and liquidity position to ensure that we have sufficient working capital to meet our financial needs and to support our business operations in a timely manner. In view of the above, our Directors confirm that going forward, we will not enter into any financing arrangements which would fall within Article 73 of General Rules for Loans.

No Other Outstanding Indebtedness

Except as discussed above, we did not have material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of April 30, 2026. We had not experienced any difficulty in obtaining bank loans and other borrowings, or default in payment of bank loans and other borrowings during the Track Record Period and up to the Latest Practicable Date. Our Directors confirm that there have been no material change in our indebtedness since April 30, 2026 and up to the Latest Practicable Date.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025 and April 30, 2026, we did not have any material contingent liabilities. As of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

CAPITAL EXPENDITURE

During the Track Record Period, we incurred capital expenditure consisting of payments for purchase of plant and equipment and payments for purchase of intangible assets, of RMB130.1 million, RMB75.8 million and RMB116.2 million in 2023, 2024 and 2025, respectively.

We expect to fund our future capital expenditure with our operating cash flows and equity and debt financing. We may adjust our capital expenditure for any given period according to our ongoing business needs and in light of market conditions or other factors we believe appropriate.

CAPITAL COMMITMENTS

As of December 31, 2023, 2024 and 2025, we had capital commitments contracted but not yet provided for of RMB12.8 million, RMB45.4 million and RMB221.1 million, respectively, primarily in relation to contracted for acquisition of property, plant and equipment, intangible assets and other long-term assets.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we have not entered into, nor do we expect to enter into, any off-balance sheet arrangements. We also have not entered into any financial guarantees or other relevant commitments. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners' equity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing or hedging with us.

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RELATED PARTY TRANSACTIONS AND BALANCES

During the Track Record Period, we entered into certain related party transactions from time to time, primarily related to sales of NEV domain-controlled electric drive solutions and NEV domain-controlled electric drive solution components and purchase of NEV domain-controlled electric drive solution components. See Note 32 to the Accountants’ Report in Appendix I to this document.

Guarantees Issued by a Related Party

The table below sets forth guarantees issued by a related party for the dates indicate:

	As of December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Guarantees for granting loans and borrowings . .	116,518	209,161	41,681

We expect our guarantees issued by a related party to be fully released by June 30, 2026.

Transactions with Related Parties

During the Track Record Period, we have sold our NEV domain-controlled electric drive solutions and NEV domain-controlled electric drive solution components to Geely Related Group, who is a related party to our Group. See “Business — Our Business Relationship with Geely Related Group” for further information. The table below sets forth our transactions with related parties for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Sales of products and services	190,860	556,431	3,162,069
Purchase of products and services	6	1,468	83,811

Balances with Related Parties

The following table sets forth our balances with related parties as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Trade receivables	137,714	295,047	672,457
Contract liabilities	—	13,335	872
Trade and other payables	8	151	84,313

Our Directors believe that our transactions with related parties during the Track Record Period were conducted in the ordinary and usual course of business and on an arm’s length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

DIVIDENDS AND DIVIDEND POLICY

No dividend was paid or declared by our Company during the Track Record Period. As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend distribution ratio. PRC laws require that dividends be paid only out of our distributable profits. Distributable profits are our after-tax

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profits, less appropriations to statutory and other reserves that we are required to make. Pursuant to our Articles of Association, our Board may declare dividends in the future after taking into account our results of operations, financial conditions, cash requirements and availability, and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders.

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] and other fees (such as the discretionary incentive fee) incurred in connection with the [REDACTED]. We estimate that our [REDACTED] will be approximately RMB[REDACTED] (or HK\$[REDACTED], representing [REDACTED]% of the gross [REDACTED] from the [REDACTED]) (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] ranging from HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED] stated in this document) and no exercise of the [REDACTED]), of which (i) approximately RMB[REDACTED], directly attributable to the [REDACTED] and [REDACTED] of our [REDACTED] and will be deducted from equity upon the [REDACTED], (ii) approximately RMB[REDACTED] is expected to be expensed in our consolidated statements of profit or loss. By nature, the estimated total [REDACTED] are mainly composed of (i) [REDACTED] of approximately RMB[REDACTED] and (ii) [REDACTED]-related expenses of approximately RMB[REDACTED], which consist of (a) fees and expenses of legal advisors and Reporting Accountants of approximately RMB[REDACTED], and (b) other fees and expenses of approximately RMB[REDACTED]. During the Track Record Period, we incurred [REDACTED] of RMB[REDACTED], RMB[REDACTED] of which were charged to our consolidated statements of profit or loss and RMB[REDACTED] of which was directly attributable to the [REDACTED] and [REDACTED] of our [REDACTED] and will be deducted from equity upon the [REDACTED].

DISTRIBUTABLE RESERVES

As of December 31, 2025, we did not have any distributable reserves.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates or for the years indicated:

	As of or for the year ended December 31,		
	2023	2024	2025
Gross (loss)/profit margin (%)	(6.8)	1.0	7.2
Adjusted net (loss)/profit (non-IFRS measure) margin ⁽¹⁾ (%)	(51.7)	(23.0)	1.0
Return on equity ⁽²⁾ (%)	71.7	45.8	26.9
Return on total assets ⁽³⁾ (%)	(44.4)	(37.6)	(15.9)
Current ratio ⁽⁴⁾ (times)	37.4	41.7	56.3

Notes:

- (1) Adjusted net (loss)/profit (non-IFRS measure) margin is calculated as adjusted net (loss)/profit (Non-IFRS measure) divided by revenue and multiplied by 100%.
- (2) Return on equity was calculated based on loss for the year of the respective year divided by the arithmetic mean of the opening and closing balances of total deficit and multiplied by 100%.
- (3) Return on total assets was calculated based on loss for the year of the respective year, divided by the arithmetic mean of the opening and closing balances of total assets and multiplied by 100%.
- (4) Current ratio was calculated based on total current assets of the respective year, divided by total current liabilities.

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FINANCIAL RISKS DISCLOSURES

We are exposed to a variety of financial risks, including credit risk, liquidity risk, and interest rate risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. See Note 30 to the Accountants’ Report in Appendix I to this document for a detailed description of our financial risk management.

UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

Please see Appendix II to the document for details.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that up to the date of this document there had been no material adverse change in our financial, operational or prospects since December 31, 2025 being the latest balance sheet date of our consolidated financial statements as set out in the Accountants’ Report in Appendix I to this document.

DISCLOSURE REQUIRED UNDER LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, they were not aware of any circumstances which would give rise to a disclosure requirement under Rule 13.13 to Rule 13.19 of the Listing Rules.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See “Business — Our Strategies” for a detailed discussion of our future plans.

USE OF [REDACTED]

We estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED], after deducting the [REDACTED] fees and commissions and estimated expenses payable by us in connection with the [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] ranging from HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED] stated in this document) and no exercise of the [REDACTED]. In line with our strategies, we intend to use the net [REDACTED] from the [REDACTED] for the following purposes:

- Approximately [45.0]%, or HK\$[REDACTED], will be used for domestic production capacity expansion to further enhance our delivery capabilities in the NEV domain-controlled electric drive solution, AIDC power supply system and embodied intelligence segments. In particular:
 - Approximately [38.0]%, or HK\$[REDACTED], will be used to construct a new production base for our NEV domain-controlled electric drive solution and its key components. As the NEV industry continues to evolve toward greater system integration and higher-voltage architecture, according to CIC, we plan to capture the growth opportunities in the NEV industry and further strengthen our vertically integrated supply chain and expand our integrated production and delivery system.

The planned production capacity of the new production base is expected to reach approximately 500,000 sets of NEV domain-controlled electric drive solution and NEV components. Upon completion of the construction of this production base, we expect to further enhance our scalable lean manufacturing capabilities and meet diversified customer demands more quickly. In particular, the [REDACTED] will be allocated to (i) land acquisition; (ii) plant construction; and (iii) procurement and installation of production line equipment.
 - Approximately [7.0]%, or HK\$[REDACTED], will be used for the retrofit and upgrading of our existing production lines and the establishment of additional production lines. This is expected to enhance our production and delivery capabilities in the AIDC power supply system and embodied intelligence segments to support our continuous business expansion. In particular, the [REDACTED] will be allocated to retrofitting and upgrading the equipment of our existing production lines and procuring and installing equipment for additional production lines.
- Approximately [35.0]%, or HK\$[REDACTED], will be used in the R&D of next-generation NEV domain-controlled electric drive solution, reinforcing our leading position in integrated NEV domain-controlled electric drive solution and NEV component technologies and promoting the replication and commercialization of our core technologies across emerging application scenarios. In particular:
 - Approximately [25.0]%, or HK\$[REDACTED], will be used in the R&D of next-generation NEV domain-controlled electric drive solution and to further enhance our full-stack in-house R&D capabilities, including (a) continuously advancing our solutions toward a higher level of integration, enhancing critical performance of our solutions; and (b) continuously upgrading our key component technologies, such as the in-house research and development of power modules, OBC and DC/DC converter. In particular, the [REDACTED] will be allocated to retaining and expanding our R&D team, and procuring equipment and software for R&D purposes.

FUTURE PLANS AND USE OF [REDACTED]

- Approximately [10.0]%, or HK\$[REDACTED], will be used in the R&D of technologies and solutions tailored for AIDC power supply system and embodied intelligence segments in order to capture industry opportunities arising from the explosive growth in global AI computing power demands and the rapid penetration of robotics applications. Such initiatives include (a) high-voltage architecture design and power semiconductor packaging technologies; (b) enhancement of power density, efficiency and reliability of power supply systems; and (c) R&D of high-precision and reliable joint drive units and power supply solutions for robotics systems. In particular, the [REDACTED] will be allocated to retaining and expanding our R&D team, and procuring equipment and software for R&D purposes.
- Approximately [10.0]%, or HK\$[REDACTED], will be used for expanding our overseas business presence and enhancing our global manufacturing capabilities to capture growth opportunities in the global market. In particular:

Taking into account of customer needs, we will advance our global expansion in phases and by establishing production lines at the facilities of our overseas strategic partners and building localized teams in our overseas markets. Through these initiatives, we aim to enhance the stability of our overseas supply and improve our response speed and delivery quality in overseas markets, ultimately strengthening our global brand recognition and market influence. In particular, the [REDACTED] will be allocated to procurement of equipment and software, and recruitment of overseas staff member.

- Approximately [10.0]%, or HK\$[REDACTED], will be used for working capital and general corporate purposes.

To the extent that the net [REDACTED] from the [REDACTED] are either more or less than expected (including as a result of (i) the [REDACTED] being set at a price lower than the maximum [REDACTED]; or (ii) additional net [REDACTED] from the exercise of the [REDACTED]), we will adjust our allocation of the net [REDACTED] for the above purposes on a pro rata basis.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would render the development of any of our projects not viable, or the occurrence of force majeure events, we will carefully evaluate the situation and may reallocate the net [REDACTED] from the [REDACTED].

To the extent that the net [REDACTED] of the [REDACTED] are not immediately used for the above purposes or if we are unable to put into effect any part of our plan as intended, and to the extent permitted by the relevant laws and regulations, we will only deposit such net [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages I-3 to I-[49], received from the Company’s reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.



ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF GLB INTELLIGENT POWER TECHNOLOGIES CO., LTD. 格雷博智能動力科技股份有限公司 AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of GLB Intelligent Power Technologies Co., Ltd. 格雷博智能動力科技股份有限公司 (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-3 to I-[49], which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2023, 2024 and 2025 (the “Track Record Period”), and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-3 to I-[49] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the “Document”) in connection with the initial [REDACTED] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal

APPENDIX I

ACCOUNTANTS’ REPORT

control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

Reporting accountants’ responsibility (continued)

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants’ report, a true and fair view of the Company’s and the Group’s financial position as at 31 December 2023, 2024 and 2025, and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to Note 28(b) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

Certified Public Accountants
8th Floor, Prince’s Building
10 Chater Road
Central, Hong Kong
[Date]

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ACCOUNTANTS’ REPORT

HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “Underlying Financial Statements”).

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in RMB)

	Note	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Revenue	4	314,098	737,911	3,628,233
Cost of revenue		(335,355)	(730,418)	(3,366,715)
Gross (loss)/profit		(21,257)	7,493	261,518
Other net expenses	5	(918)	(2,860)	(427)
Selling and marketing expenses		(4,727)	(5,317)	(11,656)
Administrative expenses		(51,290)	(61,013)	(88,156)
Research and development costs		(77,189)	(93,352)	(111,324)
Impairment loss reversal/(recognised) on trade and other receivables		1,274	(428)	350
(Loss)/profit from operations		(154,107)	(155,477)	50,305
Finance costs	6(a)	(8,299)	(16,434)	(17,358)
Changes in carrying value of redemption liabilities	26	(107,992)	(173,207)	(321,090)
Loss before taxation	6	(270,398)	(345,118)	(288,143)
Income tax	7	—	—	—
Loss for the year		(270,398)	(345,118)	(288,143)
Other comprehensive income		—	—	—
Total comprehensive income		(270,398)	(345,118)	(288,143)
Loss per share				
Basic and diluted (RMB)	10	(2.21)	(2.76)	(2.09)

The accompanying notes form part of the Historical Financial Information.

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in RMB)

	Note	As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	11	247,550	303,381	423,991
Right-of-use assets	12	55,125	48,337	89,595
Intangible assets	13	2,985	4,176	3,623
Other receivables	16	—	—	1,864
Prepayments and other assets	17	5,914	31,404	49,044
		<u>311,574</u>	<u>387,298</u>	<u>568,117</u>
Current assets				
Inventories	15	56,721	137,242	224,068
Trade and other receivables	16	292,482	542,912	1,364,616
Prepayments and other assets	17	2,140	3,767	16,050
Financial assets measured at fair value through profit or loss	18	—	—	60,145
Restricted cash	19(a)	8,789	6,000	27,545
Cash and cash equivalents	19(a)	22,837	64,330	212,830
		<u>382,969</u>	<u>754,251</u>	<u>1,905,254</u>
Current liabilities				
Loans and borrowings	22	114,108	213,722	91,975
Trade and other payables	20	316,752	711,232	1,797,275
Contract liabilities	21	2	13,809	2,027
Lease liabilities	23	6,681	6,551	10,106
Provisions	24	2,507	3,621	3,628
Redemption liabilities	26	585,296	858,503	1,479,593
		<u>1,025,346</u>	<u>1,807,438</u>	<u>3,384,604</u>
Net current liabilities		<u>(642,377)</u>	<u>(1,053,187)</u>	<u>(1,479,350)</u>
Total assets less current liabilities		<u>(330,803)</u>	<u>(665,889)</u>	<u>(911,233)</u>
Non-current liabilities				
Loans and borrowings	22	182,644	167,038	216,378
Other payables	20	—	5,856	2,183
Lease liabilities	23	26,577	20,839	18,041
Provisions	24	8,642	11,890	14,790
Other non-current liability	25	34,187	54,170	54,170
		<u>252,050</u>	<u>259,793</u>	<u>305,562</u>
NET LIABILITIES		<u>(582,853)</u>	<u>(925,682)</u>	<u>(1,216,795)</u>
CAPITAL AND RESERVES				
Paid-in capital	28(c)	122,286	129,079	146,681
Reserves		<u>(705,139)</u>	<u>(1,054,761)</u>	<u>(1,363,476)</u>
TOTAL DEFICIT		<u>(582,853)</u>	<u>(925,682)</u>	<u>(1,216,795)</u>

The accompanying notes form part of the Historical Financial Information.

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ACCOUNTANTS’ REPORT

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(Expressed in RMB)

	Note	As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	11	1,172	950	724
Intangible assets	13	–	730	982
Prepayments and other assets	17	–	–	4,245
Interest in subsidiaries	14	85,942	112,540	202,432
		<u>87,114</u>	<u>114,220</u>	<u>208,383</u>
Current assets				
Inventories	15	13,175	24,465	5,558
Trade and other receivables	16	251,433	493,368	1,340,225
Prepayments and other assets	17	–	170	692
Restricted cash	19(a)	8,000	6,000	–
Cash and cash equivalents	19(a)	14,448	13,872	154,737
		<u>287,056</u>	<u>537,875</u>	<u>1,501,212</u>
Current liabilities				
Loans and borrowings	22	10,026	16,104	30,000
Trade and other payables	20	218,792	466,292	1,375,812
Contract liabilities	21	–	13,744	1,857
Redemption liabilities	26	585,296	858,503	1,479,593
		<u>814,114</u>	<u>1,354,643</u>	<u>2,887,262</u>
Net current liabilities		<u>(527,058)</u>	<u>(816,768)</u>	<u>(1,386,050)</u>
Total assets less current liabilities		<u>(439,944)</u>	<u>(702,548)</u>	<u>(1,177,667)</u>
Non-current liabilities				
Loans and borrowings	22	8,869	–	–
Other payables	20	–	–	2,183
		<u>8,869</u>	<u>–</u>	<u>2,183</u>
NET LIABILITIES		<u>(448,813)</u>	<u>(702,548)</u>	<u>(1,179,850)</u>
CAPITAL AND RESERVES				
Paid-in capital	28(c)	122,286	129,079	146,681
Reserves		<u>(571,099)</u>	<u>(831,627)</u>	<u>(1,326,531)</u>
TOTAL DEFICIT		<u>(448,813)</u>	<u>(702,548)</u>	<u>(1,179,850)</u>

The accompanying notes form part of the Historical Financial Information.

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in RMB)

	Note	Attributable to equity shareholders of the Company			
		Paid-in capital	Capital reserve	Accumulated losses	Total deficit
		RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2023		122,150	(71,777)	(362,828)	(312,455)
Changes in equity for 2023					
Loss for the year		—	—	(270,398)	(270,398)
Other comprehensive income		—	—	—	—
Total comprehensive income		—	—	(270,398)	(270,398)
Capital contribution from an investor with redemption rights	26	136	1,864	—	2,000
Recognition of redemption liabilities upon grant of redemption rights . .	26	—	(2,000)	—	(2,000)
Balance at 31 December 2023 and 1 January 2024		122,286	(71,913)	(633,226)	(582,853)
Changes in equity for 2024					
Loss for the year		—	—	(345,118)	(345,118)
Other comprehensive income		—	—	—	—
Total comprehensive income		—	—	(345,118)	(345,118)
Capital contribution from an investor with redemption rights	26	6,793	93,207	—	100,000
Recognition of redemption liabilities upon grant of redemption rights . .	26	—	(100,000)	—	(100,000)
Equity-settled share-based transactions	27	—	2,289	—	2,289
Balance at 31 December 2024 and 1 January 2025		129,079	(76,417)	(978,344)	(925,682)
Loss for the year		—	—	(288,143)	(288,143)
Other comprehensive income		—	—	—	—
Total comprehensive income		—	—	(288,143)	(288,143)
Capital contribution from an investor with redemption rights	26	17,602	282,398	—	300,000
Recognition of redemption liabilities upon grant of redemption rights . .	26	—	(300,000)	—	(300,000)
Transaction costs related to capital contribution		—	(2,970)	—	(2,970)
Balance at 31 December 2025		146,681	(96,989)	(1,266,487)	(1,216,795)

The accompanying notes form part of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in RMB)

	Note	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Operating activities				
Cash (used in)/generated from operations	19(b)	(196,921)	(56,321)	198,912
Income tax paid		—	—	(3,913)
Net cash (used in)/generated from operating activities		(196,921)	(56,321)	194,999
Investing activities				
Payment for purchase of property, plant and equipment		(126,902)	(73,715)	(115,621)
Payment for purchase of intangible assets		(3,176)	(2,126)	(553)
Payment for acquisition of a subsidiary, net of cash acquired	29	—	—	(38,238)
Payment for purchase of wealth management products		—	—	(310,000)
Proceeds from disposal of wealth management products		—	—	250,449
Changes in restricted deposits		—	—	(3,728)
Proceeds from disposal of property, plant and equipment		—	—	7
Net cash used in investing activities		(130,078)	(75,841)	(217,684)
Financing activities				
Proceeds from bank loans	19(c)	241,669	144,712	575,710
Repayment of bank loans	19(c)	(38,450)	(99,220)	(603,013)
Interest of bank loans paid	19(c)	(6,520)	(13,022)	(12,168)
Capital element of lease rentals paid	19(c)	(7,751)	(5,868)	(7,502)
Interest element of lease rentals paid	19(c)	(1,797)	(1,489)	(1,317)
Proceeds from borrowings under sale and leaseback transactions	19(c)	31,360	63,100	30,000
Payment for capital element of obligations arising from sale and leaseback transactions	19(c)	(10,562)	(25,836)	(72,901)
Payment for interest element of obligations arising from sale and leaseback transactions	19(c)	(2,242)	(3,445)	(5,007)
Capital contribution from investors with redemption rights	26	2,000	100,000	300,000
Payment for transaction costs related to capital contribution		—	—	(3,000)
Proceeds from other borrowings with a non-financial institution	19(c)	—	21,954	10,961
Repayment of other borrowings and interests with a non-financial institution	19(c)	—	(7,231)	(14,897)
Changes in restricted deposits		—	—	(25,681)
Net cash generated from financing activities		207,707	173,655	171,185
Net (decrease)/increase in cash and cash equivalents		(119,292)	41,493	148,500
Effect of foreign exchange rate changes		—	—	—
Cash and cash equivalents at 1 January	19(a)	142,129	22,837	64,330
Cash and cash equivalents at 31 December . .	19(a)	22,837	64,330	212,830

The accompanying notes form part of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

GLB Intelligent Power Technologies Co., Ltd. 格雷博智能動力科技股份有限公司 (the “Company”), formerly known as 格雷博智能動力科技有限公司, was incorporated in the People’s Republic of China (the “PRC”) on 13 May 2010 as a limited liability company under the Company Law of the PRC. Upon the approval by the Company’s shareholder meeting, the Company was converted from a limited liability company into a joint stock company with limited liability on 30 April 2026.

During the Track Record Period, the Company and its subsidiaries (collectively referred to as “the Group”) are primarily engaged in design, research and development and sale of NEV domain-controlled electric drive solutions.

The statutory financial statements of the Company for the years ended 31 December 2023 and 2024 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the “PRC GAAP”) and audited by BDO China SHU LUN PAN Certified Public Accountants LLP (立信會計師事務所(特殊普通合夥)) and Reanda Certified Public Accountants LLP Shanghai Branch (利安達會計師事務所(特殊普通合夥)上海分所), respectively. The statutory financial statements of the Company for the year ended 31 December 2025 is under preparation and has not been completed yet at the date of the report. The financial statements of the subsidiaries of the Group for which there are statutory requirements were prepared in accordance with the relevant accounting rules and regulations applicable to entities in the countries in which they are incorporated and/or established, details of which are disclosed in Note 14.

The Historical Financial Information has been prepared assuming the Group will continue as a going concern notwithstanding the net current liabilities of the Group of RMB1,479,350,000 and net liabilities of the Group of RMB1,216,795,000 as at 31 December 2025, primarily due to the redemption liabilities of RMB1,479,593,000 (Note 26). The directors of the Company believe that no payment is expected for the settlement of the redemption liabilities as pursuant to the shareholder agreement signed in May 2026, the redemption rights by the Company would be irrecoverably terminated upon the first submission of the initial [REDACTED] of the Company’s H shares on the Stock Exchange, and accordingly the redemption liabilities would be reclassified from liability to equity. Taken the above into consideration, and together with cashflow forecast for the twelve months from the date of this report prepared by management of the Group, the directors of the Company are of the opinion that the Group has sufficient financial resources to continue as a going concern for at least the next twelve months from 31 December 2025. Accordingly, the directors of the Company consider it is appropriate to prepare the Historical Financial Information on a going concern basis.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board (the “IASB”). Further details of the material accounting policy information are set out in Note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Period are set out in Note 33.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Historical Financial Information are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except that the financial assets measured at FVOCI and financial assets measured at fair value through profit and loss are as explained in the accounting policies set out below.

(b) Use of estimates and judgements

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.

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(c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Historical Financial Information from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company’s statement of financial position, investments in subsidiaries are stated at cost less impairment losses (see Note 2(h)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(d) Other investments in debt and equity securities

The Group’s policies for investments in debt and equity securities, other than investments in subsidiaries, are set out below.

Investments in debt and equity securities are recognized/derecognized on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (“FVPL”) for which transaction costs are recognized directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 30(d). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(s)(iii)), foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
- Fair value through other comprehensive income (“FVOCI”) — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognized in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognized in OCI. When the investment is derecognized, the amount accumulated in OCI is recycled from equity to profit or loss.
- FVPL, if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognized in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognized in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer’s perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognized in profit or loss as other income.

(e) Property, plant and equipment

Property, plant and equipment, including right-of-use assets arising from leases of underlying building and equipment (see Note 2(g)), are stated at cost less accumulated depreciation and any accumulated impairment losses (see Note 2(h)(ii)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

The cost of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition and location for its intended use. Subsequent expenditure relating to an item of property, plant and equipment that has already been recognized is added to the carrying amount of the asset when it is probable that the future economic benefits, in excess of the original assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognized as an expense in profit or loss in the period in which it is incurred.

Any gain or loss arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

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Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. The estimated useful lives of property, plant and equipment are as follows:

Buildings	30 years
Machinery and electronic equipment	5-10 years
Office equipment	5 years
Vehicles	5 years
Leasehold improvements	Shorter of estimated useful lives and remaining lease terms

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Construction in progress represents property, plant and equipment under construction and equipment pending installation, and is stated at cost less impairment losses (see Note 2(h)(ii)). Capitalisation of construction in progress costs ceases and the construction in progress is transferred to property, plant and equipment when the asset is substantially ready for its intended use.

No depreciation is provided in respect of construction in progress until it is substantially completed and ready for its intended use.

(f) Intangible assets

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see Note 2(h)(ii)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss. The estimated useful lives of intangible assets are as follows:

Software	5 years
Non-patented technology	10 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) Lease

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Note 2(h)(ii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statements of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

For sale and leaseback transactions, we consider whether the initial transfer of the underlying asset to the buyer-lessor is a sale. We apply IFRS 15 to determine whether a sale has taken place.

When the transfer to buyer-lessor is a sale, we derecognize the underlying asset and applies the lessee accounting model to the leaseback — we measure the right-of-use asset at the retained portion of the previous carrying amount (i.e. at cost), and recognize only the amount of any gain or loss related to the rights transferred to the lessor.

When the transfer to buyer-lessor is not a sale, we continue to recognize the underlying asset, and recognize a financial liability for any amount received from the buyer-lessor.

(h) Credit losses and impairment of assets

(i) Credit losses from financial instruments and contract assets

The Group recognises a loss allowance for expected credit losses (“ECL”)s on financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts and non-equity investments measured at FVOCI (including trade and other receivables).

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof; and
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment, that includes forward-looking information.

The Group considers a financial asset to be in default when: (i) the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 60 days past due.

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ECLs are remeasured at each reporting date to reflect changes in the financial instrument’s credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income

Interest income recognised in accordance with Note 2(s)(iii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (“CGU”s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They reduce the carrying amounts of the assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Inventories and other contract costs

(i) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

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The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(ii) Other contract costs

Other contract costs are the costs to fulfil a contract with a customer, which are not capitalised as property, plant and equipment (see Note 2(e)) or intangible assets (see Note 2(f)), are expensed as incurred.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Costs that relate directly to an existing contract or to a specifically identifiable anticipated contract may include direct labour, direct materials, allocations of costs, costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract (for example, payments to sub-contractors). Otherwise, costs of fulfilling a contract, which are not capitalised as property, plant and equipment or intangible assets, are expensed as incurred.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Amortisation of capitalised contract costs is recognised in profit or loss when the revenue to which the asset relates is recognised (see Note 2(s)).

(j) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(s)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see Note 2(k)).

(k) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. All receivables are subsequently stated at amortised cost (see Note 2(h)(i)).

If the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale, the investment is classified as fair value through other comprehensive income (FVOCI) — recycling. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see Note 2(h)(i)).

(m) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(n) Redemption liabilities

A contract that contains an obligation to purchase the Company’s own equity instruments for cash or another financial asset gives rise to a financial liability for the redemption amount, even if the Company’s obligations to purchase is conditional on the counterparty exercising a right to redeem. The redemption liabilities is measured at the highest redemption amount (on a present value basis) the Company could be required to pay from time to time. Any change in the carrying amount of the redemption liabilities arising from the remeasurement of the redemption liabilities is recognised in “Changes in carrying value of redemption liabilities” in profit or loss. The then carrying amount of the redemption liabilities is reclassified to equity upon a termination of the counterparty’s redemption right.

The redemption liabilities are classified as current liabilities as the Company does not have the right at the reporting date to defer settlement of the liabilities for at least 12 months from the reporting date.

(o) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(u).

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(p) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values. Contribution to appropriate local defined contribution retirement schemes pursuant to the relevant labor rules and regulations in the PRC are recognised as an expense in profit or loss as incurred.

