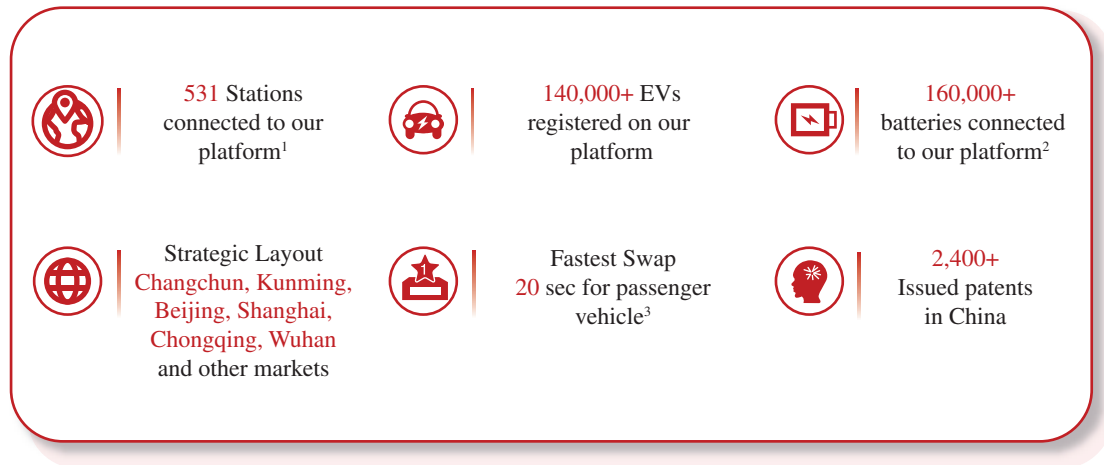


BUSINESS

OVERVIEW

We are an established participant in China’s battery-swapping industry, with a comprehensive suite of products and services across the battery-swapping ecosystem. Our solutions address the market needs of battery-swapping compatible EVs. In particular, we develop and sell battery-swapping modules to support the launch of battery-swapping-compatible EV models, and develop and sell battery-swapping stations to support the deployment of battery-swapping infrastructure. We also provide battery-swapping services for battery-swapping-compatible EVs through our operational services for battery-swapping station owners and through operating our own stations.

China’s battery-swapping industry is mainly served by EV manufacturers and independent third-party battery-swapping solution providers. While EV manufacturers typically develop and operate battery-swapping systems around their own vehicle platforms, technical standards and customer base, independent third-party battery-swapping solution providers provide products and services to different EV brands and models across the ecosystem. According to CIC, in 2025, we ranked third in China in terms of revenue generated from battery-swapping station operation services. Through our self-developed smart energy service platform, we efficiently manage battery-swapping equipment, vehicles and batteries, which enables us to better serve the user needs.



Notes:

- * The number of patents up to the Latest Practical Date, with other data up to April 30, 2026.
- (1) As of April 30, 2026, 531 battery-swapping stations had been connected to our smart energy service platform, including 214 self-owned stations, 79 stations that engages our battery-swapping operational services, and 238 stations that engages our platform services. For details, see “— Our Battery-swapping Solutions.”
 - (2) Batteries connected to our platform comprise batteries owned by us for operating our self-owned stations, as well as customer batteries that circulate within our swapping system and are managed by us.
 - (3) Calculated based on the battery-swapping time for passenger vehicles. Battery-swapping time refers to the duration between the initiation of the swapping process and the completion of the battery replacement, excluding the time required for vehicle parking and departure from the station.

BUSINESS

The battery-swapping solution is gaining prominence in the energy replenishment industry. For EV drivers, it eliminates long charging waits, liberating them from lengthy waiting time and enabling them to enhance productivity. According to CIC, battery swapping generally takes under ten minutes, whereas battery charging can range from around 15 minutes to 10 hours. Furthermore, the flexibility to charge batteries during off-peak hours helps ease the pressure on the power grid, as batteries are charged when demand is low, and then used during peak times. This feature allows battery-swapping stations to function as energy storage facilities, broadening their potential application. Given these advantages, the battery-swapping solution received strong governmental support, with both national and local policies encouraging the construction of battery-swapping infrastructure and promoting their widespread adoption, which has fueled the rapid growth of both the industry and our business. According to CIC, we have achieved a series of milestones:

- We ranked third in China in terms of revenue generated from battery-swapping station operation services in 2025.
- Our battery-swapping platform served 531 stations, with over 140 thousand registered EVs and tracked over 160 thousand batteries as of April 30, 2026.
- We completed the fastest battery swap for passenger vehicles in China, with a swap time as quick as 20 seconds.
- We had the most issued patents among independent third-party battery-swapping providers, with over 2,400 issued patents. Our key technology is the buckle-on-chassis (底盤卡扣式) battery-swapping solution.

We are committed to offering versatile battery-swapping solutions for a broad range of vehicle types, including passenger vehicles, mini vans, and light to heavy trucks. Our solutions are compatible with multiple EV models from different EV OEMs, addressing diverse swapping needs across brands and categories.

The rapid expansion of China’s BEV market and its corresponding energy-replenishment demand has created a strong foundation for the development of battery-swapping solutions. According to CIC, China’s BEV sales volume increased from 1.1 million units in 2020 to 8.6 million units in 2025, at a CAGR of 50.1%. While both charging and swapping serve as the primary replenishment methods for EVs, battery swapping, despite its later roll-out, has rapidly gained traction due to its efficiency and convenience. According to CIC, the market size of China’s battery-swapping industry increased from RMB1.5 billion in 2020 to RMB18.5 billion in 2025, at a CAGR of 64.5%. The development of the battery-swapping market is also propelled by a set of broader industry drivers. As China’s EV adoption continues to deepen, particularly in high-usage mobility scenarios, demand for faster and more predictable energy-replenishment solutions is becoming more pronounced. In parallel, increasing automation in swapping technology is evolving alongside advancements in intelligent self-driving EVs, making automated swapping well suited for commercial fleets and other self-driving applications. In addition, declining battery costs and ongoing improvements in swapping-station design are gradually enhancing operating economics, strengthening the commercial viability of battery-swapping services over time.