(ii) Equity-settled share-based payments

The Group operates share award schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (“equity-settled transactions”).

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each of the Track Record Period until the vesting date reflects the extent to which the vesting periods has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that periods.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group’s best estimate of the number of equity instruments that will ultimately vest. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(q) Income tax

Income tax expense comprises current tax and deferred tax.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Global Anti-Base Erosion Model Rules (“Pillar Two model rules”) published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to

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recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(r) Provisions

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(s) Revenue recognition and other income

Income is classified by the Group as revenue when it arises from the sale of goods and the provision of services in the ordinary course of the Group’s business.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

Where the contract contains a variable consideration, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods to a customer and includes in the transaction price some or all of the variable consideration estimated, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Further details of the Group’s revenue and other income recognition policies are as follows:

(i) *NEV Domain-controlled electric drive solutions*

Revenue from NEV Domain-controlled electric drive solutions offered by the Group mainly include the sales of solution products and certain service rendering to the customers. Both the revenue from sales of solution products and the rendering of service is recognised at point-in-time when the Group transfers the control over to customers (i.e. goods or service accepted by customers).

(ii) *NEV Domain-controlled electric drive solution components*

Revenue from NEV Domain-controlled electric drive solution components mainly represented the sales of components products, the revenue of which is recognised at point-in-time when the Group transfers the control over components products to customers (i.e. goods accepted by customers).

(iii) *Interest income*

Interest income is recognised using the effective interest method. The “effective interest rate” is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(iv) *Government grants*

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants with agreed terms to be satisfied shall be recognized as other non-current liabilities upon receipt.

Grants that compensate the Group for expenses incurred are recognized as other net expenses in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for cost of assets are recognized as deferred income in the balance sheet and recorded in other net expenses in a reasonable and systematic manner within the service life of the relevant assets.

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(t) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

(u) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(v) Asset acquisition

Groups of assets acquired and liabilities assumed are assessed to determine if they are business or asset acquisitions. On an acquisition-by-acquisition basis, the group chooses to apply a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

When a group of assets acquired and liabilities assumed do not constitute a business, the overall acquisition cost is allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition. An exception is when the sum of the individual fair values of the identifiable assets and liabilities differs from the overall acquisition cost. In such case, any identifiable assets and liabilities that are initially measured at an amount other than cost in accordance with the group’s policies are measured accordingly, and the residual acquisition cost is allocated to the remaining identifiable assets and liabilities based on their relative fair values at the date of acquisition.

(w) Related parties

(a) A person, or a close member of that person’s family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group’s parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the Group’s parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the Historical Financial Information, are identified from the financial information provided regularly to the Group’s most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group’s various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

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For the purpose of resource allocation and performance assessment, the Group’s most senior executive management, being the chief operating decision maker, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, during the Track Record Period, the Group has only one reportable segment which is engaged in design, research and development and sale of NEV domain-controlled electric drive solutions.

3 CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATES

Notes 27, 24 and 26 contain information about the assumptions and their risk factors relating to estimate of fair value of equity-settled share-based transactions, estimated outcome in respect of provisions and fair value measurement of redemption liabilities. Other significant sources of estimation uncertainty are as follows:

(a) Net realizable value of inventories

As described in Note 2(i), net realizable value of inventories is the estimated selling price in the ordinary course of business, less estimated distribution expenses. These estimates are based on the current market condition and historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to changes in market conditions.

Management reassesses these estimations at each reporting date to ensure inventory is shown at the lower of cost and net realizable value.

(b) Impairment of trade and other receivables

The Group’s management determines the loss allowance for expected credit losses on trade and other receivables based on an assessment of the present value of all expected cash shortfalls. These estimates are based on the information about past events, current conditions and forecasts of future economic conditions. The Group’s management reassesses the loss allowance at each reporting period end.

(c) Recognition of deferred tax assets

Deferred tax assets in respect of unused tax losses, tax credit carried forward and deductible temporary differences are recognized and measured based on the expected manner of realization or settlement of the carrying amounts of the assets, using tax rates enacted or substantively enacted at the end of the reporting period. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves a number of assumptions relating to the operating environment of the Group and require a significant level of judgment exercised by the directors. Any change in such assumptions and judgment would affect the carrying amounts of deferred tax assets to be recognized and hence the net profit in the future years.

4 REVENUE AND SEGMENT REPORTING

The principal activities of the Group are design, research and development and sale of NEV domain-controlled electric drive solutions.

(a) Revenue

(i) Disaggregation of revenues

Disaggregation of revenue from contracts with customers by major service lines is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Revenue from contracts with customers within the scope of IFRS 15			
Disaggregated by major products or services lines:			
– NEV Domain-controlled electric drive solutions	312,006	730,024	3,496,341
– NEV Domain-controlled electric drive solution components	978	3,686	109,093
– Others	1,114	4,201	22,799
	<u>314,098</u>	<u>737,911</u>	<u>3,628,233</u>
Disaggregated by timing of revenue recognition:			
– Point in time	<u>314,098</u>	<u>737,911</u>	<u>3,628,233</u>

(ii) Information about major customer

During the years ended 31 December 2023, 2024 and 2025, Geely Related Group and Leapmotor were the customers individually contributing more than 10% to the Group’s total revenue. The revenue derived from Geely Related Group, including sales to a group of entities, which are known to be under common control with that customer, amounted to RMB190,860,000, RMB556,431,000 and RMB3,162,069,000, while the revenue derived from Leapmotor, including sales to a group of entities, which are known to be under common control with that customer, amounted to RMB121,260,000, RMB177,327,000 and RMB312,819,000, respectively.

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(iii) *Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date*

The Group has applied the practical expedient in paragraph 121(a) of IFRS 15 to its sales contracts for products or service that the Group will be entitled to when it satisfies the remaining performance obligations under these contracts that had an expected duration of one year or less.

(b) **Segment reporting**

The Group’s chief operating decision makers (“CODM”), which has been identified as the executive directors of the Company, review the Group’s internal reporting when making decisions about allocating resources and assessing performance of the Group as a whole. The Group has one operating segment, which is automotive components. Accordingly, no reportable segment information is presented.

As substantially all of the Group’s revenue, operations and assets are in the Chinese mainland, no geographic information is presented.

5 OTHER NET EXPENSES

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Bank interest income	267	167	295
Net realized and unrealized gains from financial assets measured at FVPL	–	–	594
Net realized loss on discounting of bank acceptance bills receivable	(387)	(1,201)	(1,480)
Government grants (i)	166	110	542
Net foreign exchange losses	–	(14)	–
Net (loss)/gain on disposal of long-lived assets	(902)	(1,394)	7
Others	(62)	(528)	(385)
	<u>(918)</u>	<u>(2,860)</u>	<u>(427)</u>

(i) Government grants mainly represented cash awards granted by the government authorities in the PRC.

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) **Finance costs**

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on bank loans	7,546	14,274	9,965
Less: capitalised interest expense	(3,286)	(3,538)	–
Interest on long-term payable from sale and leaseback transactions	2,242	3,445	5,007
Interest on other payable arising from borrowings with a non-financial institution	–	764	1,069
Interest on lease liabilities	1,797	1,489	1,317
	<u>8,299</u>	<u>16,434</u>	<u>17,358</u>

(b) **Staff costs**

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, wages and other benefits	92,723	139,962	238,163
Equity-settled share-based payments (Note 27)	–	2,289	–
Contributions to defined contributions plan (i)	8,243	10,058	12,308
Termination benefits	1,866	451	175
	<u>102,832</u>	<u>152,760</u>	<u>250,646</u>

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- (i) Employees of the Group’s PRC entities are required to participate in a defined contributions plan administered and operated by the local municipal governments. The Group’s PRC entities contribute funds which are calculated on certain percentages of the employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees. The Group has no other material obligation for the payment of retirement benefits associated with these schemes beyond the annual contributions described above.

(c) **Other items**

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Depreciation:			
– property, plant and equipment (<i>Note 11</i>)	14,446	23,727	31,375
– right-of-use assets (<i>Note 12</i>)	7,063	6,788	8,436
Amortisation of intangible assets (<i>Note 13</i>)	889	935	1,106
Cost of inventories sold (<i>Note 15</i>) (i)	335,355	730,418	3,366,715
Research and development costs (ii)	77,189	93,352	111,324
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

- (i) During the years ended 31 December 2023, 2024 and 2025, cost of inventories sold include staff costs, depreciation and amortisation expenses of RMB18,884,000, RMB45,957,000 and RMB137,326,000, respectively, which amounts are also included in the respective total amounts disclosed separately above.
- (ii) During the years ended 31 December 2023, 2024 and 2025, research and development costs include staff costs and depreciation of RMB56,674,000, RMB59,187,000 and RMB74,287,000, respectively, which amounts are also included in the respective total amounts disclosed separately above.

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(a) **Taxation in the consolidated statements of profit or loss represents:**

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Current tax			
Provision for the year	–	–	–
– PRC income tax	–	–	–
Deferred tax			
Origination and reversal of temporary differences	–	–	–
Total	–	–	–

Pursuant to the Enterprise Income Tax (the “EIT”) Law of the PRC (the “EIT Law”), the Company and its subsidiaries established and operated in the PRC are liable to EIT at a rate of 25% unless otherwise specified.

In accordance with the relevant provisions of the EIT Law and its implementing regulations, GZK Shanghai was recognized as High-Tech Enterprises and entitled to a preferential corporate income tax rate of 15% during the Track Record Period. GZD Jiangsu was recognized as High-Tech Enterprises and entitled to a preferential corporate income tax rate of 15% only since 2025.

Certain subsidiaries of the Group meet the conditions as small-scaled minimal profit enterprise and were qualified for the entitlement of preferential tax treatment of 75% exemption of taxable income and application of income tax rate of 20% during the Track Record Period.

(b) **Reconciliation between income tax expense and accounting loss at applicable tax rates:**

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Loss before taxation	(270,398)	(345,118)	(288,143)
National tax on loss before taxation calculated at the rates applicable to losses in the jurisdiction concerned	(67,600)	(86,280)	(72,036)
Tax effect of preferential tax rates	9,280	12,474	(6,787)
Tax effect of non-deductible expenses	6,810	11,001	20,299

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	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Effect of using deductible losses for which no deferred tax asset was recognised in previous years	–	–	(7,595)
Tax effect of temporary differences and tax losses not recognised as deferred tax assets in the current year . .	51,510	62,805	66,119
Actual tax expense	<u>–</u>	<u>–</u>	<u>–</u>

(c) Deferred taxation:

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Deferred tax assets	4,460	3,521	4,330
Deferred tax liabilities	(4,460)	(3,521)	(4,330)
	<u>–</u>	<u>–</u>	<u>–</u>

The following are the major deferred tax assets/(liabilities) recognised and movements thereon during the Track Record Period:

	Right-of-use assets	Lease liabilities	Total
	RMB’000	RMB’000	RMB’000
At 1 January 2023	(5,440)	5,440	–
Charged to profit or loss	980	(980)	–
At 31 December 2023 and 1 January 2024	(4,460)	4,460	–
Charged to profit or loss	939	(939)	–
At 31 December 2024 and 1 January 2025	(3,521)	3,521	–
Charged to profit or loss	(809)	809	–
At 31 December 2025	<u>(4,330)</u>	<u>4,330</u>	<u>–</u>

(d) Deferred tax assets not recognized:

In accordance with the accounting policy set out in Note 2(q), as at 31 December 2023, 2024 and 2025, the Company and its subsidiaries have not recognized deferred tax assets in respect of their cumulative tax losses of RMB582,929,000, RMB671,489,000 and RMB766,989,000 and temporary differences of RMB436,129,000, RMB557,449,000 and RMB655,656,000, respectively as they have been loss-making for years and it is not considered probable that taxable profits in foreseeable future will be available against which the tax losses can be utilised. The tax losses arising from operations in Mainland China can be carried forward to offset against taxable profits of subsequent years for up to five years or ten years (for a High-Tech Enterprises company) from the year in which they arose.

8 DIRECTORS’ EMOLUMENTS

Directors’ emoluments disclosed are as follows:

	Year ended 31 December 2023					
	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub total	Share based payments#
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Chairman and executive director:						
Mr. Guan Bo	–	455	410	143	1,008	–
Executive directors:						
Mr. Pan Shunbo	–	485	250	143	878	–
Mr. Yin Hao	–	486	300	143	929	–
Non-executive directors:						
Mr. Xu Longya	–	–	–	–	–	–

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Year ended 31 December 2023

	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub total	Share based payments#	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Ms. Fu Xin	—	—	—	—	—	—	—
Mr. Yang Yezhao	—	—	—	—	—	—	—
Mr. Yuan Feng	—	—	—	—	—	—	—
Supervisors:							
Mr. Xiang Xiaoxiao	—	—	—	—	—	—	—
Mr. Yu Xizheng	—	—	—	—	—	—	—
Ms. Li Longmei	—	220	39	66	325	—	325
Mr. Deng Sheng	—	344	63	117	524	—	524
Mr. Ma Yuntao	—	—	—	—	—	—	—
Mr. Su Jianbo	—	—	—	—	—	—	—
	—	1,990	1,062	612	3,664	—	3,664
	—	—	—	—	—	—	—

Year ended 31 December 2024

	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub total	Share based payments#	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Chairman and executive director:							
Mr. Guan Bo	—	455	745	145	1,345	—	1,345
Executive directors:							
Mr. Pan Shunbo	—	486	300	145	931	1,144	2,075
Mr. Yin Hao	—	486	350	145	981	1,145	2,126
Mr. Deng Sheng (appointed in November 2024)	—	396	86	128	610	—	610
Non-executive directors:							
Mr. Xu Longya	—	—	—	—	—	—	—
Ms. Fu Xin	—	—	—	—	—	—	—
Mr. Yang Yezhao (resigned in February 2024)	—	—	—	—	—	—	—
Mr. Yuan Feng	—	—	—	—	—	—	—
Mr. Jiang Chuanmin (appointed in February 2024)	—	—	—	—	—	—	—
Mr. Guo Bin (appointed in November 2024)	—	—	—	—	—	—	—
Supervisors:							
Mr. Xiang Xiaoxiao	—	—	—	—	—	—	—
Mr. Yu Xizheng	—	—	—	—	—	—	—
Ms. Li Longmei	—	224	34	82	340	—	340
Mr. Ma Yuntao	—	—	—	—	—	—	—
Mr. Su Jianbo (resigned in February 2024)	—	—	—	—	—	—	—
Mr. Deng Sheng (resigned in November 2024)	—	—	—	—	—	—	—
Ms. Mao Haimin (appointed in February 2024)	—	—	—	—	—	—	—
Mr. Zhang Zhengwei (appointed in November 2024)	—	461	77	145	683	—	683
	—	2,508	1,592	790	4,890	2,289	7,179
	—	—	—	—	—	—	—

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Year ended 31 December 2025

	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub total	Share based payments#	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Chairman and executive director:							
Mr. Guan Bo	–	455	1,410	146	2,011	–	2,011
Executive directors:							
Mr. Pan Shunbo	–	485	500	146	1,131	–	1,131
Mr. Yin Hao	–	485	500	146	1,131	–	1,131
Mr. Deng Sheng	–	409	90	140	639	–	639
Mr. Ren Pingzhi (appointed in July 2025)	–	654	200	146	1,000	–	1,000
Non-executive directors:							
Mr. Xu Longya	–	–	–	–	–	–	–
Ms. Fu Xin	–	–	–	–	–	–	–
Mr. Yuan Feng (resigned in July 2025)	–	–	–	–	–	–	–
Mr. Jiang Chuanmin	–	–	–	–	–	–	–
Mr. Guo Bin	–	–	–	–	–	–	–
Mr. Niu Jie (appointed in July 2025)	–	–	–	–	–	–	–
Ms. He Hua (appointed in December 2025)	–	–	–	–	–	–	–
Mr. Xiang Xiaoxiao (i)	–	–	–	–	–	–	–
Supervisors:							
Mr. Xiang Xiaoxiao (i)	–	–	–	–	–	–	–
Mr. Yu Xizheng	–	–	–	–	–	–	–
Ms. Li Longmei	–	237	41	85	363	–	363
Mr. Ma Yuntao	–	–	–	–	–	–	–
Ms. Mao Haimin	–	–	–	–	–	–	–
Mr. Zhang Zhengwei	–	487	88	146	721	–	721
	–	3,212	2,829	955	6,996	–	6,996
	–	–	–	–	–	–	–

Notes:

(i) Mr. Xiang Xiaoxiao was resigned as the supervisor of the Company and appointed as the non-executive director of the Company in May 2026.

These represent the excess of the fair value of the Transferred Shares on the grant date over the consideration paid (Note 27) transferred to two directors of the Company. The value of these Transferred Shares is measured according to the Group’s accounting policy for share-based payment transactions as set out in Note 2(p)(ii). The details of the Share Awards are disclosed in Note 27.

During the Track Record Period, no director or chief executive has waived or agreed to waive any emoluments and no amounts were paid or payable by the Group to the directors and the chief executive as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

During the Track Record Period, of the five individuals with the highest emoluments, three, three and three is director, respectively, whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the remaining individuals are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Salaries, allowances and benefits in kind	1,216	1,750	1,800
Discretionary bonuses	278	410	437
Retirement scheme contributions	246	290	292
	1,740	2,450	2,529

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The emoluments of the two, two and two with the highest emoluments during the Track Record Period, are within the following bands:

	Year ended 31 December		
	2023	2024	2025
	Number of individuals	Number of individuals	Number of individuals
Nil – HKD1,000,000	1	–	–
HKD1,000,001 – HKD1,500,000	1	1	1
HKD1,500,001 – HKD2,000,000	–	1	1

During the Track Record Period, no amounts were paid or payable to the above individuals as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

10 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share during the Track Record Period is calculated by dividing the loss attributable to ordinary equity shareholders of the Company by the weighted average number of ordinary shares deemed to be in issue during the years presented.

As disclosed in Note 34, the Company was converted into a joint stock company with limited liabilities and 146,681,000 ordinary shares with par value of RMB1 each were issued in April 2026. For the purpose of computing basic and diluted loss per share, the weighted average number of ordinary shares deemed to be in issue before the Company’s conversion into a joint stock company was determined assuming the conversion into a joint stock company had occurred since 1 January 2023, at the exchange ratio established in the conversion in April 2026.

Loss attributable to ordinary equity shareholders of the Company

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Loss attributable to all equity shareholders of the Company	(270,398)	(345,118)	(288,143)
Allocation of loss attributable to ordinary shares with redemption rights (<i>Note 26</i>)	174,118	225,073	197,343
Loss attributable to ordinary equity shareholders of the Company	<u>(96,280)</u>	<u>(120,045)</u>	<u>(90,800)</u>

Weighted average number of ordinary shares deemed to be in issue

	Year ended 31 December		
	2023	2024	2025
	’000	’000	’000
Ordinary shares deemed to be in issue at the beginning of the year	122,150	122,286	129,079
Effect of shares deemed to be issued (<i>Note 28(c)</i>)	109	2,866	9,066
Effect of ordinary shares with redemption rights (<i>Note 26</i>)	<u>(78,726)</u>	<u>(81,619)</u>	<u>(94,612)</u>
Weighted average number of ordinary shares deemed to be in issue at the end of the year	<u>43,533</u>	<u>43,533</u>	<u>43,533</u>

	Year ended 31 December		
	2023	2024	2025
Loss attributable to ordinary equity shareholders of the Company (RMB’000)	(96,280)	(120,045)	(90,800)
Weighted average number of ordinary shares deemed to be in issue (’000)	43,533	43,533	43,533
Basic loss per share (expressed in RMB per share)	<u>(2.21)</u>	<u>(2.76)</u>	<u>(2.09)</u>

(b) Diluted loss per share

Ordinary shares with redemption rights (*Note 26*) were not included in the calculation of diluted loss per share as their inclusion would have been anti-dilutive. Accordingly, diluted loss per share for each year during the Track Record Period are the same as basic loss per share of the respective years.

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11 PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Machinery and electronic equipment	Office equipment	Vehicles	Leasehold improvements	Construction in process	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:							
At 1 January 2023	—	83,518	705	528	9,516	78,003	172,270
Additions	—	17,602	296	635	7,380	103,946	129,859
Transferred from construction in progress	—	23,323	—	—	—	(23,323)	—
Disposals	—	(2,299)	—	—	—	—	(2,299)
At 31 December 2023 and 1 January 2024	—	122,144	1,001	1,163	16,896	158,626	299,830
Additions	—	20,852	574	131	997	58,399	80,953
Transferred from construction in progress	139,448	57,199	—	—	—	(196,647)	—
Disposals	—	(7,166)	(88)	(69)	—	—	(7,323)
At 31 December 2024 and 1 January 2025	139,448	193,029	1,487	1,225	17,893	20,378	373,460
Additions	12,787	86,766	619	1,959	4,180	45,966	152,277
Transferred from construction in progress	—	20,284	—	—	—	(20,284)	—
Disposals	—	—	—	(95)	(551)	—	(646)
At 31 December 2025	152,235	300,079	2,106	3,089	21,522	46,060	525,091
Accumulated depreciation:							
At 1 January 2023	—	(32,465)	(641)	(248)	(5,577)	—	(38,931)
Charge for the year	—	(10,872)	(36)	(160)	(3,378)	—	(14,446)
Written back on disposals	—	1,097	—	—	—	—	1,097
At 31 December 2023 and 1 January 2024	—	(42,240)	(677)	(408)	(8,955)	—	(52,280)
Charge for the year	(2,090)	(16,889)	(89)	(181)	(4,478)	—	(23,727)
Written back on disposals	—	5,809	84	35	—	—	5,928
At 31 December 2024 and 1 January 2025	(2,090)	(53,320)	(682)	(554)	(13,433)	—	(70,079)
Charge for the year	(4,780)	(24,022)	(205)	(267)	(2,101)	—	(31,375)
Written back on disposals	—	—	—	91	263	—	354
At 31 December 2025	(6,870)	(77,342)	(887)	(730)	(15,271)	—	(101,100)
Net book value:							
At 31 December 2023	—	79,904	324	755	7,941	158,626	247,550
At 31 December 2024	137,358	139,709	805	671	4,460	20,378	303,381
At 31 December 2025	145,365	222,737	1,219	2,359	6,251	46,060	423,991

Certain property, plant and equipment with book value of RMB71,751,000, RMB66,951,000 and RMB59,516,000 as at 31 December 2023, 2024 and 2025 respectively, were mortgaged as securities for bank loans (Note 22).

The Group pledged certain property, plant and equipment to third party financial institutions to obtain financing ranging from 1 to 3 years under sale and leaseback arrangement. The Group determined the transfers to buyer-lessor were not considered as sales under IFRS 15, thus the Group continues to recognise the underlying assets, and recognises financial liabilities for the considerations received in accordance with the accounting policy set out in Note 2(g). No gain or loss was recognised from the sale and leaseback transactions for the years ended 31 December 2023, 2024 and 2025. As of 31 December 2023, 2024 and 2025, the carrying amounts of the property, plant and equipment pledged for the aforementioned sale and leaseback transactions were RMB57,876,000, RMB56,121,000 and RMB79,557,000, respectively.

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The Company

	Machinery and electronic equipment	Office equipment	Vehicles	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Cost:				
At 1 January 2023, 31 December 2023 and 1 January 2024	5,317	440	172	5,929
Disposals	(33)	(79)	–	(112)
At 31 December 2024 and 1 January 2025	5,284	361	172	5,817
Additions	7	–	–	7
Disposals	–	–	(43)	(43)
At 31 December 2025	5,291	361	129	5,781
Accumulated depreciation:				
At 1 January 2023	(3,796)	(422)	(125)	(4,343)
Charge for the year	(384)	–	(30)	(414)
At 31 December 2023 and 1 January 2024	(4,180)	(422)	(155)	(4,757)
Charge for the year	(208)	–	(10)	(218)
Written back on disposals	32	76	–	108
At 31 December 2024 and 1 January 2025	(4,356)	(346)	(165)	(4,867)
Charge for the year	(231)	–	–	(231)
Written back on disposals	–	–	41	41
At 31 December 2025	(4,587)	(346)	(124)	(5,057)
Net book value:				
At 31 December 2023	1,137	18	17	1,172
At 31 December 2024	928	15	7	950
At 31 December 2025	704	15	5	724

12 RIGHT-OF-USE ASSETS

The analysis of the net book value of right-of-use assets by class of underlying asset is presented below:

The Group

	Land use right (a)	Properties leased for own use (b)	Total
	RMB'000	RMB'000	RMB'000
Cost:			
At 1 January 2023	26,451	48,915	75,366
Disposals	–	(11,359)	(11,359)
At 31 December 2023, 31 December 2024 and 1 January 2025	26,451	37,556	64,007
Additions	197	8,259	8,456
Acquisition of a subsidiary (<i>Note 29</i>)	41,238	–	41,238
At 31 December 2025	67,886	45,815	113,701
Accumulated depreciation:			
At 1 January 2023	(529)	(12,649)	(13,178)
Charge for the year	(529)	(6,534)	(7,063)
Written back on disposals	–	11,359	11,359
At 31 December 2023 and 1 January 2024	(1,058)	(7,824)	(8,882)
Charge for the year	(529)	(6,259)	(6,788)
At 31 December 2024 and 1 January 2025	(1,587)	(14,083)	(15,670)
Charge for the year	(962)	(7,474)	(8,436)
At 31 December 2025	(2,549)	(21,557)	(24,106)
Net book value:			
At 31 December 2023	25,393	29,732	55,125
At 31 December 2024	24,864	23,473	48,337
At 31 December 2025	65,337	24,258	89,595

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The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Depreciation charge of right-of-use assets			
– Land use right	529	529	962
– Properties leased for own use	6,534	6,259	7,474
	<u>7,063</u>	<u>6,788</u>	<u>8,436</u>
Interest on lease liabilities (<i>Note 6(a)</i>)	1,797	1,489	1,317
Expense relating to short-term leases	<u>1,002</u>	<u>809</u>	<u>4,832</u>

Details of total cash outflow for leases, the maturity analysis of lease liabilities are set out in Note 19(d) and Note 23, respectively.

(a) Land use right

Land in respect of land use right is located in the PRC with a lease period of 49 years when granted.

(b) Properties leased for own use

The Group has obtained the right to use properties through tenancy agreements. The leases typically run for an initial period of 3 to 6 years. None of the leases include variable lease payments.

The Group has pledged leasehold lands with carrying amounts of RMB25,393,000, RMB24,864,000 and RMB65,337,000 as at December 31, 2023, 2024 and 2025, respectively, to secure certain loans and borrowings (Note 22).

13 INTANGIBLE ASSETS

The Group

	Software	Non-patented technology	Total
	RMB’000	RMB’000	RMB’000
Cost:			
At 1 January 2023	1,796	25,000	26,796
Additions	3,176	–	3,176
Expiry of useful life	(1,071)	–	(1,071)
At 31 December 2023 and 1 January 2024	<u>3,901</u>	<u>25,000</u>	<u>28,901</u>
Additions	2,126	–	2,126
At 31 December 2024 and 1 January 2025	<u>6,027</u>	<u>25,000</u>	<u>31,027</u>
Additions	553	–	553
At 31 December 2025	<u>6,580</u>	<u>25,000</u>	<u>31,580</u>
Accumulated amortisation:			
At 1 January 2023	(1,098)	(25,000)	(26,098)
Charge for the year	(889)	–	(889)
Expiry of useful life	1,071	–	1,071
At 31 December 2023 and 1 January 2024	<u>(916)</u>	<u>(25,000)</u>	<u>(25,916)</u>
Charge for the year	(935)	–	(935)
At 31 December 2024 and 1 January 2025	<u>(1,851)</u>	<u>(25,000)</u>	<u>(26,851)</u>
Charge for the year	(1,106)	–	(1,106)
At 31 December 2025	<u>(2,957)</u>	<u>(25,000)</u>	<u>(27,957)</u>
Net book value:			
At 31 December 2023	<u>2,985</u>	<u>–</u>	<u>2,985</u>
At 31 December 2024	<u>4,176</u>	<u>–</u>	<u>4,176</u>
At 31 December 2025	<u>3,623</u>	<u>–</u>	<u>3,623</u>

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The Company

	Software	Non-patented technology	Total
	RMB'000	RMB'000	RMB'000
Cost:			
At 1 January 2023, 31 December 2023 and 1 January 2024 .	480	25,000	25,480
Additions	796	–	796
At 31 December 2024 and 1 January 2025	1,276	25,000	26,276
Additions	450	–	450
At 31 December 2025	1,726	25,000	26,726
Accumulated amortisation:			
At 1 January 2023	(392)	(25,000)	(25,392)
Charge for the year	(88)	–	(88)
At 31 December 2023 and 1 January 2024	(480)	(25,000)	(25,480)
Charge for the year	(66)	–	(66)
At 31 December 2024 and 1 January 2025	(546)	(25,000)	(25,546)
Charge for the year	(198)	–	(198)
At 31 December 2025	(744)	(25,000)	(25,744)
Net book value:			
At 31 December 2023	–	–	–
At 31 December 2024	730	–	730
At 31 December 2025	982	–	982

During the Track Record Period, the amounts of amortisation expenses charged to profit or loss are as follows:

The Group

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Administrative expenses	889	935	1,106

The Company

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Administrative expenses	88	66	198

14 INTERESTS IN SUBSIDIARIES

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Investment costs	130,782	157,380	247,272
Less: impairment provisions	(44,840)	(44,840)	(44,840)
	85,942	112,540	202,432

The Company made impairment provision of RMB44,840,000, RMB44,840,000 and RMB44,840,000 to reduce the carrying amounts of its interests in one subsidiary to the recoverable amounts as at end of each Track Record Period.