BUSINESS

Our Battery-swapping Solutions

We are committed to developing a comprehensive, technology-driven battery-swapping solution that supports energy replenishment for EVs across diverse use scenarios. We began by operating our own battery-swapping stations and have since progressively expanded our business to include the sale of battery-swapping equipment and the provision of operational services. During the Track Record Period, our revenue was primarily generated from the following businesses:

- ***Battery-Swapping Operational Solutions.*** We provide battery-swapping operational solutions, primarily including the following:
 - ***Sales of Equipment.*** Our battery-swapping equipment products primarily comprised battery-swapping stations and battery-swapping modules. We sell battery-swapping stations to customers that operate or plan to operate battery-swapping businesses, such as local urban investment companies, energy investment companies, transportation enterprises, grid companies and other customers. In addition, we supply battery-swapping modules to EV OEMs and battery manufacturers for their production of battery-swapping packs. During the Track Record Period, our revenue from equipment sales amounted to RMB519.2 million, RMB268.0 million, RMB150.1 million and RMB82.8 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, accounting for 44.9%, 28.9%, 22.2% and 35.2% of our total revenue for the respective periods.
 - ***Battery-Swapping Operational Services.*** Leveraging our proprietary smart energy service platform, we provide professional operational services for battery-swapping stations, including but not limited to daily operation management, maintenance, customer service support and/or platform services. During the Track Record Period, our revenue from battery-swapping operational services amounted to RMB86.9 million, RMB84.7 million, RMB66.7 million and RMB20.2 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, accounting for 7.5%, 9.1%, 9.9% and 8.6% of our total revenue in each respective period.
 - ***Others.*** During the Track Record Period, we also generated miscellaneous revenue, primarily including those from mold sales and battery usage.
- ***Battery-swapping Services through Self-owned Stations.*** We operate our own battery-swapping stations and generate revenue by providing battery-swapping services for drivers and their vehicles. During the Track Record Period, our revenue from the provision of battery-swapping services amounted to RMB528.6 million, RMB546.8 million, RMB435.5 million and RMB127.2 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, accounting for 45.8%, 59.0%, 64.3% and 54.1% of our total revenue in each respective period.

Our Value Propositions

The development of the battery-swapping industry is inseparable from robust government support, which spans urban planning, transportation infrastructure, and new energy initiatives. This backing has laid a solid foundation for the creation of an integrated battery-swapping ecosystem. As a key driving force in this ecosystem, we not only align with these initiatives but also offer compelling value propositions to all stakeholders involved, ensuring sustainable and efficient industry growth:

- ***Value Propositions to Drivers.*** Our ultra-fast battery-swapping alleviates peak-time charging congestion and reduces energy replenishment time, thereby easing range anxiety for drivers, particularly the time required for those operational passenger vehicles. We also offer flexible pricing models designed to meet the diverse needs of different vehicle owners. For instance, the mileage-based pricing model provides notable cost savings for drivers with high auxiliary service demands, such as frequent use of air conditioning and in-car entertainment systems.

BUSINESS

- ***Value Propositions to Mobility Platform Companies.*** Compared to battery charging solutions, our battery-swapping solutions increase fleet uptime and profitability, therefore enhancing lifecycle returns for both fleet operators and drivers. We are also actively advancing collaborations with more taxi fleets and ride-hailing operators, as our battery-swapping solutions are expected to play a crucial role in boosting the operational efficiency and profitability of their services.
- ***Value Propositions to Battery-Swapping Partners.*** We actively collaborate with partners who possess significant resource advantages by offering them battery-swapping stations and related operational and platform services. Our partners are primarily energy resource companies, as well as local state-owned enterprises. We offer our partners flexible and accessible entry paths into the battery-swapping industry. In addition to manufacturing, supplying, and installing battery-swapping stations, we provide tailored operational support based on the partner’s needs. This enables us to fully leverage both our partners’ resource advantages and our technological and operational strengths for optimal outcomes.
- ***Value Propositions to EV OEMs.*** The development of battery-swapping EV models offers EV OEMs a competitive differentiation that can boost vehicle sales, enhance driver experience, and improve brand recognition. We provide customized battery-swapping modules to assist OEMs in developing battery-swapping models. In addition, the BaaS model lowers the purchase threshold for EV consumers, stimulates vehicle sales, and lowers the long-term battery maintenance and warranty costs for EV OEMs. We believe that introducing battery-swapping EV models to taxi and ride-hailing platforms will help drive sales of these models and further increase the acceptance of the battery-swapping model.
- ***Value Propositions to the Battery Industry.*** In the charging model, batteries remain with the vehicles, leading to decentralized battery assets, which complicates battery resource management and utilization. The battery-swapping model separates the battery from the vehicle, allowing for centralized battery charging, allocation, and management. This approach reduces the risk of battery combustion and enhances both the safety and efficiency of battery usage. Furthermore, in the battery-swapping model, batteries are more easily repurposed for secondary use, maximizing their lifecycle before retirement, thereby creating a new value chain within the battery-swapping industry.
- ***Value Propositions to the Power Grid.*** With the widespread adoption of EVs, the power grid faces increased pressure and significant fluctuations in electricity power load. The bilateral interaction between vehicles, battery-swapping stations, and the grid is a crucial pathway for alleviating power grid stress and developing a new distributed energy system. We believe that battery-swapping stations, through distributed energy storage, can serve as a bridge for energy interaction between vehicles and the grid. This interaction is essential for promoting grid supply-demand balance and enhancing the efficiency of the overall power system.

Battery-swapping stations not only provide green energy replenishment services for vehicles but can also help the power grid balance its energy supply by efficiently storing excess energy during off-peak times and easing the power supply burden of the grid during the peak times, contributing to overall grid stability. We believe that as the value of battery-swapping services becomes increasingly evident, more partners, including battery-swapping partners, mobility platform companies, drivers, EV OEMs, battery industry stakeholders, and the power grid, will join the battery-swapping ecosystem, collectively supporting the transformation of the national energy structure.

BUSINESS

OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths have contributed to our success and differentiated us from our competitors, and will continue to sustain our established market presence:

Advanced battery-swapping technologies supporting rapid battery swaps and scalable, reliable solution offerings

We ranked third in China in terms of revenue generated from battery-swapping station operation services in 2025. As one of the front-runners in China’s battery-swapping industry, we consistently drive industrial development by creating an open and shared battery-swapping ecosystem. According to CIC, we hold the following leading positions among independent third-party battery-swapping solution providers:

- ***Fastest battery-swaps.*** We offer the fastest battery-swapping services in China in terms of the battery-swapping time per swap. Our unique buckle-on-chassis technology enables battery swaps to be completed in as fast as 20 seconds for passenger vehicles, 30 seconds for light trucks, and 40 seconds for heavy trucks, setting the benchmark in the battery-swapping industry. Battery-swapping-compatible vehicles used in operational and commercial scenarios generally demonstrate higher usage intensity and more time-sensitive energy replenishment needs than private vehicles. According to CIC, the average swapping frequency was 14.0 times per week for operational passenger vehicles, 5.5 times per week for light trucks and 9.0 times per week for heavy-duty trucks, compared with approximately 1.5 times per week for private vehicles. As a result, the time saved by each battery swap can be amplified through repeated daily or weekly use, making fast and reliable battery swapping particularly valuable for application scenarios where vehicle uptime and operating efficiency directly affect fleet economics.
- ***Large registered vehicle Base.*** According to CIC, the average number of registered vehicles of independent third-party battery-swapping platforms in China was approximately 75 thousand vehicles as of December 31, 2025. Our platform has over 140,000 registered vehicles as of April 30, 2026.
- ***Most extensive patent portfolio among independent third-party battery-swapping solution providers.*** As of the Latest Practicable Date, we had over 2,400 issued patents in China. Our patent portfolio comprehensively covers the key aspects in the battery-swapping service process, encompassing buckle locking mechanism, electrical connections, battery-swapping frames, unlocking mechanisms, and battery-swapping equipment, showcasing our deep technical expertise.

Integrated capabilities across key links of the battery-swapping ecosystem, from EV model enablement and station deployment to battery-swapping services

We are an energy replenishment solution provider to introduce an integrated business model that connects vehicles, battery-swapping stations, and batteries.

For vehicles, we have established extensive partnerships with major EV OEMs, and collaborated with them to develop various battery-swappable EV models that applies to different application scenarios. According to CIC, our battery-swapping services have covered most mainstream EV brands in China’s battery-swapping operational vehicle market in 2024. Our battery-swapping solutions are currently applied primarily to operational passenger vehicles, such as taxis. We are progressively extending our applications to commercial vehicles, including minivans, light trucks and heavy-duty trucks.

BUSINESS

For battery-swapping stations, we have developed a comprehensive product matrix of battery-swapping stations. Focused on battery-swapping for passenger vehicles, we have continuously iterated and upgraded our stations to optimize technology and expand application scenarios, introducing features such as faster battery-swapping capabilities, flexible battery cabinet configurations, adaptable station capacity and multi-scenario deployment capabilities to meet various user needs. Our latest station in operation have significantly enhanced efficiency, enabling ultra-fast battery swaps in as short as 20 seconds, and feature flexible battery cabinets up to 60 battery slots per station. Additionally, we have improved the cost efficiency of our stations, allowing for greater flexibility in capacity, footprint, cost, and access channels to better align with our partners’ diverse preferences. Moreover, we have been developing battery-swapping stations for commercial vehicles, covering minivans, light trucks, and heavy trucks, further expanding our battery-swapping application scenarios.

For batteries, we provide safe and efficient battery operation and maintenance services. Through intelligent inspections, data analysis, and manual maintenance, our battery-swapping services ensure the safety of electric vehicles, achieving comprehensive lifecycle management.

Through our smart energy service platform, we digitalize the connection and management of EVs, battery-swapping stations and batteries. As of April 30, 2026, 531 battery-swapping stations were connected to our platform. As of the same date, over 140,000 EVs and over 160,000 batteries had been registered and connected to our platform. Our platform provides comprehensive digital management capabilities for battery-swapping services, including station operation monitoring, asset management, equipment maintenance and safety control, as well as the timely collection and analysis of key operating data, supporting more efficient and reliable service operations.

Cutting-edge and evolving technologies empowering continuous technology development

We place a high priority on the R&D of battery-swapping technology, continually iterating and upgrading our battery-swapping stations. Due to our relentless efforts in technological advancement, our battery-swapping stations have achieved unparalleled rates of battery swapping, reaching as fast as 20 seconds for passenger vehicles, 30 seconds for light trucks, and 40 seconds for heavy trucks. Moreover, our battery-swapping stations are designed with modular, skid-mounted components that are easy to upgrade, quick to install, highly mobile, and safe. As of the Latest Practicable Date, we had over 2,400 issued patents, demonstrating our technological capabilities in the battery-swapping industry. Our patents extend from battery-swapping technology for passenger vehicles to commercial vehicles, and further to battery packs, energy storage and safety, as well as digitalization and intelligent systems, creating a comprehensive technological barrier.

We are a key contributor to industry standards, committed to promoting the standardization and sharing of battery-swapping technologies across the industry. We actively promote our buckle-on-chassis battery-swapping technology solutions across both passenger and commercial vehicles. As of the Latest Practicable Date, we had participated in the formulation of 82 published battery-swapping standards, including 16 national standards, seven local standards, 28 industry standards, and 31 alliance standards. We have been a primary contributor in the formulation of important industry and national standards in collaboration with organizations such as the China Automotive Technology & Research Center (中國汽車技術研究中心), the China Electricity Council (中國電力企業聯合會), and the China Energy Research Society (中國能源研究會), covering areas like commercial vehicles and battery packs.

We have received numerous prestigious awards and certifications domestically and internationally. These include being recognized as a National High-Tech Enterprise (國家高新技術企業), winning the 2019 China Automotive Industry Science and Technology Progress Award (中國汽車工業科學技術進步獎), being named the Specialized, Refined, Distinctive and Innovative “Small Giant” Enterprise (“專精特新”小巨人企業) by the Ministry of Industry and Information Technology in 2022, and the National Intellectual Property Advantageous Enterprise (國家知識產權優勢企業) in 2022. We have also received numerous honors within Guangdong Province,

BUSINESS

including our battery-swapping products being recognized as China’s Excellent Innovative Product in the Automotive Supply Chain in 2022, we being named as the Specialized, Refined, Distinctive and Innovative “Small Giant” Enterprise of Guangdong Province, the Innovative SME of Guangdong Province, the Famous Innovative Product Enterprise of Guangdong Province in 2021. We have also been recognized as a Global Unicorn Enterprise for four consecutive years, and received the world’s first CE certification for an EV battery-swapping system.