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The Company has direct interests in the following subsidiaries, all of which are private companies. The class of shares held is ordinary unless otherwise stated.

Company name	Place and date of establishment and operation	Particulars of registered and paid-in capital	Effective interest held by the Group			At the date of this report	Principal activities
			As at 31 December				
			2023	2024	2025		
GZK Intelligent Power Technologies (Shanghai) Co., Ltd. (格至控智能動力科技(上海)有限公司) (Note (i), (ii), (v) and (vii))	The PRC 27 November 2013	RMB40,000,000/ RMB40,000,000	100%	100%	100%	100%	Research and development
GZD Intelligent Technologies (Jiangsu) Co., Ltd. (格至達智能科技(江蘇)有限公司) (Note (i), (ii), (vi) and (vii))	The PRC 23 September 2021	RMB100,000,000/ RMB83,940,500	100%	100%	100%	100%	Production and manufacturing
GZQ Intelligent Technologies (Shanghai) Co., Ltd. (格至驅智能科技(上海)有限公司) (Note (i), (iv), (v) and (vii))	The PRC 28 March 2023	RMB7,000,000/ RMB7,000,000	100%	100%	100%	100%	Research and development
GZY Intelligent Power (Jiangsu) Co., Ltd. (格至遠動力科技(上海)有限公司) (Note (i), (iii) and (vii))	The PRC 27 June 2023	RMB20,000,000/ RMB180,000	100%	100%	100%	100%	Production and manufacturing
GLB Intelligent Power Technologies (Ningbo) Co., Ltd. (格雷博智能動力科技(寧波)有限公司) (Note (i), (iii) and (vii))	The PRC 11 July 2024	RMB150,000,000/ RMB150,000,000	N/A	N/A	100%	100%	Production and manufacturing

- (i) These entities are limited liability companies established in the PRC. The official names of these entities are in Chinese. The English translation of the Company names is for identification purpose only.
- (ii) These entities are limited liability companies, and the financial statements for the year ended 31 December 2023 were prepared in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the “PRC GAAP”), and were audited by BDO China SHU LUN PAN Certified Public Accountants LLP (立信會計師事務所 (特殊普通合夥)).
- (iii) No statutory audited financial statements have been prepared for these entities for the year ended 31 December 2023 and 2024.
- (iv) No statutory audited financial statements have been prepared for this entity for the year ended 31 December 2023.
- (v) These entities are limited liability companies, and the financial statements for the year ended 31 December 2024 were prepared in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the “PRC GAAP”), and were audited by Reanda Certified Public Accountants LLP Shanghai Branch (利安達會計師事務所 (特殊普通合夥) 上海分所).
- (vi) This entity is a limited liability company, and the financial statements for the year ended 31 December 2024 were prepared in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the “PRC GAAP”), and were audited by Jiangsu Zhongdixin Certified Public Accountants Co., Ltd. (江蘇中德信會計師事務所有限公司).
- (vii) The statutory financial statements for the financial year ended 31 December 2025 is under preparation and has not been completed yet at the date of the report.

All companies now comprising the Group have adopted 31 December as their financial year end date.

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15 INVENTORIES

(a) Inventories in the statements of financial position comprise:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	33,995	38,900	65,026
Work in progress	14,967	29,406	56,703
Finished goods	30,036	54,764	100,855
Contract fulfilment cost	—	18,533	3,028
	<u>78,998</u>	<u>141,603</u>	<u>225,612</u>
Less: provision for impairment of inventories	(22,277)	(4,361)	(1,544)
	<u>56,721</u>	<u>137,242</u>	<u>224,068</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	1,729	—	12
Finished goods	14,616	3,869	2,777
Contract fulfilment cost	—	20,596	2,783
	<u>16,345</u>	<u>24,465</u>	<u>5,572</u>
Less: provision for impairment of inventories	(3,170)	—	(14)
	<u>13,175</u>	<u>24,465</u>	<u>5,558</u>

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

The Group

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount of inventories sold	295,805	711,562	3,369,274
Carrying amount of inventories used in research and development and marketing activities	13,624	17,054	20,878
Write-down/(reversal of write-down) of inventories	39,550	18,856	(2,559)
	<u>348,979</u>	<u>747,472</u>	<u>3,387,593</u>

All inventories are expected to be recovered within one year.

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. These estimates are based on the current market condition and historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to changes in market conditions.

Management reassesses these estimations at the end of each reporting period to ensure inventory is shown at the lower of cost and net realizable value.

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16 TRADE AND OTHER RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current (i)			
Trade receivables, net of loss allowance	221,830	372,204	842,356
Bills receivables			
– measured at FVOCI (ii)	25,128	58,002	192,958
– carried at amortised cost (iii)	20,517	79,846	302,570
Value-added tax recoverable	18,518	11,116	10,340
Deposits and others	6,489	21,744	16,392
	<u>292,482</u>	<u>542,912</u>	<u>1,364,616</u>
Non-current			
Deposits	–	–	1,864
	<u>292,482</u>	<u>542,912</u>	<u>1,366,480</u>

- (i) As at the end of each reporting period, all of the Group’s and the Company’s current trade and other receivables are expected to be recovered or recognised as expense within a year.
- (ii) Bills receivable mainly represent short-term bank acceptance receivable that entitle the Group to receive the full face amount from the banks at maturity, which generally within 6 months from the date of issuance. Historically, the Group had experienced no credit losses on bills receivable. Due to the requirement of cash management, the Group from time to time endorses bills receivable to suppliers in order to settle trade payables or discounts bills receivable to recoup cash from commercial banks. The business model of bills receivable is for the purpose of collecting cash flow of contracts and sales. Therefore, the Group classified bills receivable of RMB25,128,000, RMB58,002,000 and RMB192,958,000 as bills receivable carried at fair value and whose changes are included in other comprehensive income at the end of each reporting period. The fair value changes of these bills receivable measured at FVOCI were insignificant during the year.
- (iii) As at 31 December 2023 and 2024 and 2025, other bills receivable of RMB20,517,000, RMB79,846,000 and RMB302,570,000, compose of bank acceptance bills, are measured at amortised cost.
- (iv) As at 31 December 2023 and 2024 and 2025, certain trade and bills receivables of RMB9,000,000, RMB12,881,000 and RMB30,000,000 were pledged as securities for bank loans of the Group (Note 22).

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current (i)			
Trade receivables, net of loss allowance	221,787	372,064	842,185
Bills receivables, net of loss allowance	29,646	121,285	492,317
– measured at FVOCI	25,128	55,540	189,747
– carried at amortised cost	4,518	65,745	302,570
Deposits and others	–	19	5,723
	<u>251,433</u>	<u>493,368</u>	<u>1,340,225</u>

(a) Ageing analysis of trade receivables

As of the end of each reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables) based on the invoice date and net of loss allowance, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	221,830	372,204	842,194
Over 1 year but less than 2 years	–	–	162
	<u>221,830</u>	<u>372,204</u>	<u>842,356</u>

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Further details on the Group’s credit policy and credit risk arising from trade receivables are set out in Note 30(a).

17 PREPAYMENTS AND OTHER ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Current			
Purchase of materials	1,337	2,359	6,398
Purchase of services and others	803	1,408	5,112
Prepaid corporate income tax	–	–	3,913
[REDACTED] to be capitalised	[REDACTED]	[REDACTED]	[REDACTED]
	2,140	3,767	16,050
	----	----	----
Non-current			
Prepayments for equipment and others	5,914	31,404	49,044
	8,054	35,171	65,094
	=====	=====	=====

The Company

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Current			
Purchase of services and others	–	170	692
	–	–	–
Non-current			
Prepayments for equipment and others	–	–	4,245
	–	170	4,937
	–	–	–
	–	–	–

18 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Wealth management products (i)	–	–	60,145
	–	–	–

(i) The amount represents investments in wealth management products issued by reputable financial institution in Chinese Mainland. There are no fixed or determinable returns of these wealth management products.

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents

The Group

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Cash at bank	31,626	70,330	240,375
Less: Restricted cash (i)	(8,789)	(6,000)	(27,545)
Cash and cash equivalents in the consolidated statements of financial position and the consolidated statements of cash flows	22,837	64,330	212,830
	=====	=====	=====

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The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash at bank	22,448	19,872	154,737
Less: Restricted cash (ii)	(8,000)	(6,000)	–
Cash and cash equivalents in the statement of financial position and the statements of cash flows	<u>14,448</u>	<u>13,872</u>	<u>154,737</u>

- (i) Restricted cash of RMBnil, RMBnil and RMB25,681,000 of the Group were mainly pledged for loans as at 31 December 2023, 2024 and 2025, respectively. Restricted cash of RMB8,789,000, RMB6,000,000 and RMBnil of the Group were mainly restricted for litigation as at 31 December 2023, 2024 and 2025, respectively. Restricted cash of RMBnil, RMBnil and RMB1,864,000 were restricted for construction in GLB Ningbo.
- (ii) Restricted cash of RMB8,000,000, RMB6,000,000 and RMBnil of the Company were mainly restricted for litigation as at 31 December 2023, 2024 and 2025.

(b) Reconciliation of loss before taxation to cash used in operations

	Note	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Loss before taxation		(270,398)	(345,118)	(288,143)
Adjustments for:				
Depreciation	6(c)	21,509	30,515	39,811
Amortization	6(c)	889	935	1,106
Write-down/(reversal of write-down) of inventories	15	39,550	18,856	(2,559)
Changes in carrying value of redemption liabilities	26	107,992	173,207	321,090
Finance costs	6(a)	8,299	16,434	17,358
Net realized and unrealized gains from financial assets measured at FVPL	5	–	–	594
Net Loss/(gain) on disposal of long-lived assets	5	902	1,394	(7)
Impairment loss (reversal)/recognised on trade and other receivables		(1,274)	428	(350)
Equity-settled share-based transactions	27(a)	–	2,289	–
Changes in working capital:				
Decrease/(increase) in inventories		20,641	(80,521)	(86,826)
Increase in trade and other receivables		(199,098)	(250,430)	(821,704)
Decrease/(increase) in prepayments		10,845	(1,628)	(12,283)
Increase in trade and other payables		57,640	340,739	1,034,743
(Decrease)/increase in contract liabilities		(5,098)	13,807	(11,782)
Increase in other non-current liability		19,187	19,983	–
(Increase)/decrease in restricted deposits		(8,507)	2,789	7,864
Cash (used in)/generated from operations		<u>(196,921)</u>	<u>(56,321)</u>	<u>198,912</u>

(c) Reconciliation of liabilities arising from financing activities:

	Trade and other payables	Loans and borrowings	Lease liabilities	Redemption liabilities	Total
	RMB'000 (Note 20)	RMB'000 (Note 22)	RMB'000 (Note 23)	RMB'000 (Note 26)	RMB'000
At 1 January 2023	–	71,709	42,567	475,304	589,580
Changes from financing cash flows:					
Capital element of lease rentals paid	–	–	(7,751)	–	(7,751)
Interest element of lease rentals paid	–	–	(1,797)	–	(1,797)
Proceeds from bank loans	–	241,669	–	–	241,669
Proceeds from borrowings under sale and leaseback transactions	–	31,360	–	–	31,360
Repayment of bank loans	–	(38,450)	–	–	(38,450)

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	Trade and other payables	Loans and borrowings	Lease liabilities	Redemption liabilities	Total
	RMB'000 (Note 20)	RMB'000 (Note 22)	RMB'000 (Note 23)	RMB'000 (Note 26)	RMB'000
Payments for capital element of obligations arising from sale and leaseback transactions	—	(10,562)	—	—	(10,562)
Interest of bank loans paid	—	(6,520)	—	—	(6,520)
Payment for interest element of obligations arising from sale and leaseback transactions	—	(2,242)	—	—	(2,242)
Capital contribution from investors with redemption rights	—	—	—	2,000	2,000
Total changes from financing cash flows	—	215,255	(9,548)	2,000	207,707
Other changes:					
Decrease in lease liabilities from terminating leases during the year	—	—	(1,558)	—	(1,558)
Interest expenses on lease liability (Note 6(a))	—	—	1,797	—	1,797
Interest on bank loans (Note 6(a))	—	7,546	—	—	7,546
Interest expenses long-term payable from sale-and-lease-back transactions (Note 6(a))	—	2,242	—	—	2,242
Changes in carrying value of redemption liabilities	—	—	—	107,992	107,992
Total other changes	—	9,788	239	107,992	118,019
At 31 December 2023	—	296,752	33,258	585,296	915,306

	Trade and other payables	Loans and borrowings	Lease liabilities	Redemption liabilities	Total
	RMB'000 (Note 20)	RMB'000 (Note 22)	RMB'000 (Note 23)	RMB'000 (Note 26)	RMB'000
At 1 January 2024	—	296,752	33,258	585,296	915,306
Changes from financing cash flows:					
Capital element of lease rentals paid	—	—	(5,868)	—	(5,868)
Interest element of lease rentals paid	—	—	(1,489)	—	(1,489)
Proceeds from bank loans	—	144,712	—	—	144,712
Proceeds from borrowings under sale and leaseback transactions	—	63,100	—	—	63,100
Repayment of bank loans	—	(99,220)	—	—	(99,220)
Payments for capital element of obligations arising from sale and leaseback transactions	—	(25,836)	—	—	(25,836)
Interest of bank loans paid	—	(13,022)	—	—	(13,022)
Payment for interest element of obligations arising from sale and leaseback transactions	—	(3,445)	—	—	(3,445)
Proceeds from other borrowings with a non-financial institution	21,954	—	—	—	21,954
Repayment of other borrowings and interests with a non-financial institution	(7,231)	—	—	—	(7,231)
Capital contribution from investors with redemption rights	—	—	—	100,000	100,000
Total changes from financing cash flows	14,723	66,289	(7,357)	100,000	173,655
Other changes:					
Interest expenses on lease liability (Note 6(a))	—	—	1,489	—	1,489
Interest on bank loans (Note 6(a))	—	14,274	—	—	14,274
Interest expenses on long-term payable from sale-and-lease-back transactions (Note 6(a))	—	3,445	—	—	3,445

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	Trade and other payables	Loans and borrowings	Lease liabilities	Redemption liabilities	Total
	RMB'000 (Note 20)	RMB'000 (Note 22)	RMB'000 (Note 23)	RMB'000 (Note 26)	RMB'000
Interest on other payable arising from borrowings with a non-financial institution (Note 6(a)) . . .	764	–	–	–	764
Changes in carrying value of redemption liabilities	–	–	–	173,207	173,207
Total other changes	<u>764</u>	<u>17,719</u>	<u>1,489</u>	<u>173,207</u>	<u>193,179</u>
At 31 December 2024	<u>15,487</u>	<u>380,760</u>	<u>27,390</u>	<u>858,503</u>	<u>1,282,140</u>

	Trade and other payables	Loans and borrowings	Lease liabilities	Redemption liabilities	Total
	RMB'000 (Note 20)	RMB'000 (Note 22)	RMB'000 (Note 23)	RMB'000 (Note 26)	RMB'000
At 1 January 2025	<u>15,487</u>	<u>380,760</u>	<u>27,390</u>	<u>858,503</u>	<u>1,282,140</u>
Changes from financing cash flows:					
Capital element of lease rentals paid	–	–	(7,502)	–	(7,502)
Interest element of lease rentals paid	–	–	(1,317)	–	(1,317)
Proceeds from bank loans	–	575,710	–	–	575,710
Proceeds from borrowings under sale and leaseback transactions	–	30,000	–	–	30,000
Repayment of bank loans	–	(603,013)	–	–	(603,013)
Payments for capital element of obligations arising from sale and leaseback transactions	–	(72,901)	–	–	(72,901)
Interest of bank loans paid	–	(12,168)	–	–	(12,168)
Payment for interest element of obligations arising from sale and leaseback transactions	–	(5,007)	–	–	(5,007)
Proceeds from other borrowings with a non-financial institution	10,961	–	–	–	10,961
Repayment of other borrowings and interests with a non-financial institution	(14,897)	–	–	–	(14,897)
Capital contribution from investors with redemption rights	–	–	–	300,000	300,000
Total changes from financing cash flows	<u>(3,936)</u>	<u>(87,379)</u>	<u>(8,819)</u>	<u>300,000</u>	<u>199,866</u>
Other changes:					
Increase in lease liabilities from entering into new leases during the year	–	–	8,259	–	8,259
Interest expenses on lease liability (Note 6(a))	–	–	1,317	–	1,317
Interest on bank loans (Note 6(a))	–	9,965	–	–	9,965
Interest expenses long-term payable from sale-and-lease-back transactions (Note 6(a))	–	5,007	–	–	5,007
Interest on other payable arising from borrowings with a non-financial institution (Note 6(a))	1,069	–	–	–	1,069
Changes in carrying value of redemption liabilities	–	–	–	321,090	321,090
Total other changes	<u>1,069</u>	<u>14,972</u>	<u>9,576</u>	<u>321,090</u>	<u>346,707</u>
At 31 December 2025	<u>12,620</u>	<u>308,353</u>	<u>28,147</u>	<u>1,479,593</u>	<u>1,828,713</u>

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(d) **Total cash out flow for leases:**

	Years ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within operating cash flows	1,002	809	4,832
Within financing cash flows	9,548	7,357	8,819
	<u>10,550</u>	<u>8,166</u>	<u>13,651</u>

20 TRADE AND OTHER PAYABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Trade payables (i)	277,874	630,675	1,639,407
Accrued payroll and benefits	17,881	29,280	42,113
Tax payable	2,031	7,494	43,702
Payables for equipment and intangible assets	15,843	29,975	49,515
Current portion of payable arising from borrowings with a non-financial institution (ii)	–	9,631	10,437
Other payables and accrual expenses	3,123	4,177	12,101
	<u>316,752</u>	<u>711,232</u>	<u>1,797,275</u>
Non-current			
Payable arising from borrowings with a non-financial institution (ii)	–	5,856	2,183
	<u>316,752</u>	<u>717,088</u>	<u>1,799,458</u>

As at the end of each reporting period, all of the current trade and other payables are expected to be settled or recognised as income within one year.

- (i) Trade payables include bills receivable endorsed to suppliers which do not meet the financial instrument derecognition criteria amounted to RMB15,090,000, RMB66,965,000 and RMB299,181,000 as at 31 December 2023, 2024 and 2025 respectively.
- (ii) In April 2024, August 2024 and May 2025, the Group entered into certain financing arrangements with a non-financial institution. The related outstanding balances are recognised in other payables. The Group is required to pay quarterly installments in 12 months, 24 months and 24 months with effective interest rate of 6.96%, 7.50% and 7.38% per annum respectively.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Trade payables due to the subsidiaries	213,916	430,609	1,169,151
Trade payables due to third parties (i)	1,500	13,307	70,688
Accrued payroll and benefits	472	539	416
Tax payable	1,055	6,316	39,582
Current portion of payable arising from borrowings with a non-financial institution (ii)	–	–	6,067
Other payables due to the subsidiaries	1,500	15,088	84,780
Other payables due to third parties	349	433	5,128
	<u>218,792</u>	<u>466,292</u>	<u>1,375,812</u>
Non-current			
Payable arising from borrowings with a non-financial institution (ii)	–	–	2,183
	<u>218,792</u>	<u>466,292</u>	<u>1,377,995</u>

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As at the end of each reporting period, all of the current trade and other payables are expected to be settled or recognised as income within one year.

The amounts due to subsidiaries are unsecured, non-interest bearing and repayable on demand.

Ageing analysis

As at the end of the reporting periods, the ageing analysis of the trade payables, based on the invoice date, is as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	249,430	562,433	1,413,525
After 1 year but within 2 years	28,016	63,470	220,041
After 2 years but within 3 years	127	4,364	4,107
After 3 years	301	408	1,734
	<u>277,874</u>	<u>630,675</u>	<u>1,639,407</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	215,310	443,757	1,239,211
After 1 year but within 2 years	—	63	469
After 2 years but within 3 years	—	—	63
After 3 years	106	96	96
	<u>215,416</u>	<u>443,916</u>	<u>1,239,839</u>

21 CONTRACT LIABILITIES

The Group

Contract liabilities of the Group and the Company mainly arise from the advance payments for sales of products made by customers while the underlying products and services are yet to be provided. All of the contract liabilities decreased were as a result of recognising revenue within one year.

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Advances from customers	2	13,809	2,027
	<u>—</u>	<u>—</u>	<u>—</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Advances from customers	—	13,744	1,857
	<u>—</u>	<u>—</u>	<u>—</u>

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Movements in contract liabilities are as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Balance at January 1, ...	5,100	2	13,809
Increase in contract liabilities as a result of advances from customers	2	13,809	2,027
Decrease in contract liabilities as a result of recognizing revenue during the year	(5,100)	(2)	(13,809)
Balance at December 31	<u>2</u>	<u>13,809</u>	<u>2,027</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Balance at January 1, ...	—	—	13,744
Increase in contract liabilities as a result of advances from customers	—	13,744	1,857
Decrease in contract liabilities as a result of recognizing revenue during the year	—	—	(13,744)
Balance at December 31	<u>—</u>	<u>13,744</u>	<u>1,857</u>

22 LOANS AND BORROWINGS

The Group

The analysis of the carrying amount of loans and borrowings is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Secured bank loans (i)	86,050	99,314	30,000
Current portion of long-term secured bank loans (ii)	3,246	52,596	24,230
Current portion of obligations arising from sale and leaseback transaction (iii)	24,812	61,812	37,745
	<u>114,108</u>	<u>213,722</u>	<u>91,975</u>
Non-current			
Non-current portion of long-term secured bank loans (ii)	160,138	144,268	212,442
Non-current portion of obligations arising from sale and leaseback transaction (iii)	22,506	22,770	3,936
	<u>182,644</u>	<u>167,038</u>	<u>216,378</u>
	<u>296,752</u>	<u>380,760</u>	<u>308,353</u>

As at 31 December 2023, 2024 and 2025, the annual interest rate of short-term loans and borrowings was ranged from 1.45% to 5.45%, 0.98% to 4.80%, and 2.11%, respectively.

- (i) As at 31 December 2023, secured bank loans mainly included: (i) borrowings with a principal of RMB9,000,000 guaranteed by Mr. Guan Bo; (ii) borrowings with a principal of RMB35,000,000 guaranteed by the Company and GZK Shanghai; (iii) borrowings with a principal of RMB9,000,000 secured by the Group’s certain bills receivable; (iv) borrowings with a principal of RMB22,950,000 guaranteed by the Company and Mr. Guan Bo; and (v) borrowings with a principal of RMB10,000,000 guaranteed by the Company and Mr. Guan Bo.

As at 31 December 2024, secured bank loans mainly included: (i) borrowings with a principal of RMB56,329,000 guaranteed by the Company and Mr. Guan Bo; (ii) borrowings with a principal of RMB20,000,000 pledged by the intellectual properties of GZK Shanghai and guaranteed by the Company and Mr. Guan Bo; (iii) borrowings with a principal of RMB10,000,000 guaranteed by the Company and GZK Shanghai; (iv) borrowings with a principal of RMB12,881,000 secured by the Group’s certain bills receivable.

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As at 31 December 2025, secured bank loans mainly included borrowings with a principal of RMB30,000,000 secured by the Group’s certain accounts receivable.

As at 31 December 2023, 2024 and 2025, the annual interest rates of long-term loans and borrowings range from 4.70% to 7.65%, 3.10% to 8.35%, and 2.80% to 4.30%, respectively.

- (ii) As at 31 December 2023, secured bank loans mainly include (i) borrowings with a principal of RMB18,250,000 guaranteed by the Company and Mr. Guan Bo; (ii) borrowings with a principal of RMB9,000,000 guaranteed by Mr. Guan Bo; and (iii) borrowings with a principal of RMB135,019,000 secured by property, plant and equipment and land use right of GZD Jiangsu and guaranteed by the Company and GZK Shanghai.

As at 31 December 2024, secured bank loans mainly include (i) borrowings with a principal of RMB8,000,000 guaranteed by Mr. Guan Bo; (ii) borrowings with a principal of RMB146,250,000 secured by property, plant and equipment and land use right of GZD Jiangsu and guaranteed by the Company and GZK Shanghai; and (iii) borrowings with a principal of RMB40,250,000 guaranteed by the Company and Mr. Guan Bo.

As at 31 December 2025, secured bank loans mainly include (i) borrowings with a principal of RMB134,368,000 secured by property, plant and equipment and land use right of GZD Jiangsu and guaranteed by the Company and GZK Shanghai; (ii) borrowings with a principal of RMB72,040,000 secured by land use right of GLB Ningbo and guaranteed by the Company; and (iii) borrowings with a principal of RMB30,000,000 guaranteed by the Company.

- (iii) Obligations arising from sale and leaseback transactions

Obligations arising from sale and leaseback transactions were repayable as below:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	27,499	64,961	39,204
After 1 year but within 2 years	23,281	23,261	3,993
Total undiscounted obligations arising from sale and leaseback transactions	50,780	88,222	43,197
Less: total future interest expenses	(3,462)	(3,640)	(1,516)
	<u>47,318</u>	<u>84,582</u>	<u>41,681</u>

The Group’s bank loans were secured by certain assets of the Group. An analysis of the carrying value of these assets is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Property, plant and equipment (<i>Note 11</i>)	129,627	123,072	139,073
Land use right (<i>Note 12</i>)	25,393	24,864	65,337
Trade and bills receivables (<i>Note 16</i>)	9,000	12,881	30,000
Pledged deposits (<i>Note 19(a)</i>)	—	—	25,681
	<u>164,020</u>	<u>160,817</u>	<u>260,091</u>

The analysis of the repayment schedule of the Group’s loans and borrowings is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	114,108	213,722	91,975
After 1 year but within 2 years	58,595	46,536	60,919
After 2 years but within 5 years	67,087	83,482	97,259
After 5 years	56,962	37,020	58,200
	<u>296,752</u>	<u>380,760</u>	<u>308,353</u>

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The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Secured bank loans	9,012	6,000	30,000
Current portion of long-term secured bank loans	1,014	10,104	—
	<u>10,026</u>	<u>16,104</u>	<u>30,000</u>
	-----	-----	-----
Non-current			
Non-current portion of long-term secured bank loans	8,869	—	—
	<u>18,895</u>	<u>16,104</u>	<u>30,000</u>
	=====	=====	=====

23 LEASE LIABILITIES

The Group

As at the end of each reporting period, the lease liabilities were repayable as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	6,681	6,551	10,106
After 1 year but within 2 years	5,738	7,249	10,418
After 2 years but within 5 years	20,839	13,590	7,623
	<u>26,577</u>	<u>20,839</u>	<u>18,041</u>
	=====	=====	=====
	<u>33,258</u>	<u>27,390</u>	<u>28,147</u>
	=====	=====	=====

24 PROVISIONS

	Product Warranties and claims
	RMB'000
At 1 January 2023	1,666
Additional provisions made	11,303
Provisions utilised	(1,820)
At 31 December 2023	11,149
Less: current portion	(2,507)
Non-current portion	<u>8,642</u>
At 1 January 2024	11,149
Additional provisions made	8,096
Provisions utilised	(3,734)
At 31 December 2024	15,511
Less: current portion	(3,621)
Non-current portion	<u>11,890</u>
At 1 January 2025	15,511
Additional provisions made	6,161
Provisions utilised	(3,254)
At 31 December 2025	18,418
Less: current portion	(3,628)
Non-current portion	<u>14,790</u>
	=====

Product warranties and claims

Under the terms of the Group's sales agreements, the Group is responsible for product defects. When a product quality claim is received from the original equipment manufacturer (the “OEM”), management assesses if a provision should be set up should the future economic outflow is probable, considering various factors such as whether or not a recall has been initiated, product defects are verifiable or litigation is initiated by the OEM etc.

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25 OTHER NON-CURRENT LIABILITIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Non-current			
Other non-current liabilities	34,187	54,170	54,170

As at the end of each reporting period, other non-current liabilities represented governments grants received with conditions and obligations. Government grants mainly represent operating subsidies and amortization of government grants for capital expenditure including development and construction of property, plant and equipment or land use rights. Conditions related to the grants, i.e. realization of sales, completion of certain tax payments have been fulfilled.

26 REDEMPTION LIABILITIES

The Group and the Company

Since the date of incorporation, the Company has conducted several rounds of financing, namely, Series A, Series B, Series B+, Series B++, Series C, Series C+, Series C++ and Series D financing by issuing registered capital to the investors and granting them a right to put back to Mr. Xu Longya and Boheng New Energy Technology (Shanghai) Co., Ltd. (“Certain Shareholders of the Company”) and the Company the registered capital acquired for cash upon the occurrence of specified events, including but not limited to: (i) an [REDACTED] on a Qualified Exchange (“Qualified [REDACTED]”) has not been consummated by the Company by 30 June 2027; and (ii) the founders or the Company materially breaches the provisions of investment agreements or other related transaction documents (“Redemption Rights”).

The redemption price shall equal to the higher of: (i) the investment amounts paid by the investor plus an annual simple interest of 10% on the investment amounts, and any declared but unpaid dividends, or (ii) the market fair value of the registered capital with Redemption Rights required to be redeemed.

The Company’s contractual obligation to redeem its registered capital for cash upon the occurrence of events that are beyond the control of the Company is recognised as “redemption liabilities” in the consolidated statements of financial position (see Note 2(n)).

The fair value of the registered capital with Redemption Rights was determined by the Directors with reference to valuation carried out by an independent qualified professional valuer.

The movement of the registered capital with Redemption Rights is set out below:

	Redemption liabilities
	RMB’000
At 1 January 2023	475,304
Grant of Redemption Right upon issuance of registered capital	2,000
Changes in carrying value of redemption liabilities	107,992
At 31 December 2023	585,296
Grant of Redemption Right upon issuance of registered capital	100,000
Changes in carrying value of redemption liabilities	173,207
At 31 December 2024	858,503
Grant of Redemption Right upon issuance of registered capital	300,000
Changes in carrying value of redemption liabilities	321,090
At 31 December 2025	1,479,593

The fair value of the registered capital with Redemption Rights were valued by the directors of the Company with reference to valuation reports carried out by an independent qualified professional valuer. The Company used discounted cash flow method to determine the total share value of the Company and applied the equity allocation model to determine the fair value of the registered capital with Redemption Rights at the end of each reporting period upon redemption.

Key valuation assumptions used to determine the fair market value of the shares are as follows:

	As at 31 December		
	2023	2024	2025
Discount rate	18%	17%	16%
Discounts for lack of marketability (“DLOM”)	15%	18%	16%

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In May 2026, the Company entered into an agreement with Certain Shareholders of the Company and the Pre-[REDACTED] Investors. According to the agreement, the redemption rights of the Pre-[REDACTED] Investors granted by the Company shall be terminated with no reinstatement obligation the first submission of the initial [REDACTED] of the Company’s H shares on the Stock Exchange. Prior to the termination, the redemption liabilities due to these investors were measured at the present value of the redemption amount as the Company did not have an unconditional right to avoid the obligations. Immediately upon the termination, the redemption liabilities due to these investors were reclassified to equity as the requirements for derecognition of the liabilities were met.

The redemption rights of the Pre-[REDACTED] Investors granted by Certain Shareholders of the Company shall also cease to be effective up on the date that the Company submit the initial filing of the [REDACTED], provided that such cessation shall be automatically reinstated to Certain Shareholders of the Company upon the occurrence of any of the following events: (a) the Company voluntarily withdraws its [REDACTED]; (b) the [REDACTED] is rejected by the relevant regulatory authorities; (c) the expiration of the [REDACTED] and failure to refile the [REDACTED] within six months after the expiration of the previous [REDACTED] or (d) the Company fails to pass the hearing from the Hong Kong Stock Exchange within 18 months after the first filing of the [REDACTED]. The directors of the Company have confirmed that (i) the Company does not have any obligation to fulfil the redemption rights granted by Certain Shareholders of the Company; and (ii) the Company has not provided any guarantee for the redemption rights granted by Certain Shareholders of the Company in the event of a default by any of them.

27 EQUITY-SETTLED SHARE-BASED TRANSACTIONS

(a) Share Awards made by a shareholder

On 10 October 2024, Mr. Guan Bo entered into share transfer agreements with two directors of the Company (“Transferees”), under which Mr. Guan Bo agreed to transfer to each of the Transferees 152 shares of Boheng New Energy Technology (Shanghai) Co., Ltd., equal to 77,748 shares* (the “Transferred Shares”) of the Company to the Transferees with no consideration, which was below its fair value measured at the market price on the grant date, equalling RMB14.72 per share. Since the Transferred Shares were sold to the Transferees who are also the employees of the Company at a significant discount, such transaction was considered to form part of the remuneration of the employees for their services to the Company and it was accounted for as a share-based payment transaction under IFRS 2. The excess of the fair value of the Transferred Shares on the grant date over the consideration paid, amounting RMB2,289,000, was recognised as a share-based payment expense for the year ended 31 December 2024.

* The number of shares, fair value of per share before the Company’s conversion into a joint stock Company were adjusted for the exchange ratio established in the conversion in April 2026.

28 CAPITAL AND RESERVES

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group’s consolidated equity is set out in the consolidated statement of changes in equity.

Details of the changes in the Company’s individual components of equity are set out below:

The Company

	Note	Paid-in capital	Capital reserve	Accumulated losses	Total deficit
		RMB’000	RMB’000	RMB’000	RMB’000
Balance at 1 January 2023		122,150	(71,777)	(252,384)	(202,011)
Changes in equity for 2023:					
Loss for the year		—	—	(246,802)	(246,802)
Other comprehensive income		—	—	—	—
Total comprehensive income		—	—	(246,802)	(246,802)
Capital contribution from an investor with redemption rights	26	136	1,864	—	2,000
Recognition of redemption liabilities upon grant of redemption rights	26	—	(2,000)	—	(2,000)
Balance at 31 December 2023 and 1 January 2024		122,286	(71,913)	(499,186)	(448,813)
Changes in equity for 2024:					
Loss for the year		—	—	(256,024)	(256,024)
Other comprehensive income		—	—	—	—
Total comprehensive income		—	—	(256,024)	(256,024)
Capital contribution from an investor with redemption rights	26	6,793	93,207	—	100,000
Recognition of redemption liabilities upon grant of redemption rights	26	—	(100,000)	—	(100,000)
Equity-settled share-based transactions	27	—	2,289	—	2,289
Balance at 31 December 2024 and 1 January 2025		129,079	(76,417)	(755,210)	(702,548)

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	<i>Note</i>	<u>Paid-in capital</u>	<u>Capital reserve</u>	<u>Accumulated losses</u>	<u>Total deficit</u>
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Changes in equity for 2025:					
Loss for the year		–	–	(474,332)	(474,332)
Other comprehensive income		–	–	–	–
Total comprehensive income		–	–	(474,332)	(474,332)
Capital contribution from an investor with redemption rights	26	17,602	282,398	–	300,000
Recognition of redemption liabilities upon grant of redemption rights	26	–	(300,000)	–	(300,000)
Issuance cost for registered capital		–	(2,970)	–	(2,970)
Balance at 31 December 2025		<u>146,681</u>	<u>(96,989)</u>	<u>(1,229,542)</u>	<u>(1,179,850)</u>

(b) **Dividends**

No dividends were paid or declared by the Company or any of its subsidiaries during the Track Record Period.

(c) **Paid-in capital**

	<i>RMB’000</i>
Balance at 1 January 2023	122,150
Capital contribution from the investor with redemption rights	136
Balance at 31 December 2023 and 1 January 2024	122,286
Capital contribution from the investor with redemption rights	6,793
Balance at 31 December 2024 and 1 January 2025	129,079
Capital contribution from the investor with redemption rights	17,602
Balance at 31 December 2025	<u>146,681</u>

Authorized share capital

As at 1 January, 2023, 31 December 2023, 2024 and 2025, the authorized share capital of the Company comprises 122,285,834, 122,285,834, 129,079,491 and 146,681,241 ordinary shares with par value of RMB1 per share.

(d) **Capital reserve**

The capital reserve mainly comprises the following:

- the excess of the capital contribution from the shareholders of the Company and cost of issuance of shares over the nominal value of registered capital issued by the Company;
- the amounts in relation to the initial recognition of redemption liabilities upon grant of Redemption Rights (see Note 26); and
- the share-based payment reserve, being the difference between the fair value of the shares granted and the consideration paid by the employees of the Group that has been recognised in accordance with the accounting policy in Note 2(p)(ii).

(e) **Capital management**

The Group’s primary objectives when managing capital are to safeguard the Group’s ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

29 ACQUISITION OF ASSETS THROUGH ACQUISITION OF A SUBSIDIARY

In July 2025, the Group acquired 100% of the equity interest in GLB Ningbo from an independent third party for a consideration of RMB42,750,000. This acquisition of GLB Ningbo constitute an asset acquisition rather than a business acquisition, as GLB Ningbo had not commenced any business operation. Substantially all of the fair value of the gross assets acquired in GLB Ningbo is concentrated in its land use right.

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Assets acquired and liabilities recognised at the date of acquisition are as follows:

	<i>RMB’000</i>
Cash and cash equivalents	4,512
Right-of-use assets	41,238
Trade and other payables	(3,000)
	<u>42,750</u>

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group’s business.

The Group’s exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group’s credit risk is primarily attributable to trade and other receivables. The Group’s exposure to credit risk arising from cash and cash equivalents, restricted deposits and bills receivable is limited because the counterparties are reputable banks for which the Group considers to have low credit risk.

The Group does not provide any guarantees which would expose the Group to credit risk.

Trade receivables

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer’s past history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 days to 60 days from the date of billing. Normally, the Group does not obtain collateral from customers.

Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at 31 December 2023, 2024 and 2025, 99.81%, 99.90% and 91.94% of the total trade receivables was due from the Group’s top two customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group’s historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished among the Group’s different customer bases.

The following table provides information about the Group’s exposure to credit risk and ECLs for trade receivables:

As at 31 December 2023			
	Expected loss rate	Gross carrying amount	Loss allowance
	%	<i>RMB’000</i>	<i>RMB’000</i>
Current (not past due)	0.00	192,862	–
Within 1 year past due	0.47	29,104	136
More than 1 year less than 2 years past due	8.00	–	–
More than 2 years less than 3 years past due	40.00	–	–
More than 3 years past due	100.00	158	158
		<u>222,124</u>	<u>294</u>
As at 31 December 2024			
	Expected loss rate	Gross carrying amount	Loss allowance
	%	<i>RMB’000</i>	<i>RMB’000</i>
Current (not past due)	0.00	371,123	–
Within 1 year past due	5.18	1,140	59
More than 1 year less than 2 years past due	8.00	–	–
More than 2 years less than 3 years past due	40.00	–	–
More than 3 years past due	100.00	158	158
		<u>372,421</u>	<u>217</u>

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As at 31 December 2025			
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Current (not past due)	0.00	809,813	–
Within 1 year past due	0.02	32,387	6
More than 1 year less than 2 years past due	12.90	186	24
More than 2 years less than 3 years past due	40.00	–	–
More than 3 years past due	100.00	158	158
		<u>842,544</u>	<u>188</u>

Expected loss rates are based on actual loss experience. These rates are adjusted to reflect differences in economic conditions during the period over which the historical data has been collected, current conditions and the Group’s view of economic conditions over expected lives of the receivables.

Year ended 31 December			
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Balance at the beginning of the year	303	294	217
Impairment losses reversed during the year	(9)	(77)	(29)
Balance at the end of the year	<u>294</u>	<u>217</u>	<u>188</u>

Other receivables

Credit risk in respect of other receivables is limited since the balance mainly includes deposits and receivables.

The Group measures loss allowances for other receivables at an amount equal to 12-month ECLs unless there has been a significant increase in credit risk since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Movement in the loss allowance account in respect of other receivables during the Track Record Period is as follows:

Year ended 31 December			
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Balance at the beginning of the year	1,572	307	812
Impairment losses (reversed)/recognised during the year	(1,265)	505	(321)
Balance at the end of the year	<u>307</u>	<u>812</u>	<u>491</u>

(b) Liquidity risk

The Group’s policy is to regularly monitor liquidity requirements, and to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

As at 31 December 2023						
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Loans and borrowings . .	124,466	66,174	80,421	59,779	330,840	296,752
Trade and other payables	296,840	–	–	–	296,840	296,840
Redemption liabilities . .	585,296	–	–	–	585,296	585,296
Lease liabilities	7,357	6,928	22,255	–	36,540	33,258
	<u>1,013,959</u>	<u>73,102</u>	<u>102,676</u>	<u>59,779</u>	<u>1,249,516</u>	<u>1,212,146</u>

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As at 31 December 2024						
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Loans and borrowings . .	224,821	53,134	93,775	37,928	409,658	380,760
Trade and other payables	675,030	5,947	–	–	680,977	680,314
Redemption liabilities . .	858,503	–	–	–	858,503	858,503
Lease liabilities	6,928	8,093	14,162	–	29,183	27,390
	<u>1,765,282</u>	<u>67,174</u>	<u>107,937</u>	<u>37,928</u>	<u>1,978,321</u>	<u>1,946,967</u>

As at 31 December 2025						
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Loans and borrowings . .	101,747	68,369	108,651	61,191	339,958	308,353
Trade and other payables	1,711,899	2,212	–	–	1,714,111	1,713,643
Redemption liabilities . .	1,479,593	–	–	–	1,479,593	1,479,593
Lease liabilities	10,993	10,992	7,519	–	29,504	28,147
	<u>3,304,232</u>	<u>81,573</u>	<u>116,170</u>	<u>61,191</u>	<u>3,563,166</u>	<u>3,529,736</u>

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is not exposed to significant interest rate risk for cash or cash equivalents because the interest rates of cash at bank are not expected to change significantly. The loans and borrowings and lease liabilities are fixed rate instruments and are insensitive to any change in market interest rates. The Group does not have floating rate liabilities or loans as at end of each reporting period and consequently does not have significant exposure to interest rate risk.

As at 31 December						
2023		2024		2025		
Interest rates	Amount	Interest rates	Amount	Interest rates	Amount	
	RMB'000		RMB'000		RMB'000	
Fixed rate instruments:						
Loans and borrowings	1.45%~6.00% (133,368)	0.98%~6.00% (159,931)	2.11%~6.00% (93,475)			
Lease liabilities	5.00% (26,577)	5.00% (20,839)	3.50%~5.00% (18,041)			
Trade and other payables . .	–	6.96%~7.50% (15,488)	7.38%~7.50% (12,620)			
Subtotal	<u>(159,945)</u>	<u>(196,258)</u>	<u>(124,136)</u>			
Variable rate instruments:						
Cash at bank	0.00%~0.20% 31,570	0.00%~0.10% 70,260	0.05%~0.10% 241,538			
Loans and borrowings	4.70%~7.65% (163,384)	3.10%~8.35% (220,829)	2.80%~4.30% (214,878)			
Subtotal	<u>(131,814)</u>	<u>(150,569)</u>	<u>26,660</u>			
Total	<u>(291,759)</u>	<u>(346,827)</u>	<u>(97,476)</u>			
Net fixed rate instruments as a percentage of total instruments	<u>55%</u>	<u>57%</u>	<u>127%</u>			

(d) Fair value measurement

The fair value of the Group’s financial instruments is categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair Value measurement*. The level, into which a fair value measurement is classified, is determined with the reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations:	Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
Level 2 valuations:	Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
Level 3 valuations:	Fair value measured using significant unobservable inputs.

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The Group has a team performing valuations for the financial instruments categories into Level 3 of the fair value hierarchy. The team reports directly to the chief financial officer. Valuation assessment with analysis of changes in fair value measurement is prepared by the team at each reporting date and is reviewed and approved by the chief financial officer.

	Fair value at 31 December 2023	Fair value measurements as at 31 December 2023 categorised into		
		Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000

Recurring fair value measurement

Financial assets measured at FVOCI:

– Bills receivable	25,128	–	25,128	–

	Fair value at 31 December 2024	Fair value measurements as at 31 December 2024 categorised into		
		Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000

Recurring fair value measurement

Financial assets measured at FVOCI:

– Bills receivable	58,002	–	58,002	–

	Fair value at 31 December 2025	Fair value measurements as at 31 December 2025 categorised into		
		Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000

Recurring fair value measurement

Financial assets measured at FVOCI:

– Bills receivable	192,958	–	192,958	–

FVPL:

– Wealth Management Products	60,145	–	60,145	–

During the Track Record Period, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group’s policy is to recognise transfers between levels of fair value hierarchy as at the end of each reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

For wealth management products issued by banks that are measured as FVPL, the fair value is determined by net value of the products on the consolidated statement of financial position date that was published by commercial banks.

For bank acceptance bills receivable that are measured at FVOCI, the fair value is estimated as the present value of the future cash flows, discounted at the market interest rates at the end of the reporting period.

31 COMMITMENTS

Capital commitments of the Group outstanding at 31 December 2023, 2024 and 2025 not provided for in the financial statements were as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contracted for acquisition of property, plant and equipment, intangible assets and other long-term assets	12,821	45,398	221,066

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32 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company’s directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Salaries, allowances and benefits in kind	1,426	1,427	1,425
Discretionary bonuses	960	1,395	2,410
Retirement scheme contributions	429	435	438
Share based payments	—	2,289	—
	<u>2,815</u>	<u>5,546</u>	<u>4,273</u>

Total remuneration is included in “staff costs” (see Note 6(b)).

(b) Names and relationship of the related parties that had material transactions with the Group during the Track Record Period

During the Track Record Period, the directors are of the view that the following companies are related parties:

Name of party	Relationship
Geely Related Group	Controlled by a person who has significant influence over the Company
Mr. Guan Bo	Chairman and executive director of the Company

(c) Guarantees issued by a related party

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Guarantees for granting loans and borrowings	<u>116,518</u>	<u>209,161</u>	<u>41,681</u>

As at 31 December 2023, 2024 and 2025, certain loans and borrowings amounted to RMB116,518,000, RMB209,161,000 and RMB41,681,000 of the Group were guaranteed by Mr. Guan Bo, Chairman and executive director of the Company.

(d) Transactions with related parties

During the Track Record Period, the Group had following transactions with related parties:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Sales of products and services	190,860	556,431	3,162,069
Purchase of products and services	6	1,468	83,811

(e) Balance with related parties

As at the end of reporting period, the Group had following balances with related parties:

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Trade related:			
Trade receivables	137,714	295,047	672,457
Contract liabilities	—	13,335	872
Trade and other payables	8	151	84,313

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33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE TRACK RECORD PERIOD

Up to the date of this report, the IASB has issued a number of amendments, new standards and interpretations, which are not yet effective for the Track Record Period and which have not been adopted in preparing the Historical Financial Information. These developments include:

	Effective for accounting periods beginning on or after
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures — Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures — Contracts referencing nature-dependent electricity</i>	1 January 2026
Annual improvements to IFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
IFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027
Amendments to IAS 21, <i>Translation to a hyperinflationary presentation currency</i>	1 January 2027
Amendments to IFRS 10 and IAS 28, <i>Sale or contribution of assets between an investor and its associate or joint venture</i>	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial [REDACTED]. So far the Group has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

IFRS 18, Presentation and disclosure in financial statements

IFRS 18 will replace IAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity’s financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18. IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

34 SIGNIFICANT NON-ADJUSTING EVENTS AFTER THE TRACK RECORD PERIOD

In April 2026, the Company was converted into a joint stock company with limited liabilities and 146,681,000 ordinary shares with par value of RMB1 each were issued and allotted to the respective owners of the Company using conversion ratio of 1:1.

In May 2026, 5,320,045 restricted share units underlying the same number of the Company’s shares were granted to employees through Shanghai Bozhikong No. 1 Enterprise Management Partnership (Limited Partnership) (上海博智控一號企業管理合夥企業(有限合夥)), at the consideration of RMB14,303,000, with service period until three or four years from the grant date. If an employee ceases to be employed by the Group within service period, Mr. Guan Bo has the right to repurchase those RSUs at the pre-determined price.

In May 2026, the Company entered into Series E financing agreements with several investors, with total number of 10,740,991 shares to be subscribed at a total consideration of RMB330,000,000.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to 31 December 2025.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

TAXATION OF SECURITY HOLDERS

Income tax and capital gains tax of holders of the H shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of the H shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, and has not taken in to account the expected change or amendment to the relevant laws or policies and does not constitute any opinion or advice. The discussion does not deal with all possible tax consequences relating to an [REDACTED] in the H shares, nor does it take into account the specific circumstances of any particular [REDACTED], some of which may be subject to special regulation. Accordingly, you should consult your own tax adviser regarding the tax consequences of an [REDACTED] in the H shares. The discussion is based upon laws and relevant interpretations in effect as of the Latest Practicable Date, all of which are subject to change or adjustment and may have retrospective effect.

This discussion does not address any aspects of PRC taxation other than income tax, capital gains tax, value-added tax, stamp duty and estate duty. Prospective [REDACTED] are urged to consult their financial advisers regarding the PRC and other tax consequences of owning and disposing of the H shares.

TAXATION IN CHINESE MAINLAND

Tax on Dividends

Individual Investors

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (the “**IIT Law**”) last amended by the SCNPC on August 31, 2018 and effective on January 1, 2019, and the Implementation Rules of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》) amended by the State Council on December 18, 2018 and effective on January 1, 2019, dividends paid by PRC companies to individual investors are ordinarily subject to a withholding income tax levied at a flat rate of 20%. Meanwhile, according to Notice on Issues Relating to Differentiated Individual Income Tax Policies for Dividends and Bonuses of Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) issued by the MOF, the STA and the CSRC on September 7, 2015 and effective on September 8, 2015, for shares of listed companies obtained by individuals via public offerings and market transfer and held for more than one year, the income from dividends and bonuses thereof shall temporarily be exempt from individual income tax. For shares of listed companies obtained by individuals via public offerings and market transfer and held for less than one month (including one month), the income from dividends and bonuses thereof shall be fully included in the individual’s taxable income amount; where the shares are held for a period from one month up to one year (including one year), 50% of the income from dividends and bonuses therefrom shall temporarily be included in the individual’s taxable income amount; the aforesaid income shall be subject to individual income tax based on 20% tax rate on a unified basis.

Pursuant to the Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (the “**Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income**”), signed by the Chinese Mainland and the Hong Kong Special Administrative Region on August 21, 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《國家稅務總局關於<內地和香港特別行政區關於對

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》) (the “**Fifth Protocol**”), issued by the STA and effective on December 6, 2019 provides that such provisions shall not apply to arrangements or transactions where one of the primary purposes is to obtain such tax benefits.

Enterprise Investors

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “**EIT Law**”) promulgated by the SCNPC, last amended and became effective on December 29, 2018, and the Implementation Regulations for the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) last amended by the State Council on December 6, 2024 and became effective on January 20, 2025, a non-resident enterprise is subject to a 10% enterprise income tax on PRC-sourced income, including dividends paid by a PRC resident enterprise that issues and lists shares in Hong Kong, if such non-resident enterprise does not have an establishment or premise of business in the PRC or has an establishment or premise of business in the PRC but the PRC-sourced income is not actually connected with such establishment or premise of business in the PRC. The aforesaid income tax payable by non-resident enterprises shall be withheld at source, and the payer shall be the withholding agent, and the tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

Pursuant to the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the STA and effective on November 6, 2008, a PRC resident enterprise is required to withhold enterprise income tax at a rate of 10% on dividends paid to non-PRC resident enterprise holders of H Shares for 2008 and subsequent years.

According to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《對所得避免雙重徵稅和防止偷漏稅的安排》), the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol provides that such provisions shall not apply to arrangements or transactions where one of the primary purposes is to obtain such tax benefits.

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese enterprise income tax imposed on the dividends received from PRC companies. Non-resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the enterprise income tax in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

Tax on Gains from Share Transfer

Individual Investors

According to the IIT Law and its implementation rules, individuals are subject to individual income tax at the rate of 20% on gains realized on the sale of equity interests in PRC resident enterprises. Under the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (Cai Shui Zi [1998] No.61) (《財政部、國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (the “**Circular 61**”) issued by the MOF and SAT on March 30, 1998, from January 1, 1997, gains of individuals from the transfer of shares of listed companies continue to be

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exempted from individual income tax. According to Announcement about the Catalog of Preferential Individual Income Tax Policies with Continued Effect (《財政部、國家稅務總局關於繼續有效的個人所得稅優惠政策目錄的公告》 issued by the MOF and STA on December 29, 2018, the Circular 61 will continue to be effective.

However, the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》), jointly issued by the MOF, SAT and CSRC on December 31, 2009 and came into effect on January 1, 2010, states that individuals’ income from the transfer of listed shares obtained from the public offering of listed companies and of shares listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales limitations (as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) jointly issued and implemented by relevant departments on November 10, 2010). As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied from non-Chinese resident individuals on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

In accordance with the EIT Law and its implementation rules, a non-resident enterprise is generally subject to enterprise income tax at the rate of a 10% on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. Such income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Taxation Policy of Shanghai-Hong Kong Stock Connect

Under the Notice of the Ministry of Finance, the State Taxation Administration and the China Securities Regulatory Commission on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《財政部、國家稅務總局、中國證券監督管理委員會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) which came into effect on November 17, 2014, for dividends and bonus obtained by mainland individual investors investing in H shares listed on the Hong Kong Stock Exchange (the “**HKSE**”) through Shanghai-Hong Kong Stock Connect, the H-share companies shall apply to the China Securities Depository and Clearing Corporation Limited (the “**CSDC**”) for provision by CSDC to the H-share companies register of individual investors in Chinese Mainland, and the H-share companies shall withhold individual income tax at the rate of 20%.

Income from share dividend derived by Chinese Mainland corporate investors from investment in shares listed on the HKSE through the Shanghai-Hong Kong Stock Connect shall be included in their total income and be subject to enterprise income tax pursuant to the law. Income from share dividend derived by a Chinese Mainland resident enterprise for holding H shares over 12 consecutive months shall be exempted from enterprise income tax pursuant to the law. The H shares company is not required to withhold income tax on share dividend for its Chinese Mainland corporate investors, and the corporate investors shall make declaration and payment for the tax payable amount voluntarily.

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Pursuant to the Announcement on Continuing the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mutual Recognition of Funds between Chinese Mainland and Hong Kong (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) promulgated on August 21, 2023 and implemented on the same date, the transfer spread income derived by mainland individual investors from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall continue to be exempted from individual income tax until December 31, 2027.

Taxation Policy of Shenzhen-Hong Kong Stock Connect

Under the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No.127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》) which came into effect on December 5, 2016, for dividends and bonus income obtained by mainland individual investors investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the H-share companies shall apply to CSDC for provision by CSDC to the H-share companies register of individual investors in Chinese Mainland, and individual income tax shall be withheld by H-share companies at the tax rate of 20%.

Income from dividends and bonuses derived by a corporate investor in Chinese Mainland from investment in shares listed on the HKSE through Shenzhen-Hong Kong Stock Connect shall be included in the total income amount and subject to enterprise income tax pursuant to the law. Income from dividends and bonuses derived by a Chinese Mainland resident enterprise for H shares held for 12 months consecutively shall be exempted from enterprise income tax pursuant to the law. The H-share companies shall not withhold income tax on dividends and bonuses for corporate investors in Chinese Mainland, and the tax payable amount shall be declared and paid by the corporate investor.

Pursuant to the Announcement on Continuing the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mutual Recognition of Funds between Chinese Mainland and Hong Kong (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) which promulgated on August 21, 2023 and implemented on the same date, the transfer spread income derived by mainland individual investors from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect shall continue to be exempted from individual income tax until December 31, 2027.

Stamp Duty

According to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》), which was promulgated on June 10, 2021 and came into effect on July 1, 2022, PRC stamp duty only applies to specific taxable document executed or received within the PRC, having legally binding force in the PRC and protected under the PRC laws, thus the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the acquisition and disposal of H Shares by non-PRC investors outside of the PRC.

Estate Duty

As of the date of this document, no estate duty has been levied in the PRC under the PRC laws.

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MAJOR TAXATION OF OUR COMPANY IN THE PRC

Enterprise Income Tax

According to the EIT Law and its implementation rules, all the domestic enterprises in China (including foreign-invested enterprises) shall be subject to enterprise income tax at the uniform tax rate of 25%.

According to the Administrative Measures for Determination of High and New Tech Enterprises (《高新技術企業認定管理辦法》), which was promulgated by the Ministry of Science and Technology, the MOF and the STA on April 14, 2008, amended on January 29, 2016 and became effective on January 1, 2016, an enterprise recognized as a high and new technology enterprise may apply for a preferential enterprise income tax rate of 15% pursuant to the relevant requirements of the Enterprise Income Tax Law.