Commitment to promoting high-quality ESG practices in the EV industry

We are committed practitioners of ESG principles. We are committed to providing battery-swapping solutions for EV drivers, promoting green transportation, and reducing air pollution caused by traditional fuel vehicles. Integrating ESG into our core corporate philosophy, we are actively developing a carbon credit methodology based on our battery-swapping solutions, accelerating the EV industry’s upgrade by transitioning energy replenishment from fuel to electricity, promoting the use of clean and renewable energy, and achieving further carbon reduction. We are also committed to maximizing the value of batteries through the exploration of cascade utilization, extending their lifespan. We have implemented a series of ESG governance measures. For instance, our battery-swapping solution leverages specialized battery maintenance services to ensure safety and minimize waste. We aim to accelerate the EV industry’s transition from traditional fuel vehicles to electric vehicles through optimized solutions and technology. Although EV markets are rapidly developing in China, efficient energy replenishment remains a bottleneck for the industry. We are committed to addressing these challenges and driving widespread adoption of electric vehicles.

Resilient, determined, and visionary founders and professional team with strategic shareholder structure

We are led by resilient, determined, and visionary founders who, over a decade ago, recognized the market potential of the EV and battery-swapping industries, and have since actively driven the development of battery-swapping technology. Our co-founders, Mr. Dongqing CAI, Mr. Jianping ZHANG, and Ms. Ye YANG, together with our executive team, have extensive industry experience in technology development, operations and business management, which has supported our business development, operational management, strategic planning and talent recruitment. In addition, our shareholder base includes state-owned entities and strategic investors from the automotive industry. Such shareholders may provide industry resources, operational experience and potential business collaboration opportunities that may support our future business development.

OUR STRATEGIES

Advancing battery-swapping stations towards automation and digitalization

We are committed to promoting our battery-swapping solutions while continuing to upgrade and iterate on existing technologies. We are developing fully automated battery-swapping technologies, with the goal of achieving rapid, fully automated battery swapping that seamlessly integrates with vehicles, stations, and the power grid, thereby reducing labor costs and boosting operational efficiency.

We will strengthen our capabilities in data analysis and algorithm precision to enhance station operation efficiency. By leveraging data accumulation and improving our data analysis and decision-making capabilities, we aim to further enhance the user service experience.

BUSINESS

Developing and Promoting the adoption of battery-swapping solutions for commercial vehicles

We plan to rapidly expand the adoption of battery-swapping solutions for commercial vehicles. Our battery-swapping model, initially established for passenger vehicles, is highly replicable and easily adaptable to commercial vehicles. Commercial vehicles benefit from high battery compatibility and standardization, making battery-swapping an easier and more practical solution to implement and promote. Heavy trucks, in particular, have stable travel routes, high energy consumption, and large battery capacities, driving significant demand for battery-swapping solutions. We will focus on standardizing battery-swapping solutions for heavy trucks and accelerating their real-world application.

According to CIC, the sales volume of battery-swapping commercial vehicles in China is expected to increase from 62 thousand units in 2025 to 246 thousand units in 2030, at a CAGR of 31.9%. Battery-swapping heavy-duty trucks are anticipated to be a key driver of this market expansion. The sales volume of battery-swapping heavy-duty trucks alone is expected to increase from 61 thousand units in 2025 to 206 thousand units by 2030, at a CAGR of 27.7%. We are exploring the commercial vehicle market, in particular that with concentrated fleet demand, such as long-haul routes originating from ports, terminals and mining areas, and to develop battery-swapping solutions that are suitable for such applications.

Expanding global market and developing global partnerships

Currently, the battery-swapping market is primarily concentrated in China, while overseas markets remain at an early stage of development and are expected to experience expansion and evolution. We plan to seize the opportunity presented by the global proliferation of new energy vehicles by continuing to expand our international business footprint, accelerating our globalization efforts, and enhancing global competitiveness and our brand recognition. We are gradually exploring overseas market opportunities, particularly in regions with strong potential for the development of EV markets. We are currently exploring market opportunities in Southeast Asia and Latin America, and had initiated station sales and in negotiation with local customers for further collaboration.

We also intend to strengthen our strategic relationships with existing partners, overseas clients, and international EV OEMs. Furthermore, we will seek to collaborate with strategic partners that possess industrial and resource advantages in international markets to expand our battery-swapping station business overseas. Our global expansion will allow us to better serve international clients and establish ourselves as a globally renowned brand.

Accelerating the Expansion of China’s Battery-Swapping Ecosystem into Broader Application Scenarios

We believe that the rapid development of China’s new energy infrastructure presents sufficient opportunities for battery-swapping to develop into one of the mainstream energy replenishment solutions. As an established third-party battery-swapping solution provider in China, we are committed to promoting the efficient operation and green development of the battery-swapping ecosystem. We intend to further develop V2S2G and other vehicle-station-grid interaction technologies to enhance the utilization of battery-swapping stations as distributed energy resources and to help mitigate grid pressure associated with rising EV replenishment needs. In addition, we will explore upgrades to automation hardware to support real-time interaction with power grids.

We will actively seek investment opportunities in high-quality targets that offer significant synergies with our business and demonstrate strong financial performance. This strategy underscores our efforts to continuously iterate and improve our battery-swapping solutions, with the goal of becoming a global smart energy service platform.

BUSINESS

OUR BATTERY-SWAPPING STATIONS AND TECHNOLOGIES

We have established a comprehensive matrix of battery-swapping stations, covering a diverse range of vehicle types, functionalities, and application scenarios. During the Track Record Period, our battery-swapping stations primarily served the passenger vehicles, such as taxi fleets. We have also been developing battery-swapping stations for commercial vehicles, including minivans, light trucks, and heavy trucks, providing an integrated battery-swapping solution. As of April 30, 2026, we had completed upgrades at nine self-owned stations, which now support the battery swapping of both passenger vehicles and minivans. Furthermore, we have developed battery-swapping technology for both light and heavy trucks and are actively working with automotive OEMs to develop compatible EV models. As part of our strategy, we aim to expand our portfolio of battery-swapping stations to cater to these types of vehicles, providing a broader application scope for our services.