Value-added Tax

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) promulgated by the State Council, last amended and became effective on November 19, 2017 (repealed on January 1, 2026) and the Implementation Rules for the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》) promulgated by the MOF, last amended on October 28, 2011 and became effective on November 1, 2011, all entities and individuals that engage in the sale of goods, provision of processing, repair and replacement services, and importation of goods within the PRC are taxpayers of value-added tax and shall pay VAT. Unless otherwise specified, the tax rate for taxpayers selling or importing goods and providing processing, repair and replacement services within the PRC shall be 17%, and in certain specific circumstances, 11%, 6% or 0%.

In accordance with Notice of the Ministry of Finance and the State Taxation Administration on the Adjustment to VAT Rates (《財政部、稅務總局關於調整增值稅稅率的通知》), which was promulgated on April 4, 2018 and implemented on May 1, 2018, the rates of 17% or 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% or 10%.

According to Announcement on Policies for Deepening the VAT Reform (《關於深化增值稅改革有關政策的公告》) promulgated by the MOF, the STA and the General Administration of Customs on March 20, 2019 and implemented on April 1, 2019, for general VAT payers’ sales activities or imports that are subject to VAT at an existing applicable rate of 16% or 10%, the applicable VAT rate is adjusted to 13% or 9% respectively.

On 25 December 2024, the SCNPC promulgated the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》) (“**VAT Law**”), which will come into effect on 1 January 2026, and the Provisional Regulations on Value-added Tax of the PRC will be repealed concurrently. Pursuant to the VAT Law, entities and individuals (including individual industrial and commercial proprietors) selling goods, services, intangible assets, real estate and importing goods within the territory of the PRC are taxpayers of VAT and shall pay VAT in accordance with the provisions of the law. Unless stated otherwise, for payers who sell goods, and provide processing, repairs and replacement services and rental services of tangible movable assets as well as import goods, the tax rate shall be 13%, and be, in certain specified circumstances, 9%, 6% and 0%.

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FOREIGN EXCHANGE ADMINISTRATION IN THE PRC

The lawful currency of the PRC is Renminbi. The State Administration of Foreign Exchange (the "SAFE"), authorized by the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange regulations.

Pursuant to the Regulations of the People's Republic of China on Foreign Exchange Control (《中華人民共和國外匯管理條例》) amended by the State Council and became effective on August 5, 2008, all international payments and transfers are classified into current account items and capital account items. The PRC does not impose restrictions on international payments and transfers under current account items. Foreign exchange income from the current account of PRC enterprises may be retained or sold to financial institutions engaged in the settlement and sale of foreign exchange in accordance with relevant provisions of the State. The retention or sale of foreign exchange receipts under capital accounts to financial institutions engaging in settlement and sale of foreign exchange shall be subject to the approval of foreign exchange administrative authorities, unless otherwise stipulated by the State.

Pursuant to the Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) promulgated by the PBOC on June 20, 1996 and became effective on July 1, 1996, the remaining restrictions on convertibility of foreign exchange in respect of current account items are abolished while the existing restrictions on foreign exchange transactions in respect of capital account items are retained.

According to relevant laws and regulations of the PRC, PRC enterprises (including foreign-invested enterprises) which require foreign exchange for transactions relating to current account items, may, without the approval of SAFE, effect payment from their foreign exchange accounts at the designated foreign exchange banks, on the strength of valid receipts and proof of transactions. Foreign-invested enterprise that need to distribute profits to their shareholders in foreign exchange and Chinese enterprise that need to pay fixed dividends in foreign exchange in accordance with the requirements shall pay from its foreign exchange account or pay at the designated foreign exchange bank by a resolution of the board of directors on the distribution of profits.

According to the Decision of the State Council on Canceling and Adjusting a Group of Administrative Approval Items and Other Matters (《國務院關於取消和調整一批行政審批項目等事項的決定》) promulgated by the State Council and effective on October 23, 2014, the administrative approval of the SAFE and its branches on matters concerning the repatriation and settlement of foreign exchange of overseas-raised funds through overseas listing has been canceled.

According to the Notice of the State Administration of Foreign Exchange on Issues Relating to Foreign Exchange Control Pertaining to Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) promulgated by the SAFE on December 26, 2014, a domestic company shall complete registration formalities for overseas listing with the SAFE's local branch at its place of registration within 15 working days from completion of issuance for its overseas listing. Funds raised from overseas listing of a domestic company may be repatriated to China or deposited overseas, and the usage of funds shall be consistent with the relevant contents set out in the document or disclosure documents such as the corporate bonds offering documentation, shareholders' circular and the board of directors or shareholders' general meeting resolution.

According to the Notice of the State Administration of Foreign Exchange on Policies for Reforming and Regulating the Control over Foreign Exchange Settlement under the Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) promulgated by the SAFE on June 9, 2016, domestic institutions may settle their foreign exchange receipts under the capital account (including repatriated funds raised through overseas listing) entitled to discretionary settlement according to relevant policies with banks as actually needed for business operation. Domestic institutions may, at their discretion, settle up to 100% of their foreign exchange receipts under the capital account for the time being. The SAFE may adjust the aforesaid proportion in due time in light of the balance of payment.

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HONG KONG TAXATION

Tax on Dividends

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by us.

Capital Gains and Profit Tax

No tax is imposed in Hong Kong in respect of capital gains from the sale of H Shares. However, trading gains from the sale of H Shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are derived from or arise in Hong Kong from such trade, profession or business will be subject to Hong Kong profits tax, which is currently imposed at the maximum rate of 16.5% on corporations and at the maximum rate of 15% on unincorporated businesses. Certain categories of taxpayers (for example, financial institutions, insurance companies and securities dealers) are likely to be regarded as deriving trading gains rather than capital gains unless these taxpayers can prove that the investment securities are held for long-term investment purposes.

Trading gains from sales of H Shares effected on the Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of H Shares effected on the Stock Exchange realized by persons carrying on a business of trading or dealing in securities in Hong Kong.

Taxes for Securities Holders

The income tax and the capital gains tax for holders of H Shares shall be subject to the laws and practices of PRC and the jurisdictions in which the holders of H Shares are residents or subject to taxes for other reasons. The following summary of relevant tax provisions is based on current laws and practices, and does not take into account anticipated changes in or amendments to the relevant laws and policies or constitute any opinions or suggestions. The discussion does not address all of the possible tax consequences associated with H Shares, nor does it take into account the particular circumstances of any individual investor, some of which may be subject to special rules. Accordingly, you should consult your own tax adviser as to the tax implications of the H Shares. The discussion is based on the laws and the relevant interpretations in force as of the Latest Practicable Date. All the laws and relevant interpretations are subject to changes and may have retrospective effect.

The discussion does not address any PRC tax issues other than income tax, capital gains tax, value-added tax, stamp duty and estate duty. Prospective [REDACTED] should consult their tax advisors regarding the Chinese and other tax implications of holding and disposing of H Shares.

APPENDIX IV PRINCIPAL LEGAL AND REGULATORY PROVISIONS

This Appendix sets out a summary of the principal PRC laws, regulations and policies related to the daily business operations currently conducted by the Company within the PRC. Laws and regulations relating to taxation in the PRC are discussed separately in “Appendix III — Taxation and Foreign Exchange.” The principal objective of this summary is to provide potential [REDACTED] with an overview of the principal legal and regulatory provisions applicable to the Company. This summary is not intended to include all the information which may be important to potential [REDACTED]. For a discussion of the laws and regulations related to the business of the Company, please refer to the section headed “Regulatory Overview” in this document.

PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the “**Constitution**”), which was amended and became effective on March 11, 2018, and is composed of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, departmental rules and regulations of the State Council, rules and regulations of local governments, laws of special administrative regions, international treaties signed by the PRC government and other normative documents. Court judgments do not constitute legally binding precedents, but may be used for judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) (the “**Legislation Law**”), which was latest amended on March 13, 2023 and became effective on March 15, 2023, the National People’s Congress (the “**NPC**”) and the Standing Committee of the NPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing state organs, civil, criminal and other matters. The Standing Committee of the NPC has the power to formulate and amend laws other than those required to be formulated by the NPC; and during the adjournment of the NPC, it may partially supplement and amend the laws formulated by the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest state administrative organ and has the power to formulate administrative regulations in accordance with the Constitution and laws. The people’s congresses of provinces, autonomous regions and municipalities directly under the Central Government and their respective standing committees may formulate local regulations based on the specific conditions and actual needs of their respective administrative areas, provided that such regulations do not contravene the Constitution, laws or administrative regulations. The people’s congresses of cities divided into districts and their respective standing committees may formulate local regulations on matters such as urban and rural construction and management, ecological civilization construction, historical and cultural protection, and primary-level governance, based on the specific conditions and actual needs of such cities, provided that such regulations do not contravene the Constitution, laws, administrative regulations and local regulations of the relevant province or autonomous region; where laws otherwise provide for matters regarding which cities divided into districts may formulate local regulations, such provisions shall prevail. The relevant local regulations shall be reported to the standing committee of the people’s congress of the relevant province or autonomous region for approval before implementation.

The standing committees of the people’s congresses of provinces and autonomous regions shall examine the legality of the local regulations submitted for approval, and shall grant approval within four months if such regulations do not contravene the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. The people’s congresses of ethnic autonomous areas have the power to formulate autonomous regulations and separate regulations in accordance with the political, economic and cultural characteristics of the local ethnic groups.

The ministries and commissions of the State Council, the People’s Bank of China, the National Audit Office, institutions directly under the State Council with administrative functions, and institutions prescribed by law may formulate departmental rules within the limits of the authority of their respective departments in accordance with laws as well as the administrative regulations, decisions and orders of the State Council.

APPENDIX IV PRINCIPAL LEGAL AND REGULATORY PROVISIONS

The NPC has the power to alter or annul any inappropriate laws formulated by its Standing Committee, and has the power to annul any autonomous regulations or separate regulations approved by its Standing Committee that contravene the Constitution or the Legislation Law. The Standing Committee of the NPC has the power to annul administrative regulations that contravene the Constitution and laws, to annul local regulations that contravene the Constitution, laws and administrative regulations, and to annul autonomous regulations and separate regulations approved by the standing committees of the people’s congresses of provinces, autonomous regions and municipalities directly under the Central Government that contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul inappropriate departmental rules and local government rules. The people’s congresses of provinces, autonomous regions and municipalities directly under the Central Government have the power to alter or annul inappropriate local regulations formulated and approved by their respective standing committees. The standing committees of local people’s congresses have the power to annul inappropriate rules formulated by the people’s governments at the corresponding levels, while the people’s governments of provinces and autonomous regions have the power to alter or annul inappropriate rules formulated by the people’s governments at the next lower level.

According to the Resolution of the Standing Committee of the NPC on Strengthening the Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, where the provisions of laws and decrees require further clear definition or supplementary provisions, the Standing Committee of the NPC shall provide interpretations or formulate provisions by means of decrees. Issues relating to the specific application of laws in the trial work of courts shall be interpreted by the Supreme People’s Court. Issues relating to the specific application of laws in the procuratorial work of procuratorates shall be interpreted by the Supreme People’s Procuratorate. Issues concerning the specific application of other laws that do not fall within the trial work of courts and the procuratorial work of procuratorates shall be interpreted by the State Council and the competent departments. At the local level, the power to interpret local regulations vests in the local legislative and administrative organs that promulgate such regulations.

PRC JUDICIAL SYSTEM

Under the Constitution and the Law of Organization of the People’s Courts of the PRC (《中華人民共和國人民法院組織法》) (amended by the Standing Committee of the NPC on October 26, 2018 and effective on January 1, 2019), the people’s courts of the PRC are divided into the Supreme People’s Court, the local people’s courts at all levels and the specialized people’s courts. The local people’s courts at all levels are divided into three levels, namely the primary people’s courts, the intermediate people’s courts and the higher people’s courts. The primary people’s courts may set up specialized civil tribunals based on the conditions of the region, population and cases. The Supreme People’s Court is the highest judicial organ of the PRC. The Supreme People’s Court supervises the trial work of the local people’s courts at all levels and the specialized people’s courts, and the higher-level people’s courts supervise the trial work of the lower-level people’s courts.

The people’s courts adopt a two-tier trial system where the second instance is final, which means that the judgments or rulings of the second instance at the people’s courts are final. A party may appeal against the judgment or ruling of the first instance of a local people’s court. The people’s procuratorate may lodge a protest with the people’s court at the next higher level in accordance with the procedures prescribed by law. If no appeal is filed by the parties and no protest is lodged by the people’s procuratorate within the prescribed time limit, the judgment or ruling of the people’s court shall become final. Judgments or rulings of the second instance of the intermediate people’s courts, the higher people’s courts and the Supreme People’s Court, as well as judgments or rulings of the first instance of the Supreme People’s Court, are final. However, if the Supreme People’s Court finds definite errors in a legally effective final judgment or ruling of a people’s court at any level, or if a higher-level people’s court finds definite errors in a legally effective final judgment or ruling of a lower-level people’s court, or if the president of a people’s court at any level finds definite errors in a legally effective final judgment or ruling of such court, they have the power to bring the case for retrial in accordance with the judicial supervision procedures.

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The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (the “**Civil Procedure Law**”), latest amended on September 1, 2023 and effective on January 1, 2024, prescribes the conditions for instituting civil proceedings, the jurisdiction of the people’s courts, the procedures to be complied with for conducting civil proceedings, and the procedures for the execution of civil judgments or rulings. All parties to a civil proceeding instituted within the PRC must comply with the Civil Procedure Law. A civil case is generally heard by a court located in the defendant’s place of domicile. Parties to a contract dispute or other property rights dispute may, through a written agreement, choose to be subject to the jurisdiction of the people’s court in the defendant’s place of domicile, the place where the contract is performed, the place where the contract is signed, the plaintiff’s place of domicile, the place where the subject matter is located, or any other place with an actual connection to the dispute, provided that the provisions of the Civil Procedure Law regarding hierarchical jurisdiction and exclusive jurisdiction are not violated.

Foreign nationals, stateless persons, foreign enterprises or foreign organizations that institute or respond to proceedings in a people’s court shall enjoy the same litigation rights and obligations as PRC citizens, legal persons or other organizations. If the courts of a foreign country impose restrictions on the civil litigation rights of PRC citizens and enterprises, the PRC people’s courts shall apply the principle of reciprocity to the civil litigation rights of the citizens and enterprises of such country. If foreign nationals, stateless persons, foreign enterprises or foreign organizations institute or respond to proceedings in a PRC people’s court and need to entrust lawyers to represent them in the proceedings, they must entrust PRC lawyers. In accordance with the international treaties concluded or acceded to by the PRC or on the principle of reciprocity, the people’s courts and foreign courts may request each other to serve documents, investigate and collect evidence, and conduct other litigation acts on each other’s behalf. If a request from a foreign court would impair the sovereignty, security or social public interest of the PRC, the people’s courts shall not accept such request.

Parties must comply with legally effective judgments and rulings in civil proceedings. If any party to a civil proceeding refuses to comply with a judgment or ruling made by a people’s court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people’s court for enforcement of the relevant judgment or ruling within two years, or apply for deferred enforcement or revocation. The laws regarding the suspension or interruption of the limitation of action shall apply to the suspension or interruption of the limitation period for applying for enforcement. If such party still fails to perform the judgment within the prescribed period approved by the court for enforcement, the court may compulsorily enforce the judgment against such party upon the application of the other party.

If a party requests for the enforcement of a legally effective judgment or ruling made by a people’s court against the other party, and the other party or its assets are located outside the People’s Republic of China, the requesting party may apply to a foreign court with jurisdiction over the case for recognition and enforcement of such judgment or ruling, or the people’s court may request the foreign court to recognize and enforce such judgment or ruling in accordance with the international treaties concluded or acceded to by the PRC or on the principle of reciprocity. Similarly, if a legally effective judgment or ruling made by a foreign court requires recognition and enforcement by a PRC people’s court, the party concerned may directly apply to an intermediate people’s court of the PRC with jurisdiction for recognition and enforcement, or the foreign court may request the people’s court to recognize and enforce it in accordance with the provisions of international treaties concluded or acceded to by such country and the PRC or on the principle of reciprocity; however, if such judgment or ruling violates the basic principles of PRC laws or national sovereignty, security or social public interest, it shall not be recognized and enforced.

APPENDIX IV PRINCIPAL LEGAL AND REGULATORY PROVISIONS

COMPANY LAW, TRIAL MEASURES AND GUIDELINES FOR ARTICLES OF ASSOCIATION

Joint stock limited companies established in the PRC seeking a listing on the Hong Kong Stock Exchange are primarily subject to the following laws and regulations of the PRC.

The Company Law of the PRC (《中華人民共和國公司法》) (the “**Company Law**”) was adopted at the Fifth Session of the Standing Committee of the Eighth NPC on December 29, 1993 and came into effect on July 1, 1994, and was amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023, respectively. The latest revised Company Law came into effect on July 1, 2024.

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Trial Measures**”) and relevant guidelines were promulgated by the CSRC on February 17, 2023 and came into effect on March 31, 2023, which are applicable to the direct and indirect overseas share subscription and listing of domestic companies. The Trial Measures also stipulate the filing management measures and regulatory requirements for the overseas securities offering and listing by domestic companies.

On March 28, 2025, the CSRC promulgated the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the “**Guidelines for Articles of Association**”) which were latest amended and came into effect on the same date. According to the Trial Measures and its supporting guidelines, the Guidelines for the Application of Regulatory Rules — Overseas Issuance and Listing Category No. 1 (《監管規則適用指引—境外發行上市類第1號》), where a domestic company issues and lists its securities directly overseas, it shall formulate its articles of association and standardize its corporate governance with reference to the Guidelines for Articles of Association and other relevant regulations of the CSRC on corporate governance.

A summary of the major provisions of the Company Law, the Trial Measures and the Guidelines for Articles of Association applicable to the Company is set out below.

General Provisions

A “joint stock limited company” refers to an enterprise legal person incorporated in the PRC in accordance with the Company Law, whose registered capital is divided into shares of equal par value. The liability of its shareholders is limited to the extent of the shares subscribed by them, and the company is liable for its debts to the extent of all its properties.

A company must comply with laws and regulations as well as social public ethics and commercial morals when engaging in business activities. A company may invest in other companies with limited liability. The liability of the company to such invested companies is limited to the amount of its investment. Unless otherwise provided by law, a company shall not become a capital contributor that assumes joint and several liability for the debts of the invested companies.

Incorporation

A joint stock limited company may be incorporated by promotion or public subscription. To incorporate a joint stock limited company, there shall be 1 to 200 promoters, among which more than half of the promoters must have their domiciles within the PRC.

Where a joint stock limited company is incorporated by promotion, the promoters shall subscribe in full for the shares to be issued upon the incorporation of the company as stipulated in the articles of association. Where a joint stock limited company is incorporated by public subscription, the shares subscribed by the promoters shall not be less than 35% of the total number of shares to be issued upon the incorporation of the company as stipulated in the articles of association; however, where laws and administrative regulations provide otherwise, such provisions shall prevail.

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The promoters of a joint stock limited company incorporated by public subscription shall convene an inaugural meeting of the company within 30 days after the share capital for the shares to be issued upon incorporation of the company has been fully paid up. The promoters shall notify each subscriber of the date of the meeting or make an announcement 15 days prior to the convening of the meeting. The inaugural meeting may only be held if subscribers holding more than half of the voting rights are present. The convening and voting procedures of the inaugural meeting of a joint stock limited company incorporated by promotion shall be stipulated by the articles of association or the promoters' agreement.

The inaugural meeting of the company shall exercise the following functions and powers:

- (i) to consider the report of the promoters on the preparation for the incorporation of the company;
- (ii) to adopt the articles of association;
- (iii) to elect directors and supervisors;
- (iv) to review the expenses incurred for the incorporation of the company;
- (v) to review the valuation of the non-monetary property contributed by the promoters; and
- (vi) to resolve not to incorporate the company in the event of force majeure or significant changes in operating conditions that directly affect the incorporation of the company.

Resolutions made at the inaugural meeting on the matters listed in the preceding paragraph shall be passed by subscribers present at the meeting holding more than half of the voting rights.

Within 30 days after the conclusion of the inaugural meeting, the board of directors shall apply to the registration authority for the registration of the incorporation of the joint stock limited company. Upon the issuance of the business license by the relevant registration authority, a company is officially incorporated and acquires the status of a legal person.

Registered Shares and Issue of Shares

Under the Company Law, shareholders may make capital contributions in currency or in kind, intellectual property rights, land use rights, equity rights, creditor's rights, or other non-monetary properties that can be evaluated in currency and transferred according to laws, except for properties that are prohibited from being used for capital contributions under any law or administrative regulation.

The capital of a joint stock limited company shall be divided into shares. All shares of a company shall, in accordance with the articles of association of the company, adopt either par value shares or no par value shares. In the case of par value shares, the amount of each share shall be equal. A company may, in accordance with its articles of association, convert all issued par value shares into no par value shares, and vice versa. Where no par value shares are adopted, more than one-half of the proceeds from the issuance of the shares shall be credited to the registered capital.

A joint stock limited company shall maintain a register of shareholders and keep it at the company. The register of shareholders shall set out the following matters:

- (i) the name and address of each shareholder;
- (ii) the class and number of shares subscribed for by each shareholder;
- (iii) the serial numbers of the share certificates if such share certificates are issued in paper form; and
- (iv) the date on which each shareholder acquired the shares.

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The issuance of shares of a joint stock limited company shall follow the principles of fairness and impartiality. Each share of the same class shall rank *pari passu*. For the same class of shares issued at the same time, the conditions and price of issuance for each share shall be identical. For the shares subscribed by the subscribers, the same price shall be paid for each share. The issue price of par value shares may be at par or at a premium to par, but shall not be below the par value.

The Trial Measures stipulate that a company issuing and listing securities in overseas markets may raise funds and distribute dividends in foreign currencies or RMB. Under certain circumstances, such as equity incentives and acquisition of assets through the issuance of securities, a domestic enterprise may issue securities to specific domestic targets when it directly issues and lists overseas.

According to the Trial Measures, where a domestic enterprise directly issues and lists overseas, shareholders holding its domestic unlisted shares who apply to convert their domestic unlisted shares into overseas listed shares and list and trade them on an overseas trading venue shall comply with the relevant regulations of the CSRC, and entrust the domestic enterprise to file with the CSRC. The “domestic unlisted shares” referred to in the preceding paragraph mean the shares issued by a domestic enterprise but not listed or traded on any domestic trading venue. The domestic unlisted shares shall be centrally registered and deposited with a domestic securities registration and clearing institution. The registration and clearing arrangements of overseas listed shares shall be governed by the regulations of the place of overseas listing.

A domestic enterprise issuing and listing overseas shall file with the CSRC in accordance with the Trial Measures, submit filing reports, legal opinions and other relevant materials, and truly, accurately and completely disclose shareholder information and other circumstances. Where a domestic enterprise issues and lists overseas directly, the issuer shall file with the CSRC. Where a domestic enterprise issues and lists overseas indirectly, the issuer shall designate a major domestic operating entity as the domestic responsible person to file with the CSRC.

Increase of Share Capital

According to the relevant provisions of the PRC Company Law, when a joint stock limited company proposes to issue new shares, the shareholders’ meeting shall pass resolutions on the following matters:

- (i) the class and number of the new shares;
- (ii) the issue price of the new shares;
- (iii) the commencement and closing dates of the new share issue;
- (iv) the class and number of new shares to be issued to the existing shareholders; and
- (v) in the case of issuing no par value shares, the amount of the proceeds from the issuance of the new shares to be credited to the registered capital.

Where a company makes a public offering of shares, it shall register with the securities regulatory authority of the State Council and announce the documents.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures stipulated in the Company Law:

- (i) the company shall prepare a balance sheet and a property inventory;
- (ii) the reduction of registered capital shall be approved by the shareholders at the shareholders’ meeting;

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- (iii) the company shall notify its creditors within ten days from the date of the resolution of the shareholders' meeting on the reduction of registered capital, and publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within thirty days;
- (iv) the creditors shall have the right to require the company to settle its debts or provide corresponding guarantees within thirty days from the date of receipt of the notice, or within forty-five days from the date of the announcement if no notice is received; and
- (v) the company shall apply to the company registration authority for registration of the change.

When a company reduces its registered capital, it shall reduce the capital contributions or shares correspondingly in proportion to the capital contributions or shareholdings of the shareholders, unless otherwise provided by laws, otherwise agreed by all shareholders of a limited liability company, or otherwise stipulated in the articles of association of a joint stock limited company.

Repurchase of Shares

Under the Company Law, a company shall not purchase its own shares except in any of the following circumstances:

- (i) where the company's registered capital is reduced;
- (ii) where it merges with another company holding its shares;
- (iii) where its shares are used for employee stock ownership plan or equity incentives;
- (iv) where a shareholder requests the company to purchase his/her/its shares due to objection to the resolution on the merger or division of the company adopted at a shareholders' meeting;
- (v) where its shares are used for conversion of corporate bonds issued by the company that are convertible into share certificates; or
- (vi) where it is necessary for a listed company to maintain its corporate value and the rights and interests of its shareholders.

Where a company purchases its own shares under the circumstances set out in items (i) or (ii) of the preceding paragraph, a resolution shall be passed at a shareholders' meeting. Where a company purchases its own shares under the circumstances set out in items (iii), (v) or (vi) of the preceding paragraph, a resolution may be passed at a meeting of the board of directors attended by two-thirds or more of the directors in accordance with the articles of association of the company or the authorization of the shareholders' meeting.

After a company purchases its own shares pursuant to the provisions of the first paragraph of this article, under the circumstance set out in item (i), the shares shall be cancelled within ten days from the date of the purchase; under the circumstances set out in items (ii) or (iv), the shares shall be transferred or cancelled within six months; and under any of the circumstances set out in items (iii), (v) or (vi), the aggregate number of the shares of the company held by the company shall not exceed 10% of the total number of issued shares of the company, and such shares shall be transferred or cancelled within three years.

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Transfer of Shares

Shares held by shareholders may be transferred in accordance with the laws. Under the Company Law, a transfer of shares by a shareholder shall be conducted on a legally established stock exchange or by other methods as stipulated by the State Council. The transfer of share certificates shall be effected by the shareholder by way of endorsement or by other methods stipulated by laws and administrative regulations; following the transfer, the company shall record the name and address of the transferee in the register of shareholders. No changes in the register of shareholders shall be made within 20 days prior to the convening of a shareholders' meeting or within five days prior to the benchmark date decided by the company for the purpose of dividend distribution. Where laws, administrative regulations or the securities regulatory authority of the State Council stipulate otherwise in respect of the changes to the register of shareholders of a listed company, such provisions shall prevail.

Under the Company Law, shares issued prior to the public offering of shares by a company shall not be transferred within one year from the date on which the share certificates of the company are listed and traded on a stock exchange. Where laws, administrative regulations or the securities regulatory authority of the State Council stipulate otherwise in respect of the transfer of shares of the company held by the shareholders or de facto controllers of a listed company, such provisions shall prevail.

Directors, supervisors and senior management of a company shall declare to the company the shares of the company held by them and any changes thereto. During their term of office determined upon assumption of duty, the shares transferred by them in any given year shall not exceed 25% of the total number of shares of the company held by them; the shares of the company held by them shall not be transferred within one year from the date on which the share certificates of the company are listed and traded. Within six months after their departure from office, the aforementioned personnel shall not transfer the shares of the company held by them. The articles of association of the company may lay down other restrictive provisions in respect of the transfer of shares of the company held by the directors, supervisors and senior management of the company.

Where shares are pledged within the restricted transfer period stipulated by laws and administrative regulations, the pledgee shall not exercise the pledge rights during such restricted transfer period.

Shareholders

Under the Company Law and the Guidelines for Articles of Association, the rights of shareholders include:

- (i) to receive dividends and other forms of profit distributions in proportion to their shareholdings;
- (ii) to lawfully request to convene, convene, preside over, attend or appoint a proxy to attend shareholders' meetings, and to exercise the corresponding voting rights;
- (iii) to supervise the business operations of the company, and to put forward proposals or raise inquiries;
- (iv) to transfer, gift or pledge the shares held by them in accordance with the laws, administrative regulations and the articles of association;
- (v) to inspect and copy the articles of association, the register of shareholders, the minutes of the shareholders' meetings, the resolutions of the meetings of the board of directors, and financial and accounting reports; and shareholders meeting the stipulated requirements may inspect the accounting books and accounting vouchers of the company;
- (vi) in the event of termination or liquidation of the company, to participate in the distribution of the remaining property of the company in proportion to the shares held by them;

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- (vii) for shareholders who object to the resolutions on the merger or division of the company passed at a shareholders' meeting, to require the company to purchase their shares; and
- (viii) other rights stipulated by laws, administrative regulations, departmental rules or the articles of association.