Battery-swapping stations for passenger vehicles and minivans



Battery-swapping stations for light trucks and heavy trucks

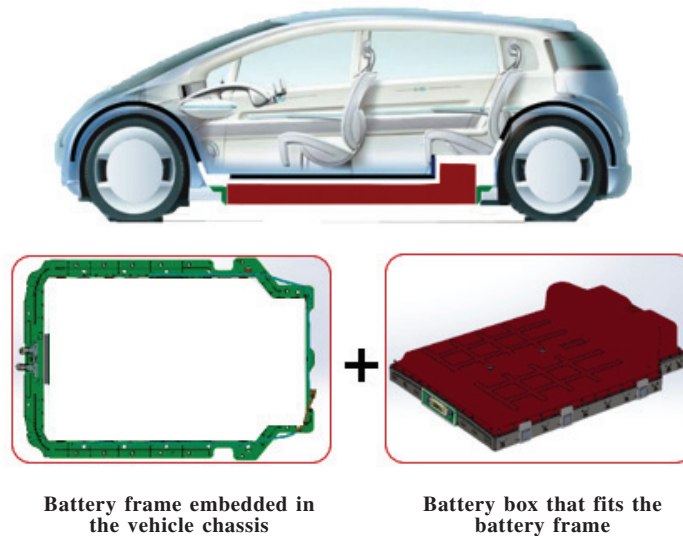
Since the inception of our battery-swapping business, the battery-swapping stations we designed and manufactured have undergone a series of upgrades and iterations: (i) we upgraded the design of battery-swapping stations from fixed structures to mobile ones. Most of the stations we now operate are mobile, allowing us to dynamically adjust their locations based on layout planning, market demand, operational performance, and other site-related factors, offering flexibility and convenience; (ii) we have continuously enhanced our battery-swapping technology, enabling ultra-fast swaps for passenger vehicles in as short as 20 seconds and accommodating up to 60 battery slots per station; (iii) we improved the cost efficiency of the battery-swapping stations, providing greater flexibility in capacity, footprint, cost, and access channels to better align with the diverse preferences of our partners. We are further exploring and expanding the functionalities of our battery-swapping solutions, aiming to integrate battery swapping, energy supply and charging capabilities. The upgrade also includes the installation of our V2S2G model, facilitating bidirectional energy supply and consumption between EVs and stations, as well as between stations and the grid.

BUSINESS

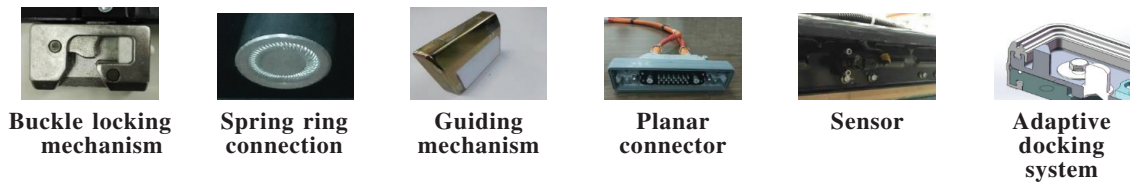
Battery-Swapping Technologies

We developed chassis battery swapping technology and buckle-on-chassis battery swapping technology, which improve battery-swapping speed and extends the lifespan of the battery-swapping modules, while also ensuring the necessary safety of the battery-swapping process.

Main Structural Design for Battery-Swapping Modules



Core Components of Battery-Swapping Modules



Our buckle-on-chassis battery swapping technology incorporates three key features: (i) buckle locking mechanism; (ii) planar connectors; and (iii) adaptive docking system.

- ***Buckle Locking Mechanism Enhancing Battery-Swapping Speed.*** Unlike the standard bolt-on mechanism that uses bolts to secure and support the battery pack, our buckle locking mechanism simplifies the battery installation and removal process by utilizing multiple strategically placed buckles. These buckles securely fasten the battery pack, evenly distributing the load and ensuring a firm hold throughout its use. Its versatility makes it universally applicable across a wide range of vehicles, from passenger vehicles to commercial vehicles, such as minivans, light trucks, heavy trucks, and buses. Moreover, this mechanism significantly enhances battery-swapping speed, achieving swapping speeds of 20 seconds for passenger vehicles and minivans, 30 seconds for light trucks, and 40 seconds for heavy trucks. These unparalleled efficiencies set a benchmark in the global battery-swapping industry, reinforcing our technological leadership and market competitiveness.

BUSINESS

- ***Planar Connectors Extending the Usage Lifespan.*** Our connectors feature a press-fit planar design, incorporating spring rings on the high-voltage wires. This design, with added conductive springs, increases contact points and the contact area, thereby enhancing stability. The planar design reduces wear from plugging and unplugging, effectively extending the connector’s lifespan.
- ***Adaptive Docking System Enhancing Compatibility of our Battery-Swapping Equipment.*** Our adaptive docking system enables the battery-swapping equipment to dynamically adjust and align with different EV models during the swapping process. This system allows the equipment to adapt its angle and positioning to fit various vehicle designs, reducing potential damage and enhancing durability.

In addition to our key battery-swapping technologies, we have developed technologies related to the construction of battery-swapping stations, such as skid-mounted installation and containerized installation methods, making our battery-swapping stations easy to transport, efficient to construct, and readily deployable.

Smart Energy Service Platform

Leveraging our digital capabilities, we have developed a smart energy service platform that supports the efficient operation and management of our battery-swapping stations and related assets. Our platform enables centralized monitoring, scheduling and asset management across stations, improving the overall efficiency, transparency and reliability of our battery-swapping services.

Our smart energy service platform is built on a multi-layer architecture comprising an IoT layer, a data processing layer and a user interaction layer. The IoT layer connects data from battery-swapping stations, including registered drivers, EVs, stations, batteries, on-site devices and station staff, and serves as the foundational interface of our platform.

Based on this foundation, the data processing layer collects, records and analyzes information obtained from station operations. Through tracking key operational indicators, it enables real-time monitoring of equipment and operational status, provides alerts regarding abnormal conditions, and supports resource allocation, thereby facilitating data-driven and automated management of station operations.

Our platform also supports multiple user interaction applications, including mobile apps, mini-programs and web portals, which are designed for different usage scenarios, such as drivers using swapping services, battery-swapping station operators managing station operations, and our own internal management needs.

Our smart energy service platform is designed to cover three main business scenarios: driver interface, station operations, and equipment management.

- ***Driver Interface.*** This scenario covers the entire process of drivers using our battery-swapping services encompassing initial registration, station locating, navigating battery-swapping stations, performing battery swaps, payment processing, and account management. This comprehensive interface ensures a seamless and user-friendly experience for our end-users.
- ***Station Operations.*** Battery-swapping station operations primarily include managing network connectivity, guiding drivers through the battery-swapping process, performing battery swaps, conducting safety inspections, and maintaining equipment. It also encompasses spare parts management and staff training, ensuring high operational standards and safety.