The obligations of shareholders include:

- (i) to abide by the laws, administrative regulations and the articles of association;
- (ii) to pay subscription monies according to the shares subscribed for and the method of subscription;
- (iii) not to withdraw their share capital, except in the circumstances stipulated by laws and regulations;
- (iv) not to abuse their shareholder's rights to damage the interests of the company or other shareholders; and not to abuse the independent status of the company as a legal person and the limited liability of shareholders to damage the interests of the creditors of the company; and
- (v) other obligations imposed by laws, administrative regulations and the articles of association.

Shareholders' Meeting

Under the Company Law, the shareholders' meeting of a joint stock limited company shall be composed of all shareholders. The shareholders' meeting is the organ of authority of the company, and shall exercise the following functions and powers:

- (i) to elect and replace directors and supervisors, and to decide on matters concerning the remuneration of directors and supervisors;
- (ii) to consider and approve the reports of the board of directors;
- (iii) to consider and approve the reports of the supervisory committee;
- (iv) to consider and approve the company's profit distribution plans and plans for making up losses;
- (v) to resolve on the increase or reduction of the registered capital of the company;
- (vi) to resolve on the issuance of corporate bonds;
- (vii) to resolve on the merger, division, dissolution, liquidation or change of corporate form of the company;
- (viii) to amend the articles of association of the company; and
- (ix) other functions and powers stipulated in the articles of association of the company.

Under the Company Law, an annual shareholders' meeting shall be held once every year. An extraordinary shareholders' meeting shall be convened within two months upon the occurrence of any of the following circumstances:

- (i) where the number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number specified in the articles of association of the company;
- (ii) where the unrecovered losses of the company reach one-third of the total share capital;

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- (iii) upon request by shareholders individually or jointly holding 10% or more of the shares of the company;
- (iv) when deemed necessary by the board of directors;
- (v) upon proposal by the supervisory committee to convene the meeting; or
- (vi) other circumstances stipulated in the articles of association of the company.

The shareholders' meeting shall be convened by the board of directors and presided over by the chairman of the board of directors; where the chairman of the board of directors is unable to or does not perform his/her duties, the meeting shall be presided over by the vice chairman of the board of directors; where the vice chairman of the board of directors is unable to or does not perform his/her duties, a director jointly elected by more than half of the directors shall preside over the meeting.

Where the board of directors is unable to or does not perform its duties to convene the shareholders' meeting, the supervisory committee shall convene and preside over the meeting in a timely manner; if the supervisory committee does not convene and preside over the meeting, the shareholder(s) individually or jointly holding 10% or more of the shares of the company for 90 consecutive days or more may convene and preside over the meeting on their own.

If the shareholder(s) individually or jointly holding 10% or more of the shares of the company request the convening of an extraordinary shareholders' meeting, the board of directors and the supervisory committee shall, within 10 days upon receipt of the request, make a decision on whether to convene the extraordinary shareholders' meeting and reply to the shareholder(s) in writing.

To convene a shareholders' meeting, a notice setting out the time, venue, and matters to be considered at the meeting shall be given to all shareholders 20 days prior to the meeting; in the case of an extraordinary shareholders' meeting, a notice shall be given to all shareholders 15 days prior to the meeting.

Shareholder(s) individually or jointly holding 1% or more of the shares of the company may put forward interim proposals and submit them in writing to the board of directors 10 days before the convening of the shareholders' meeting. The interim proposals shall contain clear topics and specific resolution matters. The board of directors shall notify other shareholders within two days after receiving the proposals, and submit the interim proposals to the shareholders' meeting for consideration, except where the interim proposals violate the provisions of laws, administrative regulations, or the articles of association, or do not fall within the terms of reference of the shareholders' meeting. The company shall not increase the shareholding percentage required for shareholders to propose interim proposals.

According to the Company Law, where a shareholder entrusts a proxy to attend the shareholders' meeting, the matters, scope of authority, and valid period of the proxy shall be clearly stated; the proxy shall submit a shareholders' power of attorney to the company and exercise voting rights within the scope of authorization. The Company Law does not contain explicit provisions on the statutory quorum of shareholders for a shareholders' meeting.

According to the Company Law, shareholders attending a shareholders' meeting shall have one vote for each share held by them, except for holders of class shares. The shares of the company held by the company itself shall carry no voting rights.

According to the Company Law and the Guidelines for the Articles of Association, a resolution of the shareholders' meeting shall be passed by a simple majority of the voting rights held by the shareholders attending the meeting. Resolutions of the shareholders' meeting on amendments to the articles of association, increase or reduction of registered capital, and the merger, division, dissolution, or change of corporate form of the company, shall be passed by two-thirds or more of the voting rights held by the shareholders attending the meeting.

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When the shareholders' meeting elects directors or supervisors, a cumulative voting system may be implemented in accordance with the provisions of the articles of association or resolutions of the shareholders' meeting. The cumulative voting system means that when the shareholders' meeting elects directors or supervisors, each share carries the same number of voting rights as the number of directors or supervisors to be elected, and the voting rights owned by the shareholders may be cast in a concentrated manner.

Board of Directors

According to the Company Law, a joint stock limited company shall establish a board of directors, which shall consist of three or more members. The term of office of a director shall be stipulated in the articles of association, provided that each term shall not exceed three years. Upon the expiry of their term of office, directors shall be eligible for re-election.

The board of directors shall have one chairman and may have vice chairmen. The chairman and vice chairmen shall be elected by the board of directors with the approval of more than half of all the directors. The chairman shall convene and preside over the meetings of the board of directors and inspect the implementation of the resolutions of the board of directors. The vice chairman shall assist the chairman in his/her work. Where the chairman is unable to or does not perform his/her duties, the vice chairman shall perform such duties; where the vice chairman is unable to or does not perform his/her duties, a director jointly elected by more than half of the directors shall perform such duties.

A person shall not serve as a director of the company if any of the following circumstances applies:

- (i) the person has no civil capacity or has restricted civil capacity;
- (ii) the person has been sentenced to criminal penalty due to corruption, bribery, encroachment of property, misappropriation of property or disrupting the socialist market economic order, or has been deprived of political rights due to a criminal offence, and a period of less than five years has elapsed since the completion of execution of the penalty, or in the case of probation, a period of less than two years has elapsed since the expiry of the probation period;
- (iii) the person has served as a director, factory manager, or manager of a company or an enterprise that has been declared bankrupt and liquidated, and is personally liable for the bankruptcy of such company or enterprise, and a period of less than three years has elapsed since the date of completion of the bankruptcy and liquidation of such company or enterprise;
- (iv) the person has served as the legal representative of a company or an enterprise the business license of which has been revoked and which has been ordered to close down due to any violation of law, and is personally liable for such revocation and closure, and a period of less than three years has elapsed since the date of revocation of the business license and closure of such company or enterprise; or
- (v) the person is listed as a dishonest person subject to enforcement by the people's court due to his/her failure to repay a relatively large amount of personal debt when due.

The board of directors shall convene at least two meetings each year. A notice of each meeting shall be given to all directors and supervisors 10 days prior to the convening of the meeting. The board of directors exercises the following functions and powers:

- (i) to convene the shareholders' meeting and report its work to the shareholders' meeting;
- (ii) to implement the resolutions of the shareholders' meeting;
- (iii) to decide on the company's business plans and investment schemes;

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- (iv) to formulate the company's profit distribution plans and plans for making up losses;
- (v) to formulate the company's plans for increasing or reducing its registered capital and the issuance of corporate bonds;
- (vi) to formulate the company's plans for merger, division, dissolution, or change of corporate form;
- (vii) to decide on the establishment of the company's internal management structure;
- (viii) to decide on the appointment or dismissal of the company's manager and his/her remuneration matters, and to decide on the appointment or dismissal of the company's deputy manager(s) and person in charge of finance and their remuneration matters based on the nomination by the manager;
- (ix) to formulate the company's basic management system; and
- (x) other functions and powers stipulated in the articles of association or granted by the shareholders' meeting.

A meeting of the board of directors shall be held only if more than half of the directors are present. Resolutions of the board of directors shall be passed by more than half of all the directors. Each director shall have one vote for the voting on resolutions of the board of directors. The board of directors shall prepare minutes of the decisions on the matters discussed at the meeting, and the directors attending the meeting shall sign the meeting minutes.

A meeting of the board of directors shall be attended by the directors in person; if a director is unable to attend the meeting for any reason, he/she may entrust another director in writing to attend on his/her behalf, and the power of attorney shall specify the scope of authorization. The directors shall bear responsibility for the resolutions of the board of directors. Where a resolution of the board of directors violates laws, administrative regulations, the articles of association, or the resolutions of the shareholders' meeting, causing serious losses to the company, the directors who participated in the resolution shall be liable to compensate the company; however, if it can be proven that a director expressed his/her dissenting vote during the voting and such dissent was recorded in the meeting minutes, the said director may be exempted from liability.

Supervisory Committee

According to the Company Law, a joint stock limited company shall establish a supervisory committee, which shall consist of three or more members. The members of the supervisory committee shall include shareholder representatives and an appropriate proportion of the company's employee representatives. The proportion of employee representatives shall not be less than one-third, and the specific proportion shall be stipulated in the articles of association. The employee representatives in the supervisory committee shall be democratically elected by the employees of the company through the employees' representative congress, the employees' congress, or other forms. Directors and senior management shall not concurrently serve as supervisors.

The supervisory committee shall have one chairman and may have vice chairmen. The chairman and vice chairmen of the supervisory committee shall be elected by more than half of all supervisors. The chairman of the supervisory committee shall convene and preside over the meetings of the supervisory committee; where the chairman of the supervisory committee is unable to or does not perform his/her duties, the vice chairman of the supervisory committee shall convene and preside over the meetings of the supervisory committee; where the vice chairman of the supervisory committee is unable to or does not perform his/her duties, a supervisor jointly elected by more than half of the supervisors shall convene and preside over the meetings of the supervisory committee.

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The supervisory committee exercises the following functions and powers:

- (i) to inspect the company’s finances;
- (ii) to supervise the acts of the directors and senior management in their performance of duties, and to propose the removal of directors and senior management who violate laws, administrative regulations, the articles of association, or the resolutions of the shareholders’ meeting;
- (iii) to demand the directors and senior management to rectify their acts when such acts harm the interests of the company;
- (iv) to propose the convening of an extraordinary shareholders’ meeting, and to convene and preside over the shareholders’ meeting when the board of directors fails to perform its duties to convene and preside over the shareholders’ meeting as stipulated in the Company Law;
- (v) to put forward proposals to the shareholders’ meeting;
- (vi) to initiate legal proceedings against the directors and senior management in accordance with the provisions of Article 189 of the Company Law; and
- (vii) other functions and powers stipulated in the articles of association.

A joint stock limited company may, in accordance with the provisions of its articles of association, establish an audit committee comprising directors within the board of directors to exercise the functions and powers of the supervisory committee in lieu of establishing a supervisory committee.

On December 27, 2024, the CSRC promulgated the transitional arrangements regarding the implementation of the supporting systems and rules of the new Company Law. Listed companies shall, prior to January 1, 2026, in accordance with the Company Law, the Provisions of the State Council on the Implementation of the Registered Capital Registration Management System under the Company Law of the PRC (《國務院關於實施〈中華人民共和國公司法〉註冊資本登記管理制度的規定》), the supporting systems and rules of the CSRC, and other regulations, stipulate in their articles of association to establish an audit committee within the board of directors to exercise the functions and powers of the supervisory committee as stipulated in the Company Law, and shall not establish a supervisory committee or supervisors. Prior to the adjustment of the setup of internal supervisory institutions by listed companies, the supervisory committee or supervisors shall continue to comply with the provisions in the original systems and rules of the CSRC.

Managers and Senior Management

Under the Company Law, a joint stock limited company shall have a manager, whose appointment or dismissal shall be decided by the board of directors. The manager shall be accountable to the board of directors and shall exercise functions and powers in accordance with the provisions of the articles of association or the authorization of the board of directors. The manager shall attend meetings of the board of directors as a non-voting member.

Under the Company Law, senior management refers to the manager, deputy managers, and the person in charge of finance of a company, the secretary to the board of directors of a listed company, and other personnel stipulated in the articles of association.

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Duties of Directors, Supervisors and Senior Management

The Company Law requires that the directors, supervisors and senior management of a company shall comply with relevant laws, regulations and the articles of association, and shall owe duties of loyalty and diligence to the company. Directors, supervisors and senior management owe a duty of loyalty to the company, and shall take measures to avoid conflicts between their own interests and the interests of the company, and shall not use their powers to seek improper benefits.

Directors, supervisors and senior management owe a duty of diligence to the company, and, when performing their duties, shall exercise the reasonable care ordinarily expected of a manager in the best interests of the company.

Directors, supervisors and senior management shall not:

- (i) misappropriate company property or embezzle company funds;
- (ii) deposit company funds into accounts opened in their own names or in the names of other individuals;
- (iii) accept bribes or receive other illegal income by taking advantage of their powers;
- (iv) accept and appropriate for themselves commissions from transactions between others and the company;
- (v) disclose company secrets without authorization; or
- (vi) commit other acts in violation of their duty of loyalty to the company.

Where directors, supervisors or senior management directly or indirectly enter into a contract or conduct a transaction with the company, they shall report the matters relating to the entering into of the contract or the conduct of the transaction to the board of directors or the shareholders' meeting, and such contract or transaction shall be approved by a resolution of the board of directors or the shareholders' meeting in accordance with the provisions of the articles of association.

The preceding paragraph shall apply where the close relatives of the directors, supervisors or senior management, the enterprises directly or indirectly controlled by the directors, supervisors, senior management or any of their close relatives, or any related parties having any other connected relationship with the directors, supervisors or senior management enter into a contract or conduct a transaction with the company.

Directors, supervisors and senior management shall not take advantage of the convenience of their positions to seek commercial opportunities belonging to the company for themselves or others, except in any of the following circumstances:

- (i) having reported to the board of directors or the shareholders' meeting, and having obtained approval by a resolution of the board of directors or the shareholders' meeting in accordance with the provisions of the articles of association; or
- (ii) where the company is unable to utilize such commercial opportunity according to the provisions of laws, administrative regulations or the articles of association.

Directors, supervisors and senior management shall not operate for themselves or for others the same type of business as that of the company they serve, unless they have reported to the board of directors or the shareholders' meeting and obtained approval by a resolution of the board of directors or the shareholders' meeting in accordance with the provisions of the articles of association.

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Directors, supervisors and senior management who violate the provisions of laws, administrative regulations or the articles of association in the performance of their duties and cause losses to the company shall be liable for compensation.

Finance and Accounting

Under the Company Law, a company shall establish its financial and accounting systems in accordance with laws, administrative regulations and the regulations of the financial department of the State Council. A company shall prepare a financial and accounting report at the end of each accounting year, and such report shall be audited by an accounting firm in accordance with the law. The financial and accounting reports shall be prepared in accordance with laws, administrative regulations and the regulations of the financial department of the State Council.

The financial and accounting report of a joint stock limited company shall be made available at the company for inspection by the shareholders 20 days prior to the convening of the annual shareholders' meeting; and a joint stock limited company that issues shares to the public shall announce its financial and accounting report.

The premium obtained by a company from issuing shares at a price exceeding the par value of the shares, the amount of the share proceeds from the issuance of no-par value shares that is not included in the registered capital, and other items stipulated by the financial department of the State Council to be included in the capital reserve, shall be allocated to the company's capital reserve.

The company's reserves shall be used to make up for the company's losses, expand its production and operations, or increase the company's registered capital. When using reserves to make up for the company's losses, the discretionary reserve and statutory reserve shall be used first; and if the losses still cannot be made up, the capital reserve may be used in accordance with the regulations. When the statutory reserve is converted to increase the registered capital, the balance of such reserve remaining shall not be less than 25% of the company's registered capital before the conversion.

A company shall not establish any other accounting books in addition to the statutory accounting books. No company funds shall be deposited in any account opened in the name of any individual.

Appointment and Dismissal of Accounting Firms

Under the Company Law, the appointment or dismissal of an accounting firm to undertake the company's audit business shall be decided by the shareholders' meeting, the board of directors or the supervisory committee in accordance with the provisions of the articles of association. When the shareholders' meeting, the board of directors or the supervisory committee of a company votes on the dismissal of an accounting firm, the accounting firm shall be allowed to state its opinions. The company shall provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting materials, and shall not refuse to provide, conceal or make false reports.

The Guidelines for Articles of Association stipulate that the appointment of an accounting firm by a company must be decided by the shareholders' meeting, and the board of directors shall not appoint an accounting firm before a decision is made by the shareholders' meeting. The audit fee of the accounting firm shall be decided by the shareholders' meeting.

Profit Distribution

When a company distributes its after-tax profits for the current year, it shall allocate 10% of the profits to the company's statutory reserve. If the accumulated amount of the company's statutory reserve reaches 50% or more of the company's registered capital, no further allocation is required. If the company's statutory reserve is insufficient to make up for the losses of previous years, the profits of the current year shall first be used to make up for such losses before the allocation to the statutory reserve is

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made in accordance with the preceding provisions. After making allocations to the statutory reserve from its after-tax profits, the company may, subject to a resolution of the shareholders' meeting, also make allocations to the discretionary reserve from its after-tax profits. The remaining after-tax profits after the company has made up for its losses and allocated to its reserves shall be distributed by a joint stock limited company in proportion to the shares held by the shareholders, unless otherwise stipulated in the articles of association. No profit shall be distributed in respect of the shares of the company held by the company itself.

If a company distributes profits to the shareholders in violation of the provisions of the Company Law, the shareholders shall return to the company the profits distributed in violation of the provisions; and if losses are caused to the company, the shareholders and the directors, supervisors and senior management who are responsible shall be liable for compensation.

Where the shareholders' meeting passes a resolution on profit distribution, the board of directors shall complete the distribution within six months from the date on which the resolution of the shareholders' meeting is passed.

Dissolution and Liquidation

Under the Company Law, a company shall be dissolved for any of the following reasons:

- (i) the term of its business operations stipulated in the articles of association has expired, or other events of dissolution stipulated in the articles of association have occurred;
- (ii) the shareholders' meeting resolves to dissolve the company;
- (iii) dissolution is necessary due to a merger or division of the company;
- (iv) its business license is revoked, or it is ordered to close down or it is canceled in accordance with the law; or
- (v) it is dissolved by a people's court in accordance with the provisions of Article 231 of the Company Law.

Where a company is subject to any of the events of dissolution stipulated in the preceding paragraph, it shall make the event of dissolution public through the National Enterprise Credit Information Publicity System within 10 days.

Where a company is dissolved pursuant to the provision of sub-paragraph (i) above, it may continue to exist by amending its articles of association or by a resolution of the shareholders' meeting, and such amendment of the articles of association or resolution of the shareholders' meeting shall be passed by the shareholders representing two-thirds or more of the voting rights held by the shareholders attending the shareholders' meeting. Where a company is dissolved pursuant to the provisions of sub-paragraphs (i), (ii), (iv) or (v) above, it shall be liquidated. The directors are the persons obliged to liquidate the company and shall form a liquidation committee to conduct the liquidation within 15 days from the date of occurrence of the event of dissolution. The liquidation committee shall be composed of directors, unless otherwise stipulated in the articles of association or other persons are elected by a resolution of the shareholders' meeting. If the persons obliged to liquidate fail to perform their liquidation obligations in a timely manner, thereby causing losses to the company or its creditors, they shall be liable for compensation.

If a liquidation committee is not formed within the time limit to conduct the liquidation, or if the liquidation committee is formed but fails to conduct the liquidation, interested parties may apply to the people's court to designate relevant persons to form a liquidation committee to conduct the liquidation. The people's court shall accept such application and organize a liquidation committee to conduct the liquidation in a timely manner.

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During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (i) to liquidate the company’s property, and prepare a balance sheet and a property inventory, respectively;
- (ii) to notify creditors of the company by mail or by public announcement;
- (iii) to handle the outstanding businesses of the company related to the liquidation;
- (iv) to pay all outstanding taxes of the company and taxes arising in the course of liquidation;
- (v) to clear claims and debts;
- (vi) to distribute the remaining property of the company after fully settling its debts; and
- (vii) to participate in civil litigation activities on behalf of the company.

The liquidation committee shall notify the creditors of the company within 10 days from the date of its establishment, and make a public announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation committee within 30 days from the date of receipt of the notice, or, for those who have not received the notice, within 45 days from the date of the public announcement. When declaring a claim, a creditor shall explain the relevant matters of the claim and provide supporting materials. The liquidation committee shall register the claims. During the claim declaration period, the liquidation committee shall not make any settlement to the creditors.

After liquidating the company’s property and preparing the balance sheet and property inventory, the liquidation committee shall formulate a liquidation plan and submit it to the shareholders’ meeting or the people’s court for confirmation.

The remaining property of the company, after the respective payment of liquidation expenses, employees’ wages, social insurance premiums and statutory compensation, payment of outstanding taxes and settlement of the company’s debts, shall be distributed by a limited liability company in proportion to the capital contributions of the shareholders, and by a joint stock limited company in proportion to the shares held by the shareholders.

During the liquidation period, the company continues to exist, but shall not engage in any business activities unrelated to the liquidation. The property of the company shall not be distributed to the shareholders prior to the full settlement in accordance with the provisions of the preceding paragraph.

If, after liquidating the company’s property and preparing a balance sheet and property inventory, the liquidation committee finds that the company’s property is insufficient to settle its debts, it shall apply to the people’s court for bankruptcy liquidation in accordance with the law. After the people’s court has accepted the bankruptcy application, the liquidation committee shall hand over the liquidation affairs to the bankruptcy administrator designated by the people’s court.

Members of the liquidation committee owe duties of loyalty and diligence in the performance of their liquidation duties. If members of the liquidation committee neglect to perform their liquidation duties and cause losses to the company, they shall be liable for compensation; and if they cause losses to creditors due to intention or gross negligence, they shall be liable for compensation.

Upon completion of the company’s liquidation, the liquidation committee shall prepare a liquidation report, submit it to the shareholders’ meeting or the people’s court for confirmation, and file it with the company registration authority to apply for the cancellation of the company’s registration.

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Where a company’s business license is revoked, or it is ordered to close down or is canceled, and it fails to apply to the company registration authority for cancellation of the company’s registration for three years, the company registration authority may make a public announcement through the National Enterprise Credit Information Publicity System for a period of not less than 60 days. Upon the expiration of the public announcement period, if there is no objection, the company registration authority may cancel the company’s registration.

Overseas Listing

According to the Trial Measures, where an issuer conducts an initial public offering or listing overseas, it shall file with the CSRC within 3 working days after submitting the application documents for the offering and listing overseas. After the issuer has offered and listed securities overseas, if it offers securities in the same overseas market, it shall file with the CSRC within 3 working days after the completion of the offering. After the issuer has offered and listed securities overseas, if it conducts an offering and listing in other overseas markets, it shall make a filing in accordance with the provisions of the first paragraph of this article.

Loss of Share Certificates

Where share certificates are stolen, lost or destroyed, a shareholder may, in accordance with the public notice procedures for assertion of claims stipulated in the Civil Procedure Law, request a people’s court to declare such share certificates void. After the people’s court has declared the share certificates void, the shareholder may apply to the company for a replacement of the share certificates.

Suspension and Termination of Listing

The Company Law has deleted the provisions relating to the suspension and termination of listing. The Securities Law of the PRC (2019 Revision) (《中華人民共和國證券法(2019年修訂)》) has also deleted the provisions relating to the suspension of listing. Where listed securities fall within the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate their listing and trading in accordance with its business rules.

According to the Trial Measures, where an issuer voluntarily terminates its listing or is mandatorily terminated from listing after offering and listing its securities in an overseas market, the issuer shall submit a report to the CSRC within 3 working days after the occurrence and public disclosure of the event.

SECURITIES LAWS AND REGULATIONS

In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of the securities market, directing, coordinating and supervising all securities-related institutions in the PRC, and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of the securities market, supervising securities companies, regulating the public offering of securities by PRC companies at home and abroad, regulating securities trading, compiling securities-related statistical data, and conducting relevant research and analysis. On March 29, 1998, the State Council merged the above two departments and reorganized the CSRC.

The Provisional Regulations on the Administration of Share Issuance and Trading (《股票發行與交易管理暫行條例》) promulgated by the State Council and effective on April 22, 1993 stipulate the application and approval procedures for the public issuance of shares, trading of shares, acquisition of listed companies, custody, clearing and transfer of listed shares, information disclosure of listed companies, investigation and penalties, and arbitration of disputes.

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The Regulations of the State Council on Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》) promulgated by the State Council and effective on December 25, 1995 mainly stipulate the issuance, subscription, trading, and payment of dividends of domestic listed foreign shares, as well as the information disclosure of joint stock limited companies with domestic listed foreign shares.

The Securities Law of the PRC (《中華人民共和國證券法》) (the “**PRC Securities Law**”), as latest amended by the Standing Committee of the National People’s Congress on December 28, 2019 and effective on March 1, 2020, sets out a series of provisions on, among other things, the issuance and trading of securities, the acquisition of listed companies, stock exchanges, securities companies, and the duties and responsibilities of the securities regulatory authority of the State Council in the PRC, and comprehensively regulates activities in the PRC securities market. The PRC Securities Law provides that domestic enterprises directly or indirectly issuing securities overseas or listing their securities for trading overseas shall comply with the relevant provisions of the State Council. Currently, the issuance and trading of shares issued overseas are mainly regulated by the rules and regulations promulgated by the State Council and the CSRC.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

According to the Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the “**Arbitration Law**”) amended by the Standing Committee of the NPC on September 12, 2025 and effective on March 1, 2026, the Arbitration Law is applicable to foreign-related economic disputes where the parties have entered into a written agreement to submit the matters to an arbitration commission constituted in accordance with the Arbitration Law for arbitration. Where the parties have reached an arbitration agreement and one party institutes an action in a people’s court, the people’s court shall not accept the case, unless the arbitration agreement is invalid.

Under the Arbitration Law, arbitration is subject to a system of finality of the award (一裁終局), which is binding on all parties to the arbitration. If one of the parties fails to comply with the award, the other party to the award may apply to the people’s court for enforcement of such arbitral award in accordance with the Civil Procedure Law. If the arbitration procedures are illegal (including where the composition of the arbitration commission violates statutory procedures, the matters ruled upon are not within the scope of the arbitration agreement, or the arbitration commission has no power to arbitrate), the people’s court may rule not to enforce the arbitral award made by the arbitration commission. Where a party requests the enforcement of a legally effective arbitral award made within the territory of the PRC in accordance with the law, if the party subject to enforcement or its property is not within the territory of the PRC, the party may apply directly to a foreign court with jurisdiction over the case for recognition and enforcement. Similarly, a people’s court may recognize and enforce arbitral awards made by foreign arbitration institutions based on the principle of reciprocity or any international treaties concluded or acceded to by the PRC.

According to the Arrangement of the Supreme People’s Court Concerning Mutual Enforcement of Arbitral Awards Between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》) promulgated by the Supreme People’s Court on January 24, 2000 and effective on February 1, 2000, and the Supplemental Arrangement of the Supreme People’s Court Concerning Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) promulgated by the Supreme People’s Court on November 26, 2020 and effective on November 27, 2020, awards made by arbitration institutions in Chinese Mainland may be enforced in Hong Kong, and Hong Kong arbitral awards may also be enforced in Chinese Mainland.

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JUDICIAL JUDGMENTS AND THEIR ENFORCEMENT

According to the Arrangement of the Supreme People’s Court on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) promulgated by the Supreme People’s Court on July 3, 2008 and effective on August 1, 2008 (repealed on January 29, 2024), for an enforceable final judgment requiring payment of money in a civil and commercial case with a written choice of court agreement made by a Chinese Mainland court or a Hong Kong court, the parties concerned may apply to a Chinese Mainland court or a Hong Kong court for recognition and enforcement under this arrangement. A “written agreement on jurisdiction” refers to an agreement explicitly stipulating in written form that a Chinese Mainland court or a Hong Kong court has sole jurisdiction in order to resolve disputes which have arisen or may arise in connection with a specific legal relationship. Therefore, final judgments in Chinese Mainland or Hong Kong that meet certain conditions under the aforementioned regulations may be recognized and enforced by the Chinese Mainland courts or the courts of the Hong Kong Special Administrative Region upon the application of the parties.

On January 25, 2024, the Supreme People’s Court issued the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the “**New Arrangement**”), which came into effect on January 29, 2024, seeking to establish a clearer and more definite mechanism for the recognition and enforcement of a broader range of judgments in civil and commercial matters between the Hong Kong Special Administrative Region and the PRC.

APPENDIX V

SUMMARY OF ARTICLES OF ASSOCIATION

This Appendix mainly provides [REDACTED] with an overview of the Articles of Association. As the following information is in summary form, it does not contain all the information that may be important to [REDACTED].

SHARES

Issue of Shares

The shares of the Company shall take the form of share certificates.

The Company shall issue shares in an open, equitable and fair manner, and each of the shares in the same class shall carry the same rights. Shares of the same class and the same issuance shall be issued on the same conditions and at the same price. Any entity or individual shall pay the same price for each of the shares that it/he/she subscribes for. The domestic unlisted shares and H shares issued by the Company enjoy the same rights in respect of any distribution made by way of dividends (including cash and distribution in specie) or in any other form.

All shares issued by the Company shall be denominated in RMB, with a par value of RMB1 each.

The overseas listed shares of the Company listed on the Hong Kong Stock Exchange are referred to as “H Shares”. The shares issued by the Company but not listed on any domestic or overseas stock exchanges are referred to as unlisted shares. Subject to filing with the securities regulatory authority of the State Council, the unlisted shares of the Company may be converted into overseas listed shares and listed and traded on an overseas stock exchange. The listing and trading of such shares on an overseas stock exchange shall also comply with the regulatory procedures, regulations and requirements of such overseas stock exchange. No voting at any general meeting is required for the conversion of unlisted shares into overseas listed shares and the listing and trading of such shares on an overseas stock exchange.

Among the shares issued by the Company, the unlisted shares shall be centrally registered and deposited with a domestic securities registration and clearing institution, while the registration and settlement arrangements of the overseas listed shares shall be subject to the regulations of the place where the shares of the Company are listed.

Increase, Decrease and Repurchase of Shares

In light of the Company’s operational and developmental needs, the Company may increase its capital in accordance with applicable laws, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the place where the shares of the Company are listed and the provisions of relevant regulatory authorities, and subject to a separate resolution of the general meeting, by any of the following methods:

- (1) public offering of shares subject to approval by the relevant authorities;
- (2) non-public issue of shares;
- (3) distribution of bonus shares to existing shareholders;
- (4) capitalization of reserve funds;
- (5) other methods stipulated by laws and administrative regulations, and approved by the CSRC and the securities regulatory authorities of the place where the shares of the Company are listed.

The Company may reduce its registered capital. The reduction of registered capital of the Company shall be carried out in accordance with the procedures stipulated in the Company Law, the Hong Kong Listing Rules, the securities regulatory rules of the place where the shares of the Company are listed, the relevant provisions of other laws, administrative regulations and normative documents, and these Articles of Association.

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The Company shall not repurchase its own shares. However, subject to compliance with laws, regulations, the provisions of the securities regulatory authorities of the place where the shares of the Company are listed, the Hong Kong Listing Rules and these Articles of Association, the following circumstances shall be excepted:

- (1) to reduce the registered capital of the Company;
- (2) to merge with other companies that hold shares in the Company;
- (3) to use the shares for employee shareholding schemes or as share incentives;
- (4) to acquire the shares of shareholders (upon their request) who vote against any resolution adopted at any general meetings on the merger or division of the Company;
- (5) to use the shares to satisfy the conversion of those corporate bonds convertible into shares issued by the Company;
- (6) to safeguard corporate value and shareholders' equity as the Company deems necessary;
- (7) other circumstances permitted by laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed.

The repurchase of the Company's shares may be carried out by way of open centralized trading or other methods recognized by laws, administrative regulations, normative documents, the Hong Kong Listing Rules, and the CSRC (if required) and other securities regulatory authorities of the place where the shares of the Company are listed, and shall comply with the provisions of applicable laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed.

Where the Company repurchases its shares under the circumstances set out in items (1) and (2) above, it shall be subject to a resolution of the general meeting; where the Company repurchases its shares under the circumstances set out in items (3), (5) and (6) above, it shall be subject to a resolution of a meeting of the board of directors at which more than two-thirds of the directors are present. After the repurchase of its shares, the Company shall perform its information disclosure obligations in accordance with the provisions of the Securities Law, the Securities and Futures Ordinance, the regulations of the stock exchange of the place where the shares of the Company are listed and other securities regulatory rules.

After the Company has repurchased its shares in accordance with the above provisions, the shares repurchased under the circumstance set out in item (1) shall be cancelled within 10 days from the date of repurchase; the shares repurchased under the circumstances set out in items (2) and (4) shall be transferred or cancelled within 6 months. The shares repurchased by the Company in accordance with items (3), (5) and (6) shall not exceed 10% of the total issued shares of the Company, and the repurchased shares shall be transferred or cancelled within 3 years.

Where relevant laws and regulations, normative documents and the securities regulatory rules of the place where the shares of the Company are listed provide otherwise in respect of the relevant matters involved in the aforementioned share repurchase, such provisions shall prevail, provided that they do not contravene the Company Law, the Securities Law, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed.

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Transfer of Shares

The shares of the Company may be transferred in accordance with the law. The transfer of H Shares listed in Hong Kong shall be registered with the local share registrar in Hong Kong appointed by the Company. All transfers of H Shares shall be effected by instruments of transfer in writing in an ordinary or usual form or in any other form acceptable to the board of directors (including the standard transfer form or form of transfer specified by the Hong Kong Stock Exchange from time to time). If the transferor or transferee of the Company’s shares is a recognized clearing house (the “**Recognized Clearing House**”) as defined in the relevant ordinances in force from time to time under Hong Kong laws, or its nominee, the written instrument of transfer may be signed by hand or in machine-imprinted format. All instruments of transfer must be kept at the legal address of the Company or such other place as the board of directors may specify from time to time.

The Company shall not accept its own shares as the subject of a pledge.

Shares issued prior to the public offering of shares by the Company shall not be transferred within one year from the date on which the shares of the Company are listed and traded on a stock exchange. The directors and senior management of the Company shall declare to the Company the shares of the Company held by them and any changes therein. During their term of office determined upon assumption of office, the shares transferred by them each year shall not exceed 25% of the total number of the Company’s shares held by them, and the shares of the Company held by them shall not be transferred within one year from the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within six months after leaving office. If the shares are pledged during the restricted period for transfer stipulated by laws and administrative regulations, the pledgee shall not exercise the pledge rights during such restricted period for transfer. Where the securities regulatory rules of the place where the shares of the Company are listed provide otherwise in respect of the transfer restrictions on overseas listed shares, such provisions shall prevail.

SHAREHOLDERS AND GENERAL MEETINGS

Shareholders

The Company shall establish a register of members in accordance with the Company Law, the securities regulatory rules of the place where the shares of the Company are listed, other relevant provisions and these Articles of Association. The register of members shall be sufficient evidence of the shareholders’ holding of the Company’s shares.

The Company shall maintain a complete register of members. The register of members shall comprise the following parts: (1) a register of members kept at the Company’s domicile, other than those provided under items (2) and (3) of this paragraph; (2) a register of H Share shareholders of the Company kept in the place where the overseas stock exchange on which the shares are listed is located; and (3) a register of members kept in such other places as the board of directors may decide necessary for the listing of the Company’s shares. Different parts of the register of members shall not overlap. No transfer of any shares registered in one part of the register of members shall, during the continuance of that registration, be registered in any other part of the register of members. The alteration or rectification of any part of the register of members shall be carried out in accordance with the laws of the place where such part of the register of members is maintained. The Company shall keep a copy of the register of H Share shareholders at its domicile; the appointed overseas agent shall always ensure the consistency between the original and the copy of the register of H Share shareholders. The register of members kept in Hong Kong shall be available for inspection by shareholders, but the Company may be permitted to suspend the registration of shareholders on terms equivalent to section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). In the event of any inconsistency between the original and the copy of the register of H Share shareholders, the original shall prevail.

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When the Company convenes a general meeting, distributes dividends, goes into liquidation or engages in other acts requiring the confirmation of the identity of shareholders, the board of directors or the convener of the general meeting shall determine a record date for shareholding. The shareholders whose names appear on the register of members after the close of trading on the record date shall be the shareholders entitled to the relevant rights and interests.

Shareholders of the Company shall enjoy the following rights:

- (1) to receive dividends and other forms of profit distribution in proportion to their shareholdings;
- (2) to request, convene, preside over, attend or appoint a proxy to attend general meetings in accordance with the law, and to exercise the corresponding rights to speak and vote (except where a shareholder is required to abstain from voting on relevant matters according to the provisions of the securities regulatory rules of the place where the shares of the Company are listed);
- (3) to supervise the business operations of the Company, and to make suggestions or inquiries;
- (4) to transfer, gift or pledge their shares in accordance with laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed, these Articles of Association and other relevant provisions;
- (5) to inspect these Articles of Association, the register of members, stubs of corporate bonds, minutes of general meetings, resolutions of board meetings, and financial accounting reports; shareholders individually or jointly holding 3% or more of the Company’s shares for 180 consecutive days or more may inspect the accounting books and accounting vouchers of the Company;
- (6) to participate in the distribution of the remaining assets of the Company in proportion to their shareholdings in the event of termination or liquidation of the Company;
- (7) to require the Company to repurchase their shares in the event of their objection to resolutions of the general meeting concerning merger or division of the Company;
- (8) other rights stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed or these Articles of Association.

Where a shareholder requests to inspect or copy relevant materials of the Company, such shareholder shall comply with the provisions of laws and administrative regulations such as the Company Law and the Hong Kong Listing Rules. Where a shareholder requests to inspect the accounting books and accounting vouchers of the Company, such shareholder shall make a written request to the Company stating the purpose. If the Company has reasonable grounds to believe that the shareholder’s inspection of the accounting books and accounting vouchers is for an improper purpose and may impair the legitimate interests of the Company, the Company may refuse to provide such inspection, and shall give a written reply to the shareholder stating the reasons within 15 days from the date on which the written request is made by the shareholder.

If the contents of a resolution of the general meeting or the board of directors of the Company violate laws or administrative regulations, the shareholders shall have the right to request the people’s court to declare it invalid.

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If the convening procedures or voting methods of a general meeting or a board meeting violate laws, administrative regulations or these Articles of Association, or the contents of a resolution violate these Articles of Association, the shareholders shall have the right to request the people’s court to revoke it within 60 days from the date the resolution is made. However, this shall not apply if the convening procedures or voting methods of the general meeting or the board meeting have only minor flaws that do not have a material impact on the resolution.

The shareholders of the Company shall assume the following obligations:

- (1) to comply with laws, administrative regulations and these Articles of Association;
- (2) to pay capital contribution in accordance with the shares subscribed for and the method of subscription;
- (3) not to withdraw their shares except in circumstances stipulated by laws and regulations;
- (4) not to abuse shareholder rights to damage the interests of the Company or other shareholders; and not to abuse the independent legal person status of the Company and the limited liability of shareholders to damage the interests of the creditors of the Company;
- (5) other obligations imposed by laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and these Articles of Association.

Where a shareholder of the Company abuses its shareholder rights and causes loss to the Company or other shareholders, it shall be liable for compensation in accordance with the law.

Where a shareholder of the Company abuses the independent legal person status of the Company and the limited liability of shareholders to evade debts, thereby seriously damaging the interests of the creditors of the Company, it shall bear joint and several liability for the debts of the Company.

Where a shareholder uses two or more companies under its control to carry out the acts specified in the preceding paragraph, each company shall bear joint and several liability for the debts of any of such companies.

Any shareholder holding 5% or more of the voting shares of the Company who pledges its shares shall submit a written report to the Company on the day such fact occurs.

The controlling shareholder (if any) and the actual controller (if any) of the Company shall not use their connected relationships to damage the interests of the Company. In the event of any violation of such provisions which causes loss to the Company, they shall be liable for compensation. The controlling shareholder (if any) and the actual controller (if any) of the Company owe fiduciary duties to the Company and other shareholders. The controlling shareholder (if any) shall strictly exercise the rights of a contributor in accordance with the law. The controlling shareholder (if any) shall not use methods such as profit distribution, asset restructuring, external investment, fund misappropriation and loan guarantee to damage the lawful rights and interests of the Company and other shareholders, nor shall it use its controlling position to damage the interests of the Company and other shareholders.

General Provisions of the General Meeting

The general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the law:

- (1) to elect and replace directors who are not employee representatives, and to decide on matters concerning the remuneration of the relevant directors;

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- (2) to consider and approve the reports of the board of directors;
- (3) to consider and approve the Company’s profit distribution plans and loss recovery plans;
- (4) to resolve on the increase or reduction of the registered capital of the Company;
- (5) to resolve on the issue or repurchase of corporate bonds, any equity-linked interests or other debt financing instruments of the Company;
- (6) to resolve on the merger, division, dissolution, liquidation or change of corporate form of the Company;
- (7) to amend these Articles of Association;
- (8) to resolve on the engagement, dismissal or non-reappointment of accounting firms of the Company, and to determine their remuneration;
- (9) to consider and approve the guarantee matters stipulated in Article 42 of these Articles of Association;
- (10) to consider matters regarding the purchase or disposal of material assets by the Company within one year exceeding 30% of the latest audited total assets of the Company;
- (11) to consider and approve matters regarding the change in the use of raised funds;
- (12) to consider equity incentive schemes and employee shareholding schemes;
- (13) to consider the proposals of shareholders individually or jointly holding 1% or more of the voting shares of the Company;
- (14) to consider and approve transactions between the Company and connected persons that meet the criteria stipulated in the Hong Kong Listing Rules requiring approval by the general meeting;
- (15) to consider other matters that shall be determined by the general meeting as stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed or these Articles of Association.

The aforementioned functions and powers of the general meeting shall not be delegated to the board of directors or other bodies and individuals to exercise on its behalf by way of authorization; however, the general meeting of the Company may authorize the board of directors to resolve on the issue of corporate bonds.

The following external guarantee acts of the Company shall be subject to consideration and approval by the general meeting:

- (1) any guarantee provided after the total amount of external guarantees provided by the Company and its holding subsidiaries exceeds 50% of the latest audited net assets;
- (2) any guarantee provided after the total amount of external guarantees provided by the Company exceeds 30% of the latest audited total assets;
- (3) guarantees provided by the Company within one year with an amount exceeding 30% of the Company’s latest audited total assets;

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- (4) guarantees provided for guaranteed parties with an asset-liability ratio exceeding 70%;
- (5) a single guarantee with an amount exceeding 10% of the latest audited net assets;
- (6) guarantees provided to shareholders, actual controllers and their connected persons;
- (7) other external guarantee matters that shall be considered by the general meeting as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and these Articles of Association.

Unless otherwise stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed, the external guarantee consideration procedures stipulated in the preceding paragraph shall not apply to guarantees provided by the Company for its subsidiaries, by the subsidiaries for the Company, and among the subsidiaries.

The Company shall convene an extraordinary general meeting within 2 months from the date of occurrence of any of the following circumstances:

- (1) the number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number specified in these Articles of Association;
- (2) the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital;
- (3) upon request by shareholders individually or jointly holding 10% or more of the shares of the Company;
- (4) when deemed necessary by the board of directors;
- (5) when proposed by the audit committee;
- (6) other circumstances stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed or these Articles of Association.

If the extraordinary general meeting is convened in response to the provisions of the securities regulatory rules of the place where the shares of the Company are listed, the actual convening date of the extraordinary general meeting may be adjusted according to the approval progress of the stock exchange of the place where the shares of the Company are listed.

Convening of the General Meeting

General meetings shall be convened by the board of directors in accordance with the law. With the consent of more than half of all independent non-executive directors, the independent non-executive directors have the right to propose to the board of directors to convene an extraordinary general meeting. In response to the proposal of the independent non-executive directors to convene an extraordinary general meeting, the board of directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and these Articles of Association, give a written feedback on whether it agrees or disagrees to convene the extraordinary general meeting within 10 days after receiving the proposal. If the board of directors agrees to convene the extraordinary general meeting, it shall issue a notice convening the general meeting within 5 days after the resolution of the board of directors is made; if the board of directors disagrees to convene the extraordinary general meeting, it shall explain the reasons.

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The audit committee has the right to propose to the board of directors to convene an extraordinary general meeting, and shall submit its proposal to the board of directors in writing. The board of directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and these Articles of Association, give a written feedback on whether it agrees or disagrees to convene the extraordinary general meeting within 10 days after receiving the proposal. If the board of directors agrees to convene the extraordinary general meeting, it shall issue a notice convening the general meeting within 5 days after the resolution of the board of directors is made. Any changes to the original proposal in the notice shall be subject to the consent of the audit committee. If the board of directors disagrees to convene the extraordinary general meeting, or fails to give feedback within 10 days after receiving the proposal, it shall be deemed that the board of directors is unable to or fails to perform its duty of convening the general meeting, and the audit committee may convene and preside over the meeting on its own.

Shareholders individually or jointly holding 10% or more of the shares of the Company have the right to request the board of directors to convene an extraordinary general meeting, and shall submit their request to the board of directors in writing. Such written request shall state the topics of the meeting and provide complete proposals. The board of directors shall, in accordance with the provisions of laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and these Articles of Association, give a written feedback on whether it agrees or disagrees to convene the extraordinary general meeting within 10 days after receiving the request. If the board of directors agrees to convene the extraordinary general meeting, it shall issue a notice convening the general meeting within 5 days after the resolution of the board of directors is made. Any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. Where laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the shares of the Company are listed provide otherwise, such provisions shall prevail. If the board of directors disagrees to convene the extraordinary general meeting, or fails to give feedback within 10 days after receiving the request, shareholders individually or jointly holding 10% or more of the shares of the Company have the right to propose to the audit committee to convene an extraordinary general meeting, and shall submit their request to the audit committee in writing. The audit committee shall, in accordance with the provisions of laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and these Articles of Association, give a written feedback on whether it agrees or disagrees to convene the extraordinary general meeting within 10 days after receiving the request. If the audit committee agrees to convene the extraordinary general meeting, it shall issue a notice convening the general meeting within 5 days after the resolution of the audit committee is made. Any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. If the audit committee disagrees to convene the extraordinary general meeting, or fails to give a written feedback within 10 days after receiving the request, shareholders individually or jointly holding 10% or more of the shares of the Company for 90 consecutive days or more may convene and preside over the meeting on their own.

Proposals and Notices of General Meetings

When the Company convenes a general meeting, the board of directors, the audit committee, and shareholder(s) individually or jointly holding 1% or more of the shares of the Company shall have the right to submit proposals to the Company. Subject to the provisions of the Hong Kong Listing Rules, shareholder(s) individually or jointly holding 1% or more of the shares of the Company may submit ad hoc proposals in writing to the convener 10 days before the convening of the general meeting. The convener shall issue a supplemental notice of the general meeting within 2 days after receiving the proposal to announce the content of the ad hoc proposal, except where the ad hoc proposal fails to comply with the provisions of Article 52 of these Articles of Association. Regarding the publication of the supplemental notice of the general meeting, if the securities regulatory rules of the place where the shares of the Company are listed have special provisions, such provisions shall prevail, provided that they do not violate the Company Law and the Securities Law. If, according to the provisions of the securities regulatory rules of the place where the shares of the Company are listed, the general meeting needs to be postponed due to the publication of the supplemental notice of the general meeting, the convening of the general meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed. Except for the circumstances stipulated in the

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preceding paragraph, laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed, the convener shall not amend the proposals already listed in the notice of the general meeting or add new proposals after issuing the notice of the general meeting. The general meeting shall not vote and make resolutions on proposals that are not listed in the notice of the general meeting or do not comply with these Articles of Association.

The convener shall notify all shareholders at least 21 days before the convening of an annual general meeting, and at least 15 days before the convening of an extraordinary general meeting. Where laws, regulations and the securities regulatory authorities of the place where the shares of the Company are listed provide otherwise, such provisions shall prevail. When calculating the starting period, the Company shall not include the date on which the meeting is convened.

The notice of a general meeting shall be made in writing and shall include the following contents:

- (1) the time, venue and duration of the meeting;
- (2) the matters and proposals submitted to the meeting for consideration;
- (3) a prominent statement indicating that: all shareholders are entitled to attend the general meeting and may appoint a proxy in writing to attend the meeting and vote on their behalf, and that such shareholder proxy need not be a shareholder of the Company;
- (4) the record date of shareholding for shareholders entitled to attend the general meeting;
- (5) the name and telephone number of the permanent contact person for meeting affairs;
- (6) the voting time and voting procedures for network or other voting methods (if any);
- (7) the time and place for the delivery of the proxy form for voting at the meeting;
- (8) other requirements stipulated by laws, regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and these Articles of Association.

Convening of General Meetings

All shareholders whose names appear on the register of members on the record date of shareholding, or their proxies, are entitled to attend the general meeting and exercise their right to speak and vote in accordance with relevant laws, regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and these Articles of Association. A shareholder may attend the general meeting in person, or may appoint a proxy to attend, speak and vote on his/her behalf.

If an individual shareholder attends the meeting in person, he/she shall present his/her identity card or other valid documents or proof capable of establishing his/her identity, and shareholding proof; if a proxy is appointed to attend the meeting, the proxy shall also present his/her own valid identity document and the shareholder's power of attorney.

A corporate shareholder or other institutional shareholder shall be represented at the meeting by its legal representative or a proxy appointed by its legal representative (person in charge)/managing partner. If the legal representative (person in charge)/managing partner attends the meeting, he/she shall present his/her identity card and valid proof capable of proving his/her qualification as a legal representative; if a proxy is appointed to attend the meeting, the proxy shall present his/her identity card and the written power of attorney legally issued by the legal representative (person in charge)/managing partner of the corporate shareholder. This shall not apply where the shareholder is a Recognized Clearing House (or its nominee) as defined in the relevant ordinances enacted from time to time in Hong Kong.

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If the shareholder is a Recognized Clearing House (or its nominee) as defined in the relevant ordinances enacted from time to time in Hong Kong, such shareholder may authorize one or more persons as it thinks fit to act as its proxy or representative at any general meeting (and/or creditors' meeting); however, if more than one person is so authorized, the power of attorney or authorization document shall specify the number and class of shares in respect of which each such person is so authorized, and the power of attorney or authorization document shall be signed by an authorized person of the Recognized Clearing House. The person(s) so authorized may attend the meeting on behalf of the Recognized Clearing House (or its nominee) (without presenting shareholding proof, notarized authorization and/or further evidence to prove their due authorization), speak at the meeting and exercise rights, as if such person(s) were an individual shareholder of the Company. These authorized persons shall enjoy statutory rights equivalent to those enjoyed by other shareholders, including the right to speak and vote.

The general meeting shall be presided over by the chairman of the board of directors. If the chairman of the board of directors is unable or fails to perform his/her duties, a director jointly recommended by more than half of the directors shall preside over the meeting. A general meeting convened by the audit committee on its own shall be presided over by the convener/chairman of the audit committee. If the convener/chairman of the audit committee is unable or fails to perform his/her duties, an audit committee member jointly recommended by more than half of the audit committee members shall preside over the meeting. A general meeting convened by the shareholders on their own shall be presided over by a representative recommended by the conveners. When a general meeting is convened, if the chairman of the meeting violates the rules of procedure such that the general meeting cannot proceed, the general meeting may, with the consent of shareholders holding more than half of the voting rights present at the general meeting in person, via network or by other means, recommend one person to act as the chairman of the meeting to continue the meeting.

Voting and Resolutions of the General Meeting

Resolutions of the general meeting are divided into ordinary resolutions and special resolutions. An ordinary resolution made by the general meeting shall be passed by more than half of the voting rights held by the shareholders (including their proxies) present at the general meeting. A special resolution made by the general meeting shall be passed by more than two-thirds of the voting rights held by the shareholders (including their proxies) present at the general meeting.

The following matters shall be passed by an ordinary resolution at a general meeting:

- (1) work report of the board of directors;
- (2) profit distribution plans and plans for making up losses formulated by the board of directors;
- (3) appointment and removal of members of the board of directors (the removal of any director before the expiration of his/her term of office, provided that such removal does not affect any claim for damages raised by such director pursuant to any contract), the amount and method of payment of their remuneration;
- (4) issue or repurchase of corporate bonds, any equity interests or other debt financing instruments;
- (5) annual report of the Company;
- (6) resolutions on the engagement, dismissal or non-reappointment of accounting firms, or the remuneration of accounting firms;
- (7) other matters other than those required by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or these Articles of Association to be passed by a special resolution.

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The following matters shall be passed by a special resolution at a general meeting:

- (1) increase or reduction of the registered capital of the Company;
- (2) division, spin-off, merger, dissolution, liquidation and change of corporate form of the Company;
- (3) amendments to these Articles of Association;
- (4) equity incentive plans;
- (5) purchases or sales of material assets or provisions of guarantees by the Company within one year with an amount exceeding 30% of the latest audited total assets of the Company;

Other matters stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or these Articles of Association, as well as matters deemed by the general meeting by way of an ordinary resolution to have a material impact on the Company and require to be passed by a special resolution.

When the general meeting considers matters relating to connected transactions, connected shareholders shall not participate in the voting, and the number of voting shares represented by them shall not be counted in the total number of valid votes; the announcement of the resolutions of the general meeting shall fully disclose the voting results of the non-connected persons.

Before the general meeting considers matters relating to connected transactions, the Company shall determine the scope of connected shareholders in accordance with applicable laws, administrative regulations, departmental rules, normative documents and the Hong Kong Listing Rules. Connected shareholders or their authorized representatives may attend the general meeting, and may clarify their views to the attending shareholders in accordance with the procedures of the general meeting, but shall abstain from voting when a vote is taken. When the general meeting considers matters relating to connected transactions, connected shareholders shall proactively abstain from voting. If the connected shareholders fail to proactively abstain from voting, other shareholders attending the meeting have the right to request them to abstain from voting. After the connected shareholders abstain, the other shareholders shall vote according to the voting rights held by them, and pass corresponding resolutions in accordance with the provisions of these Articles of Association; the chairman of the meeting shall announce the number of shareholders and proxies physically present at the meeting excluding the connected shareholders, and the total number of voting shares held by them.

Resolutions made by the general meeting on matters relating to connected transactions shall be passed by more than half of the voting rights held by the non-connected shareholders present at the general meeting. However, when such connected transaction involves matters required by these Articles of Association to be passed by a special resolution, the resolution of the general meeting shall be passed by more than two-thirds of the voting rights held by the non-connected shareholders present at the general meeting. If a connected shareholder or his/her/its associate(s) participates in voting in violation of the provisions of this Article, such votes on the matters relating to the relevant connected transactions shall be invalid.

BOARD OF DIRECTORS

Directors

Directors of the Company shall be natural persons. A person may not serve as a director of the Company if any of the following circumstances apply:

- (1) a person without or with limited capacity for civil conduct;

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- (2) a person who has been sentenced to criminal punishment for corruption, bribery, infringement of property, misappropriation of property or sabotaging the socialist market economic order, where less than five years have elapsed since the completion of the sentence; or a person who has been deprived of his/her political rights for committing a crime, where less than 5 years have elapsed since the completion of the sentence; or in the case that such person has been put on probation, where less than 2 years have elapsed since the expiration of the probation period;
- (3) a person who served as a director, factory manager or manager of a company or enterprise which was bankrupt and liquidated, and was personally liable for the bankruptcy of such company or enterprise, where less than 3 years have elapsed since the completion of the bankruptcy and liquidation of such company or enterprise;
- (4) a person who served as the legal representative of a company or enterprise whose business license was revoked and was ordered to close down due to violation of law, and was personally liable therefor, where less than 3 years have elapsed since the revocation of the business license and the order to close down of such company or enterprise;
- (5) a person who has a relatively large amount of personal debts due and outstanding and has been listed as a dishonest judgment debtor by the people's court;
- (6) a person who has been subjected to an action banning him/her from the securities market by a securities regulatory authority, where the period of such action has not yet expired;
- (7) other circumstances stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules or departmental rules of the place where the Company's shares are listed under which a person cannot act as a director of the Company.

Any election, appointment or engagement of directors in violation of the provisions of this Article shall be invalid. If any of the circumstances listed in the first paragraph of this Article occurs to a director during his/her term of office, the Company shall remove him/her from office.

Directors shall abide by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association, and shall owe the following fiduciary duties to the Company:

- (1) not to abuse their powers to accept bribes or other illegal income, and not to misappropriate the Company's property;
- (2) not to misappropriate the Company's funds;
- (3) not to open accounts in his/her own name or in the name of any other individual for the deposit of the Company's assets or funds;
- (4) not to violate the provisions of these Articles of Association by lending the Company's funds to others or providing guarantees for others with the Company's assets without the consent of the general meeting or the board of directors;
- (5) not to accept commissions from transactions involving the Company and appropriate them to his/her own;
- (6) not to disclose confidential information of the Company without authorization;
- (7) not to use his/her connected relationship to harm the interests of the Company;

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- (8) other fiduciary duties stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, and these Articles of Association.

Income generated by a director in violation of the provisions of this Article shall belong to the Company; if a loss is caused to the Company, such director shall be liable for compensation.

Directors shall abide by laws, administrative regulations, and these Articles of Association, and shall owe the following duties of diligence to the Company:

- (1) to exercise the rights conferred by the Company prudently, carefully, and diligently to ensure that the commercial activities of the Company comply with the requirements of national laws, administrative regulations, and various national economic policies, and that its commercial activities do not exceed the business scope specified in the business license;
- (2) to treat all shareholders equally;
- (3) to keep abreast of the business operation and management status of the Company in a timely manner;
- (4) to sign written confirmation opinions on the regular reports of the Company, and to ensure that the information disclosed by the Company is true, accurate, and complete;
- (5) to truthfully provide relevant circumstances and information to the audit committee, and not to hinder the audit committee or members of the audit committee from exercising their functions and powers;
- (6) other duties of diligence stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, and these Articles of Association.