BUSINESS

- **Equipment Management.** This scenario involves the oversight and maintenance of all technical and safety equipment used in the battery-swapping process. It includes the management of battery-swapping devices, batteries, safety control systems, and IT infrastructure. By maintaining rigorous standards for equipment management, we ensure reliability and efficiency.

OUR BATTERY-SWAPPING SOLUTIONS

We commenced our business by operating our own battery-swapping stations. With the accumulation of operational experience and technological know-how, we have gradually transitioned our business focus towards the provision of battery-swapping operational solutions. For details, see “— Overview — Our Battery-swapping Solutions.”

The table below sets forth a breakdown of our revenue for the periods indicated:

	Year ended December 31,						Four Months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	% of total revenue	Amount	% of total revenue	Amount	% of total revenue	Amount	% of total revenue	Amount	% of total revenue
	(Unaudited)									
	(RMB in thousands, except for percentages)									
Battery-swapping operational solutions										
– Sales of equipment . . .	519,174	44.9	267,999	28.9	150,083	22.2	43,185	18.7	82,818	35.2
– Battery-swapping operational services . . .	86,925	7.5	84,728	9.1	66,702	9.9	26,171	11.3	20,235	8.6
– Others	20,686	1.8	26,804	3.0	24,844	3.7	5,564	2.4	4,858	2.1
	626,785	54.2	379,531	41.0	241,629	35.7	74,920	32.5	107,911	45.9
Battery-swapping services through self-owned stations	528,583	45.8	546,761	59.0	435,476	64.3	155,874	67.5	127,223	54.1
Total revenue	1,155,368	100.0	926,292	100.0	677,105	100.0	230,794	100.0	235,134	100.0

Battery-Swapping Operational Solutions

Equipment Sales

We generate revenue from sales of battery-swapping stations and battery-swapping modules. Battery-swapping modules, comprising battery boxes and frames, form an integral part of an EV battery pack and are the core components that enable the battery-swapping model.

Sales of Battery-Swapping Stations

During the Track Record Period, we had sold battery-swapping stations to customers that have entered or intended to enter into the energy replenishment industry. A majority of these customers, after purchasing our battery-swapping stations, choose to engage us to further provide them with battery-swapping operational services. For details, see “— Our Battery-swapping Solutions — Battery-swapping Operational Solutions.” In 2023, 2024, 2025 and for the four months ended April 30, 2026, we had sold 90, 56, 36 and 20 battery-swapping stations, respectively.

BUSINESS

The customers for our battery-swapping stations are primarily local urban investment companies, energy investment companies, transportation enterprises, grid companies and other station operators. In 2023, 2024, 2025 and the four months ended April 30, 2026, we had sold our battery-swapping stations to 42, 28, 24 and seven customers, respectively. The key terms of the procurement agreements are as follows:

- ***Purchase and Pricing.*** The contract specifies the quantity, specifications, parameters, and pricing of the battery-swapping stations to be purchased. The pricing of our battery-swapping stations is determined based on a variety of factors, including but not limited to construction costs, equipment and material costs, transportation expenses, site-specific conditions, and prevailing market conditions.
- ***Delivery and Payment.*** Delivery is deemed completed upon the buyer’s written acknowledgment of receipt. Payment shall be made within the agreed period following delivery, as specified in the contract.
- ***Intellectual Properties.*** We retain ownership of all intellectual property rights related to the battery-swapping stations and associated systems, including but not limited to our operation platforms, technical solutions, trademarks, software, systems, and mobile applications.
- ***Quality Assurance and Warranty.*** The equipment we sell is warranted to meet agreed quality and performance standards. Free repair services are provided during the warranty period, which applies for one year for core components and six months for consumables.
- ***After-Sales Service.*** We offer a spare parts scheme based on the operational scale of the buyer’s stations, under which the buyers may procure parts as needed. The buyers shall bear full responsibility for any damages or malfunctions arising from improper operation or maintenance by themselves.
- ***Breach and Termination.*** The breaching party is liable for losses and penalties as stipulated in the agreement. In the event of a material breach, the non-breaching party has the right to terminate the agreement.

Sales of Battery-Swapping Modules

We collaborate with EV OEMs to develop battery packs compatible with our battery-swapping solutions. We are mainly in charge of developing and manufacturing the compatible battery-swapping module, a critical component of the battery pack, which consists of the battery frame and battery box. We then sell these battery-swapping modules to EV OEMs for them or their battery manufacturers to produce the EV battery packs compatible with our swapping stations.

Direct customers of our battery-swapping modules are either EV OEMs or battery manufacturers, depending on the following scenarios: (i) an EV OEM assigned its partnering battery manufacturer to collaborate with us in producing EV battery packs, or (ii) the EV OEM directly procures battery-swapping modules from us that are compatible with their battery packs. In 2023, 2024, 2025 and for the four months ended April 30, 2026, we have sold 38.8 thousand, 19.1 thousand, 11.1 thousand and 4.8 thousand battery-swapping modules to 14, 9, 14 and six customers.

BUSINESS

In general, we enter into battery-swapping module development framework agreements with EV OEMs, setting out the principal objectives and intended scope of collaboration. The key terms of the development agreements are as follows:

- ***EV OEM obligations.*** The EV OEM is typically responsible for vehicle design, vehicle manufacturing, vehicle-side regulatory approvals, vehicle sales and after-sales services.
- ***Our obligations.*** We are primarily responsible for battery-swapping solution adaptation, including battery-swapping module design or adaptation, battery pack interface solutions, vehicle-station communication, station-side compatibility, swapping process validation and related testing.
- ***Cost allocation.*** The parties generally bear their own costs incurred in performing their respective responsibilities. Project-specific costs, such as tooling, molds, samples, testing and certification-related fees, are allocated on a case-by-case basis.
- ***Intellectual property rights.*** Each party retains its pre-existing intellectual property rights. Intellectual property rights developed during the collaboration are generally owned by the party that independently develops them, unless otherwise agreed by the parties.
- ***Exclusivity.*** Our co-development arrangements are generally non-exclusive, unless otherwise agreed for a particular project, vehicle model or application scenario.
- ***Purchase commitments and revenue.*** Such arrangements generally do not impose binding purchase obligations, minimum order commitments or revenue commitments on the EV OEMs. Revenue to be generated by us depends on subsequent commercialization and may include sales of battery-swapping modules, battery-swapping stations and related equipment, and, where applicable, platform or operational service fees after deployment.