Board of Directors

The Company shall have a board of directors, which is accountable to the general meeting. The board of directors shall consist of 9 directors. The directors of the Company are divided into executive directors, non-executive directors, and independent non-executive directors, among which there are 3 independent non-executive directors.

The board of directors shall exercise the following functions and powers:

- (1) to convene general meetings and report its work to the general meetings;
- (2) to implement the resolutions of the general meetings;
- (3) to decide on the Company's business plans and investment proposals;
- (4) to formulate the Company's profit distribution plans and plans for making up losses;
- (5) to formulate plans for increasing or reducing the registered capital of the Company, the issuance of bonds or other securities, and listing;
- (6) to formulate plans for merger, division, dissolution or change of corporate form of the Company;

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- (7) within the scope authorized by the general meeting, to decide on matters such as external investments, acquisitions or sales of assets, asset pledges, provisions of guarantees to entities other than subsidiaries, entrusted wealth management, connected (related) transactions, and external donations of the Company;
- (8) to decide on the establishment of the Company's internal management structure;
- (9) to decide on the appointment or dismissal of the general manager of the Company and his/her remuneration matters, and decide on the appointment or dismissal of other senior management of the Company, their remuneration, and reward and punishment matters based on the nominations of the general manager;
- (10) to formulate the basic management system of the Company;
- (11) to formulate proposals for amendments to these Articles of Association;
- (12) to propose to the general meeting the engagement or replacement of the accounting firm that audits the Company;
- (13) to listen to the work reports of the general manager of the Company and inspect the work of the general manager;
- (14) other functions and powers granted by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed or these Articles of Association.

The board of directors of the Company establishes the audit, nomination, remuneration and strategy special committees. The special committees shall be accountable to the board of directors and shall perform their duties in accordance with these Articles of Association and the authorization of the board of directors; their proposals shall be submitted to the board of directors for consideration and decision. All members of each special committee shall be directors, and the specific composition and qualification requirements shall refer to laws, administrative regulations, departmental rules, and the regulatory rules of the place where the Company's shares are listed. The board of directors is responsible for formulating the working rules of the special committees to regulate the operations of the special committees.

The board of directors shall have one chairman. The chairman shall be elected by more than half of all directors at the board meeting.

The chairman of the board of directors shall exercise the following functions and powers:

- (1) to preside over general meetings and convene and preside over board meetings;
- (2) to supervise and inspect the implementation of resolutions of the board of directors;
- (3) to exercise the functions and powers of the legal representative;
- (4) other functions and powers granted by the board of directors or laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed.

Under any of the following circumstances, the chairman of the board of directors shall convene and preside over an extraordinary meeting of the board of directors within 10 days from requisition:

- (1) when such meeting is requested by shareholders representing more than one-tenth of the voting rights;

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- (2) when such meeting is jointly requested by more than one-third of the directors;
- (3) when such meeting is requested by the audit committee;
- (4) when such meeting is deemed necessary by the chairman of the board of directors;
- (5) other circumstances stipulated in these Articles of Association.

A board meeting shall be held only if more than half of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. The voting on resolutions of the board of directors shall be on a one-person-one-vote basis. When the dissenting votes and affirmative votes are equal, the chairman of the board of directors shall have a casting vote.

Special Committees of the Board of Directors

The board of directors of the Company establishes an audit committee to exercise the functions and powers of the supervisory committee as stipulated in the Company Law. The audit committee shall consist of 3 members, all of whom shall be non-executive directors, and at least 2 of whom shall be independent non-executive directors. The convener/chairman shall be an independent non-executive director who is a professional possessing appropriate professional qualifications or appropriate accounting or related financial management expertise as stipulated by the securities regulatory rules of the place where the Company's shares are listed.

The audit committee is responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work and internal control. The following matters shall be submitted to the board of directors for consideration after being approved by more than half of all members of the audit committee:

- (1) disclosure of financial accounting reports and financial information and internal control evaluation reports in periodic reports;
- (2) engagement or dismissal of the accounting firm undertaking the Company's audit business;
- (3) appointment or dismissal of the person in charge of finance of the Company;
- (4) changes in accounting policies and accounting estimates or corrections of material accounting errors made for reasons other than changes in accounting standards;
- (5) other matters stipulated by laws, administrative regulations, the provisions of the CSRC, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.

The audit committee shall hold at least one meeting every quarter. An extraordinary meeting may be convened when proposed by two or more members, or when deemed necessary by the convener/chairman. A meeting of the audit committee shall be held only if more than two-thirds of its members are present. Resolutions of the audit committee shall be passed by more than half of the members of the audit committee. The voting on resolutions of the audit committee shall be on a one-person-one-vote basis.

The nomination committee is responsible for formulating the selection criteria and procedures for directors and senior management, selecting and reviewing candidates for directors and senior management and their qualifications, and making recommendations to the board of directors on the following matters:

- (1) nomination or appointment and removal of directors;
- (2) appointment or dismissal of senior management;

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- (3) other matters stipulated by laws, administrative regulations, the provisions of the CSRC, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.

If the board of directors fails to adopt or fully adopt the recommendations of the nomination committee, it shall record the opinions of the nomination committee and the specific reasons for not adopting them in the resolutions of the board of directors, and make disclosures accordingly.

The remuneration and evaluation committee is responsible for formulating the assessment standards for directors and senior management and conducting assessments, formulating and reviewing the remuneration policies and plans for directors and senior management, and making recommendations to the board of directors on the following matters:

- (1) remuneration of directors and senior management;
- (2) formulation or alteration of equity incentive plans and employee share ownership plans, the grant of rights and interests to grantees, and the fulfillment of conditions for the grantees to exercise rights and interests;
- (3) arrangements for shareholding plans of directors and senior management in subsidiaries proposed to be spun off;
- (4) other matters stipulated by laws, administrative regulations, the provisions of the CSRC, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.

Senior Management

The Company shall have one general manager, several deputy general managers, and one person in charge of finance, who shall be appointed or dismissed by the board of directors. The Company may decide to appoint other senior management according to the actual needs of its business development.

The general manager shall serve a term of three years per session and may serve consecutive terms if re-appointed by the board of directors. The term of office of the general manager shall commence from the date of approval of his/her appointment by the resolution of the board of directors until the expiration of the term of office of the current session of the board of directors.

The general manager shall be accountable to the board of directors and shall exercise the following functions and powers:

- (1) presiding over the production, operation and management of the Company, organizing the implementation of the resolutions of the board of directors, and reporting his/her work to the board of directors;
- (2) organizing the implementation of the Company's annual business plans and investment plans;
- (3) drafting plans for the establishment of the Company's internal management structure;
- (4) drafting the basic management system of the Company;
- (5) formulating the specific rules and regulations of the Company;
- (6) proposing to the board of directors the appointment or dismissal of other senior management of the Company;

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- (7) deciding on the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the board of directors;
- (8) drafting the wage, welfare, and reward and punishment systems for the Company's employees, and deciding on the engagement and dismissal of the Company's employees;
- (9) considering and approving the purchase and disposal of fixed assets within the scope authorized by the board of directors;
- (10) considering and approving investment matters within the scope authorized by the board of directors;
- (11) deciding on operating loans of the Company and its subsidiaries;
- (12) other functions and powers granted by these Articles of Association or the board of directors.

The general manager shall attend board meetings without voting rights.

If the senior management violate laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the provisions of these Articles of Association when performing their duties for the Company, causing losses to the Company, they shall be liable for compensation.

FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDIT

Financial and Accounting Systems

The Company shall prepare its annual financial and accounting report within four months from the end of each financial year, and prepare its interim financial and accounting report within two months from the end of the first half of each financial year. The aforesaid financial and accounting reports shall be prepared and disclosed in accordance with the provisions of relevant laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed.

When the Company distributes its after-tax profits for the current year, it shall allocate 10% of the profits to the statutory reserve fund of the Company. Where the accumulated amount of the statutory reserve fund of the Company reaches 50% or more of its registered capital, no further allocation is required. If the statutory reserve fund of the Company is insufficient to make up for the losses of previous years, the profits of the current year shall be used to make up for such losses before the allocation to the statutory reserve fund in accordance with the preceding paragraph. After making allocations to the statutory reserve fund from its after-tax profits, the Company may, subject to a resolution of the general meeting, make allocations to the discretionary reserve fund from its after-tax profits. The remaining after-tax profits after the Company makes up for its losses and makes allocations to its reserve funds shall be distributed in proportion to the shares held by the shareholders, unless otherwise provided by laws, regulations, the regulatory rules of the place where the Company's securities are listed or these Articles of Association which stipulate that the distribution shall not be made in proportion to the shareholdings. If the Company distributes profits to the shareholders in violation of the aforementioned provisions of this Article, the shareholders shall return the profits distributed in violation of the provisions to the Company; if losses are caused to the Company, the shareholders and the responsible directors and senior management shall be liable for compensation. The shares of the Company held by itself shall not participate in profit distribution.

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The reserve funds of the Company shall be used to make up for its losses, expand its production and operation, or be converted to increase the capital of the Company. When reserve funds are used to make up for the Company's losses, the discretionary reserve fund and the statutory reserve fund shall be used first; if they are still insufficient, the capital reserve fund may be used in accordance with the provisions. When the statutory reserve fund is converted into registered capital, the retained amount of such reserve fund shall not be less than 25% of the registered capital of the Company prior to such conversion.

Engagement of Accounting Firms

The Company shall engage independent accounting firms that comply with laws, regulations, the Hong Kong Listing Rules and other laws and regulations, as well as other regulatory provisions of the place where the Company's shares are listed, to conduct accounting statement audits, net asset verifications and other relevant consulting services. The term of engagement shall be one year and is subject to renewal. The engagement or dismissal of an accounting firm by the Company shall be decided by the general meeting, and the board of directors shall not appoint an accounting firm before a decision is made by the general meeting.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Capital Reduction

The merger of the Company may take the form of merger by absorption or merger by new establishment. A company absorbing other company(ies) constitutes a merger by absorption, and the absorbed company is dissolved. Two or more companies merging to establish a new company constitutes a merger by new establishment, and the parties to the merger are dissolved.

In the event of a merger of the Company, the parties to the merger shall enter into a merger agreement, and prepare a balance sheet and an inventory of property. The Company shall notify its creditors within 10 days from the date of the resolution on the merger, and shall publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. A creditor has the right within 30 days from receiving the notice, or, in the case of a creditor who does not receive such notice, within 45 days from the date of the announcement, to require the Company to repay its debts or to provide a corresponding guarantee.

Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and an inventory of property. The Company shall notify its creditors within 10 days from the date of the resolution of the general meeting on the reduction of registered capital, and shall publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. A creditor has the right within 30 days from receiving the notice, or, in the case of a creditor who does not receive such notice, within 45 days from the date of the announcement, to require the Company to repay its debts or to provide a corresponding guarantee. The Company is not required to reduce its shares correspondingly in proportion to the capital contributions or shares held by the shareholders. When the Company reduces its registered capital, it shall reduce its shares correspondingly in accordance with the capital reduction plan resolved at the general meeting, unless otherwise provided by laws or stipulated in these Articles of Association.

Where the merger or division of the Company involves changes in registered items, such changes shall be registered with the company registration authority in accordance with the law; if the Company is dissolved, it shall be de-registered in accordance with the law; if a new company is established, its establishment shall be registered in accordance with the law. Where the Company increases or reduces its registered capital, it shall register the changes with the company registration authority in accordance with the law.

APPENDIX V

SUMMARY OF ARTICLES OF ASSOCIATION

Dissolution and Liquidation

The Company shall be dissolved under any of the following circumstances:

- (1) the term of its business operation stipulated in these Articles of Association has expired or other events of dissolution stipulated in these Articles of Association have occurred;
- (2) the general meeting resolves to dissolve the Company;
- (3) dissolution is necessary due to a merger or division of the Company;
- (4) its business license is revoked, or it is ordered to close down or is canceled in accordance with the law;
- (5) the Company experiences serious difficulties in its operation and management, and its continued existence will cause material losses to the interests of the shareholders, and such difficulties cannot be resolved through other means, in which case shareholders holding more than 10% of all shareholders’ voting rights of the Company may petition the people’s court to dissolve the Company.

If any of the circumstances of dissolution stipulated in the preceding paragraph occurs to the Company, it shall publicize the reason for dissolution through the National Enterprise Credit Information Publicity System within 10 days.

If the Company falls under the circumstances set out in items (1) and (2) of Article 148 of these Articles of Association, and has not yet distributed its property to the shareholders, it may continue to exist by amending these Articles of Association or passing a resolution at the general meeting. The amendment to these Articles of Association or the resolution of the general meeting in accordance with the preceding paragraph shall be passed by more than two-thirds of the voting rights held by the shareholders present at the general meeting.

Where the Company is dissolved pursuant to items (1), (2), (4) and (5) of Article 148 of these Articles of Association, it shall be liquidated. The directors, being the obligors for liquidation of the Company, shall form a liquidation committee to conduct liquidation within 15 days from the date of the occurrence of the event of dissolution. The liquidation committee shall be composed of directors, unless otherwise provided by these Articles of Association or other persons elected by a resolution of the general meeting. If the obligors for liquidation fail to perform their liquidation obligations in a timely manner, causing losses to the Company or the creditors, they shall be liable for compensation.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend its Articles of Association under any of the following circumstances:

- (1) after the amendment of the Company Law or relevant laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company’s shares are listed, the matters stipulated in the Articles of Association conflict with the provisions of the amended laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company’s shares are listed;
- (2) changes have occurred to the Company’s situation, which are inconsistent with the matters recorded in the Articles of Association;
- (3) the general meeting decides to amend the Articles of Association.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

FURTHER INFORMATION ABOUT OUR COMPANY

Establishment of our Company

Our Company was established as a sino-foreign equity joint venture with limited liability under the laws of the PRC on May 13, 2010, and was converted into a joint stock limited company under the laws of the PRC on April 30, 2026. Our Company’s registered office is located at Jinping Avenue, Chengdong Subdistrict, Wenling City, Taizhou City, Zhejiang Province, PRC.

Our Company has established a place of business in Hong Kong at 16th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong, and [has] been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance. Ms. Lam Wing Chi (林穎芝) has been appointed as our authorized representative for acceptance of service of process and notices in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

Changes in the Share Capital of our Company

Save as disclosed in “History, Development and Corporate Structure,” there has been no alteration in the share capital of our Company within two years immediately preceding the date of this document.

Changes in the Share Capital of Our Subsidiaries

Details of our subsidiaries are set out in “History, Development and Corporate Structure — Our Subsidiaries” and Note 14 to the Accountants’ Report as set out in Appendix I to this document.

Save as disclosed below, there has been no alteration in the registered capital of our subsidiaries within two years immediately preceding the date of this document.

GZK Shanghai

On May 29, 2026, the registered share capital of GZK Shanghai decreased from RMB470,000,000 to RMB40,000,000.

GLB Ningbo

On August 7, 2025, the registered share capital of GLB Ningbo increased from RMB40,000,000 to RMB150,000,000.

Resolutions of the Shareholders

Written resolutions of our Shareholders were passed on June 3, 2026, pursuant to which, among others:

- (a) the [REDACTED] by our Company of H Shares with a nominal value of RMB1.00 each and such H Shares being [REDACTED] on the Stock Exchange;
- (b) that the number of H Shares to be [REDACTED] shall not be more than [REDACTED]% of the total issued share capital of our Company as enlarged by the [REDACTED] (without taking into account of any H Shares which may be [REDACTED] upon the exercise of the [REDACTED]), and the grant of the [REDACTED] in respect of not more than [REDACTED]% of the number of H Shares initially available under the [REDACTED];
- (c) that subject to the CSRC’s approval, upon completion of the [REDACTED], [REDACTED] Unlisted Shares in aggregate held by [REDACTED] Shareholders will be converted into H Shares on a one-for-one basis;

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

- (d) subject to the completion of the [REDACTED], the conditional adoption of the Articles of Association which shall become effective on the [REDACTED], and authorization to our Board and its authorized individual(s) to amend the Articles of Association to the extent necessary in accordance with laws, regulations and regulatory rules and requirements from relevant government bodies or regulatory authorities and for the purpose of the [REDACTED]; and
- (e) authorization of our Board or its authorized individual(s) to handle all matters relating, among other things, to the [REDACTED], the [REDACTED] and the [REDACTED] of H Shares on the Stock Exchange.

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contract

We [have] entered into the following contract[s] (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this document that is or may be material:

- (a) the [REDACTED].

Intellectual Property Rights

Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we considered to be material to our business:

No.	Trademark	Registration number	Registered owner	Place of registration	Class	Expiry date
1. . . .		25428888	Our Company	PRC	7, 9, 12	September 27, 2031
2. . . .		25426761	Our Company	PRC	7	December 20, 2030
3. . . .		307160238	Our Company	Hong Kong	12	January 13, 2036
4. . . .		75199809A	GZQ	PRC	9	June 13, 2034
5. . . .		75199809	GZQ	PRC	9	June 13, 2035

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Patents

As of the Latest Practicable Date, we had registered the following patents which we considered to be material to our business:

No.	Patent name	Patent holder	Patent number	Place of registration	Patent type	Authorization date
1. . .	IGBT power modules (IGBT功率模塊)	GZK	202311528142.0	PRC	Invention	February 7, 2025
2. . .	Six-pole 54-slot flat copper wire motor three-branch balanced winding and use method thereof (六極五十四槽扁銅線電機三支路平衡繞組及其使用方法)	GZK	202211135810.9	PRC	Invention	October 17, 2025
3. . .	Electric drive assembly with a vertical discrete power device inverter (帶有立式功率單管逆變器的電驅動總成裝置)	GZK	202210912832.5	PRC	Invention	April 5, 2024
4. . .	A control method and system for permanent magnet synchronous motor (一種永磁同步電機的控制方法及系統)	GZK	201610843826.3	PRC	Invention	June 28, 2019
5. . .	Oil-cooled electric drive system, control method for oil-cooled electric drive system, vehicle and medium (油冷電驅系統、油冷電驅系統的控制方法、車輛及介質)	GZD	202411063082.4	PRC	Invention	March 25, 2025

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Copyrights

As of the Latest Practicable Date, we did not have any copyrights which we considered to be material to our business.

Domain Names

As of the Latest Practicable Date, we had registered the following internet domain name which we considered to be material to our business:

No.	Domain name	Owner	Expiry date
1.	glbpower.com	GZK Shanghai	October 30, 2027

FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Particulars of Directors’ Service Contracts

We [have] entered into a service contract or a letter of appointment with each of our Directors in respect of, among others, (i) term of service, (ii) termination, (iii) compliance with the relevant laws and regulations and (iv) observance of the Articles of Association. The service contracts and letters of appointment may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of our Directors has or is proposed to have a service contract with any member of our Group.

Remuneration of Directors

For details of the remuneration of Directors, see “Directors and Senior Management — Remuneration” and Note 8 to the Accountants’ Report as set out in Appendix I to this document.

Disclosure of Interests

Interests of our Directors and Chief Executive of our Company

Save as disclosed below, immediately following the completion of the [REDACTED] (assuming no exercise of the [REDACTED]) and the conversion of the Unlisted Shares into H Shares, so far as our Directors are aware, none of our Directors or chief executive of our Company will have any interest and/or short position (as applicable) in the Shares, underlying Shares or debentures of our Company or our associated corporation (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules to be notified to our Company and the Stock Exchange, once the H Shares are [REDACTED] on the Stock Exchange.

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Name	Position	Nature of interest	Number and description of Shares held	Approximate percentage of shareholding in the relevant type of Shares ⁽¹⁾	Approximate percentage of shareholding in the total share capital of our Company ⁽¹⁾
Mr. Guan Bo	Executive Director, chairperson of our Board and general manager	Interest in controlled corporation ⁽²⁾	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]
Mr. Pan Shunbo .	Executive Director, deputy general manager and chief financial officer	Interest in controlled corporation ⁽³⁾	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Yin Hao . . .	Executive Director and deputy general manager	Interest in controlled corporation ⁽⁴⁾	[REDACTED]	[REDACTED]	[REDACTED]

- (1) The calculation is based on the total number of [REDACTED] Shares in issue upon [REDACTED] comprising (i) [REDACTED] Unlisted Shares, (ii) an aggregate of [REDACTED] H Shares to be converted from the Unlisted Shares and (iii) [REDACTED] H Shares to be [REDACTED] pursuant to the [REDACTED] (without taking into account the H Shares which may be [REDACTED] upon the exercise of the [REDACTED]).
- (2) As of the Latest Practicable Date, Boheng Co. was held as to approximately 99.00% by Mr. Guan Bo, and Mr. Guan Bo was the general partner of Bozhida and Bozhikong No. 1. As a result, Mr. Guan Bo is deemed to be interested in the 15,500,000 Shares held by Boheng Co., 5,320,045 Shares held by Bozhikong No. 1 and 867,470 Shares held by Bozhida under the SFO.
- (3) As of the Latest Practicable Date, Mr. Pan Shunbo directly held approximately 11.57% of limited partnership interests, and indirectly held approximately 24.15% of limited partnership interests through Bozhishun, of which he acted as the general partner, in Bozhikong No. 1. As a result, Mr. Pan Shunbo is deemed to be interested in the 5,320,045 Shares held by Bozhikong No. 1 under the SFO.
- (4) As of the Latest Practicable Date, Mr. Yin Hao directly held approximately 13.82% of limited partnership interests, and indirectly held approximately 26.28% of limited partnership interests through Bozhihao, of which he acted as the general partner, in Bozhikong No. 1, and held approximately 37.13% of limited partnership interests in Bozhida. As a result, Mr. Yin Hao is deemed to be interested in the 5,320,045 Shares held by Bozhikong No. 1 and 867,470 Shares held by Bozhida under the SFO.

Interests of substantial Shareholders

Save as disclosed in “Substantial Shareholders” in this document, our Directors are not aware of any other person (other than our Directors or chief executive of our Company) who will, immediately following the completion of the [REDACTED] (assuming no exercise of the [REDACTED]) and the conversion of the Unlisted Shares into H Shares, have an interest and/or short position in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group.

Agency Fees or [REDACTED] Received

The [REDACTED] will receive an [REDACTED] in connection with the [REDACTED]. See “[REDACTED] — [REDACTED] Arrangements and Expenses — [REDACTED] and Expenses.” Save in connection with the [REDACTED], no [REDACTED], discounts, brokerages or other special terms have been granted by our Group to any person (including our Directors, promoters and experts referred to in “— Other Information — Qualifications of Experts” below) in connection with the issue or sale of any capital or security of our Company or any member of our Group within the two years immediately preceding the date of this document.

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STATUTORY AND GENERAL INFORMATION

Within the two years immediately preceding the date of this document, no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company.

Disclaimers

- (a) None of our Directors nor any of the experts referred to in “Qualifications of Experts” below has any direct or indirect interest in the promotion of, or in any assets which have been, within two years immediately preceding the date of this document, acquired or disposed of by, or leased to, any member of our Group, or are proposed to be acquired or disposed of by, or leased to, any member of our Group.
- (b) Save in connection with the [REDACTED], none of our Directors nor any of the experts referred to “Qualifications of Experts” below is (i) materially interested in any contract or arrangement subsisting at the date of this document which is interested legally or beneficially in any shares in any member of our Group; or (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group; and
- (c) Save as disclosed otherwise in this document, none of our Directors or their respective close associates or the Shareholders who to the knowledge of our Directors are interested in more than 5% of our issued share capital has any interest in our top five customers or suppliers during the Track Record Period.

OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

Litigation

As of the Latest Practicable Date, no member of our Group was involved in any litigation, arbitration, administrative proceedings or claims of material importance, and so far as our Directors are aware, no litigation, arbitration, administrative proceedings or claims of material importance are pending or threatened against any member of our Group.

Sole Sponsor

As of the Latest Practicable Date, the Sole Sponsor satisfies the independence criteria applicable to sponsor set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor will receive an aggregate fee of US\$500,000 to act as a sponsor to our Company in connection with the [REDACTED].

CICC Renault, one of the Pre-[REDACTED] Investors, had a 2.00% shareholding interest in the Company as of June 2, 2026 and is expected to hold [REDACTED]% of the total issued shares of the Company immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised). The general partner of CICC Renault is CICC Private Equity Investment Management Co., Ltd. (中金私募股權投資管理有限公司) (“CICC PE”), a subsidiary of China International Capital Corporation Limited (“CICC”). CICC is a company listed on the Stock Exchange (stock code: 3908) and Shanghai Stock Exchange (stock code: 601995) and the holding company of China International Capital Corporation Hong Kong Securities Limited (“CICCHKS”), our Sole Sponsor and one of our [REDACTED]. For further details, see “History, Development and Corporate Structure — Pre-[REDACTED] Investments — Information about our Pre-[REDACTED] Investors” in this document. Accordingly, CICC Renault, CICC PE, CICC and CICCHKS are members of the sponsor group of CICCHKS for the purpose of Rule 3A.01(9) of the Listing Rules. As the shareholding of CICC Renault in the Company is below the threshold prescribed under Rule 3A.07(1), the independence of CICCHKS as a sponsor under Rule 3A.07 of the Listing Rules would not be affected.

Preliminary Expense

Our Company did not incur any material preliminary expense.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

Promoters

The promoters of our Company are all then shareholders of our Company as of April 30, 2026 before our conversion into a joint stock company with limited liability. Within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the [REDACTED] or the related transactions described in this document.

Qualifications of Experts

The qualifications of the experts who have given opinions or advice in this document are as follows:

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	A corporation licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
KPMG	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Jia Yuan Law Offices	PRC Legal Advisor
China Insights Industry Consultancy Limited	Independent Industry Consultant

Consents of Experts

Each of the experts referred to in “Qualification of Experts” above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its reports, letters or opinions (as the case may be) and the references to its name included herein in the form and context in which they are included.

Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate charged on each of the seller and purchaser is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further information in relation to taxation, see “Appendix III — Taxation and Foreign Exchange.”

Binding Effect

This document shall have the effect, if any application is made pursuant hereto, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance as far as applicable.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by Section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

- (a) save as disclosed in “History, Development and Corporate Structure,” and “— Changes in the Share Capital of Our Subsidiaries” above, within the two years immediately preceding the date of this document, no share or loan capital or debenture of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partially paid other than in cash or otherwise;
- (b) no share or loan capital of our Company or any of its subsidiary is under option or is agreed conditionally or unconditionally to be put under option;
- (c) our Company or any of its subsidiary has not issued nor agreed to issue any founder or management or deferred shares;
- (d) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;
- (e) there are no arrangements under which future dividends are waived or agreed to be waived;
- (f) there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business;
- (g) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the 12 months preceding the date of this document;
- (h) no part of the equity or debt securities of our Company, if any, is currently [REDACTED] on or [REDACTED] in on any stock exchange or trading system, and no such [REDACTED] or permission to [REDACTED] in on any stock exchange other than the Stock Exchange is being or is proposed to be sought;
- (i) our Company has no outstanding convertible debt securities or debentures;
- (j) our Company is a joint stock limited company and is subject to the PRC Company Law; and
- (k) the English text of this document shall prevail over its respective Chinese text.

APPENDIX VII

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

1. the written consents referred to in “Appendix VI — Statutory and General Information — Other Information — Consents of Experts”; and
2. a copy of each of the material contract[s] referred to in “Appendix VI — Statutory and General Information — Further Information about our Business — Summary of Material Contract.”

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at www.hkexnews.hk and our website at www.glbpower.com, for a period of 14 days from the date of this document:

1. the Articles of Association;
2. the Accountants’ Report from KPMG, the text of which is set out in “Appendix I”;
3. the audited consolidated financial statements of our Company for [the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026];
4. the report from KPMG on the unaudited [REDACTED] financial information of our Group, the text of which is set out in “Appendix II”;
5. the material contract[s] referred to in “Appendix VI — Statutory and General Information — Further Information about Our Business — Summary of Material Contract”;
6. the written consents referred to in “Appendix VI — Statutory and General Information — Other Information — Consents of Experts”;
7. the service contracts referred to in “Appendix VI — Statutory and General Information — Further Information about our Directors and Substantial Shareholders — Particulars of Directors’ Service Contracts”;
8. the PRC legal opinion issued by Jia Yuan Law Offices, the PRC Legal Advisor, in respect of, among other things, the general corporate matters and property interests of our Group under PRC law;
9. the industry report issued by China Insights Industry Consultancy Limited, the summary of which is set forth in the section headed “Industry Overview”; and
10. the PRC Company Law, the PRC Securities Law, the Trial Measures and Guidelines for Articles of Association of Listed Companies issued by the CSRC, together with their unofficial English translations.