Based on these agreements, the OEMs or their designated battery manufacturers subsequently enter into procurement agreements with us to purchase battery-swapping modules that are compatible with their EV battery systems. The key terms of the procurement agreements are as follows:

- ***Procurement Arrangement.*** The buyer procures battery-swapping modules from us, with the quantity and specifications to be determined by specific purchase orders.
- ***Pricing and Payment.*** The prices are determined based on various factors, including the development complexity and cost of the modules, raw material costs, production and logistics costs, and the expected order volume. Payment shall be made by the buyer upon receipt and confirmation of the invoice.
- ***Shipping and Transportation.*** We are responsible for packaging and transportation in accordance with the buyer’s requirements and bear the related costs. Title and risk transfer to the buyer upon delivery to the buyer’s premises or designated location.
- ***Quality Assurance and Warranty.*** We guarantee that the battery-swapping modules meet the agreed quality and performance standards. We typically grant a warranty period of one to three years.

BUSINESS

- ***Inspection and Acceptance.*** The buyer shall complete inspection of the products within a reasonable period and accept the products upon verification.
- ***Intellectual Properties.*** We retain all intellectual property rights related to the battery-swapping stations and associated equipment, including our battery-swapping operation platform, technical services, trademarks, software, systems, and apps. We grant the buyer the right to use our intellectual property within the authorized area in exchange for a licensing fee.
- ***Breach and Liability.*** The party in breach is liable for economic damages and penalties. In cases of significant breach, the non-breaching party has the right to terminate the contract.

Battery-Swapping Operational Services

Leveraging our proprietary smart energy service platform, we provide professional operational services for battery-swapping stations, including but not limited to daily on-site operation, station assets maintenance, customer service support and/or platform services. During the Track Record Period, customers of our battery-swapping operational services were primarily from those that had purchased our battery-swapping stations. During the Track Record Period, revenue from our battery-swapping operational services was entirely attributable to customers that had purchased battery-swapping stations from us and subsequently engaged us to provide daily operation services and/or platform services for the relevant stations. Accordingly, our battery-swapping operational services represented follow-on monetization of our station sales and installed station base, and formed part of our broader battery-swapping operational solution model. Such service-oriented extension of our businesses builds on the operational expertise and infrastructure we have developed through managing our self-owned stations. Our operational services primarily include the following:

- ***On-site Daily Operation.*** We have established standard operating procedures for the daily operation, management and maintenance of battery-swapping stations. Depending on the needs of station owners, we provide on-site operational support through trained personnel, who are our employees and are familiar with the proper use of station equipment, assist drivers in the battery-swapping process, and carry out routine station operation and maintenance tasks. We may also provide on-site training and operational support to the station owners’ own staff based on their requirements.
- ***Basic Platform Services.*** Our operational services are supported by our smart energy service platform, which provides the digital foundation for onsite operation, asset management and other service functions at the stations where we provide operational support. In addition to supporting the stations for which we provide operational services, we also offer our platform services on a standalone basis to station owners that choose to operate their stations on their own. By connecting to our platform, such customers can use our battery-swapping apps and IT infrastructure to conduct and manage their operations digitally. Battery-swapping stations sold by us are generally operated through our smart energy service platform to facilitate automated station operation and management. During the Track Record Period and up to the Latest Practicable Date, all battery-swapping stations sold by us that had commenced operation were connected to our platform, except for two stations, primarily due to the relevant station owners’ cost-control considerations. To the best of our knowledge, these two stations are currently operated and managed primarily offline with manual support, and have not been connected to any third-party battery-swapping service platform. Given the limited number of stations not connected to our platform during the Track Record Period and up to the Latest Practicable Date, we did not experience any material adverse impact on our financial position or results of operations.

BUSINESS

Two Types of Key Contractual Arrangements

We generally enter into a battery-swapping station purchase agreement and a battery-swapping operational service agreement with our customers, either as two standalone agreements or a combined contractual form. For key contractual terms of battery-swapping station purchase agreements, see “— Equipment Sales.” Depending on the scope and extent of operational support required by our customers, we currently offer two levels of battery-swapping operational services: (i) basic platform services on a standalone basis; and (ii) comprehensive operational services that encompass daily station operation, management, maintenance, end-user support, other operation services, and basic platform services. The key contractual terms of each type of battery-swapping operational services are as below:

Key terms	Operational services	Basic platform services only
Service Scope . . .	Our battery-swapping operational services primarily include but are not limited to daily station operation, management, maintenance, end-user support, other operation services, and basic platform services. The actual scope of services provided varies depending on the service level agreed with each customer.	Our basic platform services primarily include access and use of our proprietary smart energy service platform.
Term	The term for our operational services is typically one to ten years, or until the total mileage of battery-swapping services provided to the relevant station under the agreement reaches a pre-agreed threshold. Such term is generally renewable upon mutual agreement before the contract expiration.	The term for our platform services is flexible and subject to operation duration of the relevant station.
Service fees & Pricing	Service fees are determined on an arm’s length basis between us and our customers, taking into account the scope and intensity of services provided, the market conditions of the station’s location, customer affordability, electricity cost, and our operational cost. Our service fees vary depending on customer type, location and specific cooperation terms. Representative pricing arrangements during the Track Record Period include: (i) an operational service fee calculated as 33% of the station’s annual operating income after deducting electricity costs; or (ii) a mileage-based service fee of RMB0.048 per kilometer of battery-swapping services provided by the relevant station. In limited cases, we charge agreed fixed fees with certain customers.	We generally charge a platform service fee of up to 6% of the relevant station’s annual operational income. In limited cases, we charge agreed fixed fees with certain customers.

BUSINESS

Key terms	Operational services	Basic platform services only
Cost Allocation . .	Unless otherwise agreed, the station owner is responsible for the operating costs of the station, including but not limited to site rental, utilities, and investments in equipment and other station assets. We typically are responsible for our on-site staffing costs and platform maintenance costs.	Unless otherwise agreed, the station owner is responsible for all operating costs of the station, including but not limited to site rental, staffing, utilities, facility usage and maintenance.
Ownership & Control	The station owner retains ownership and operational rights of the battery-swapping stations. We act as a service provider engaged by the owner to operate the station within the agreed scope.	The station owner retains ownership and operational rights of the battery-swapping stations. We provide platform service only.
Exclusivity	In certain markets, such as Kunming, we may agree with customers on exclusivity arrangements, under which the customer is restricted from engaging other third-party battery-swapping service providers or constructing new stations in the agreed area.	Exclusivity is generally not applicable
Intellectual Properties	We retain all intellectual property rights related to the operation of battery-swapping stations, including but not limited to our smart energy service platform, proprietary technologies, systems and trademarks.	We retain all intellectual property rights related to platform services, including but not limited to our smart energy service platform, proprietary technologies, systems and trademarks.
Breach and Termination . . .	The breaching party is liable for losses and penalties as stipulated in the agreement. In the event of a material breach, the non-breaching party has the right to terminate the agreement.	The breaching party is liable for losses and penalties as stipulated in the agreement. In the event of a material breach, the non-breaching party has the right to terminate the agreement.

BUSINESS

Number of Battery-Swapping Stations Purchasing our Services

The table below sets forth the movement of the number of battery-swapping stations that purchased our operational services in each period during the Track Record Period.

	For the year ended/As of December 31,			For the Four Months ended/As of April 30,
	2023	2024	2025	2026
At the beginning of the period	85	111	71	59
(+) Increase	41	7	10	20
(-) Decrease	(15)	(47)	(22)	–
At the end of the period	111	71	59	79

Our battery-swapping stations continued to decrease from 111 as of December 31, 2023 to 71 as of December 31, 2024, and further to 59 as of December 31, 2025, primarily as a result of our business optimization. Such business optimization primarily involved our strategic focus on improving operating efficiency and increasing the proportion of relatively more scalable and higher-margin platform-based services. The decreases in the number of battery-swapping stations purchasing our operational services were partially due to certain station owners transitioning from purchasing our operational services to purchasing only our platform services after their stations became more established and they elected to manage the day-to-day operations on their own. While such optimization may reduce revenue generated from operational services in certain periods, it generally involves lower operating costs and personnel requirements and may improve our overall margin profile and operating efficiency. Accordingly, we believe that such business optimization did not have a material adverse impact on our operations or financial position during the Track Record Period. As of April 30, 2026, the number of the battery-swapping stations purchasing our operational services increased to 79, primarily due to the growth in station sales and the transfer of certain self-owned stations to third-party station owners as part of our asset-light transition and station portfolio optimization. During the Track Record Period and up to the Latest Practicable Date, we had maintained ongoing business relationships with the station owners who purchased our battery-swapping operational services and were not involved in any material dispute with them.

In addition, due to the proven functionality and reliability of our smart energy service platform, there were also 120, 198, 229 and 238 battery-swapping stations that purchased our platform services on standalone basis as of December 31, 2023, 2024, 2025 and April 30, 2026.

Battery-swapping Services through Self-owned Stations

We have been strategically establishing and operating our battery-swapping stations since the inception of our businesses. To tap into a new regional market, we follow a structured process that begins with determining whether a target market is suitable for battery swapping. This assessment considers local government policies, market conditions, electrification trends among taxis and ride-hailing fleets, broader user demand and the competitive landscape. Based on this evaluation, we formulate a development plan for the market, including where to build stations, the expected EV uptake, pricing arrangements and projected financial returns. Once an investment decision is made, we proceed with station construction and preparatory work, such as tendering, project implementation, inspection and acceptance, as well as the procurement, acceptance, disposal and integration of batteries. After the stations commence operation, we manage the network dynamically by adjusting pricing according to local market conditions, monitoring operations and

BUSINESS

safety through our smart energy service platform, and engaging with users through education and service activities to enhance their overall experience. We maintain a certain quantity of reserve batteries at our battery-swapping stations to support continuous service availability. The batteries swapped by customers circulate within the swapping network, and we manage their condition and circulation status without retaining ownership of these batteries.

Number of our Self-owned Battery-Swapping Stations

The table below sets forth the movement of the number of our self-owned battery-swapping stations during the Track Record Period.

	For the year ended/As of December 31,			For the Four Months ended/As of April 30,
	2023	2024	2025	2026
At the beginning of the period	299	321	291	236
(+) Increase	42	28	28	2
(-) Decrease	(20)	(58)	(83)	(24)
At the end of the period	321	291	236	214

During the Track Record Period, we slowed down the pace of opening new self-owned stations as a result of our station optimization strategy. As part of such optimization initiatives, we may also adjust, close, relocate or transfer self-owned stations that do not meet our operating KPIs. Where a third party has local fleet resources, station operation capability, financing arrangements or strategic interest in operating battery-swapping stations in the relevant region, we may transfer certain self-owned stations to such third party as part of our transition toward a more asset-light operating model. These transferees primarily included local construction companies, energy or transportation companies, fleet operators and other battery-swapping ecosystem partners. Such transferees were generally interested in the relevant stations because the stations had already been constructed or put into operation, therefore shorten their deployment cycle and reduce initial construction effort. The transfers were negotiated on an arm’s length basis, taking into account station condition, remaining useful life, location, operating performance and commercial arrangements. The pace at which we launched new self-owned battery-swapping stations gradually slowed. We continued to optimize the deployment of our existing stations based on a combination of factors, including individual station performance, actual operating costs, local market demand and user feedback.

Customers of our Battery-swapping Services

Customers of our battery-swapping services are primarily drivers of vehicles registered on our platform. During the Track Record Period and up to the Latest Practicable Date, a substantial majority of our registered vehicles are passenger service vehicles of mobility platforms, including taxi companies and ride-hailing service companies. Due to their operational nature, these mobility platforms typically manage large fleets with uniform vehicle models, the operational form of which ensures a substantial and stable customer base for our battery-swapping services. Furthermore, due to the operational nature of their vehicles, mobility platform drivers, who rely heavily on their vehicles, have higher requirements for battery-swapping efficiency and battery lifespan. Our battery-swapping model meets these requirements effectively, fostering a mutually beneficial relationship.

BUSINESS

Pricing of our Battery-Swapping Services

Our battery-swapping service primarily employs two pricing models:

- Pricing based on travel distance. The pricing under this model varies by region and the guide price range was set between RMB0.14 and RMB0.45 per kilometer during the Track Record Period. Pricing takes into account several factors at each station, including local electricity rates, estimated electricity consumption per kilometer, the type of equipment used, construction and operational costs, location, and our local marketing strategies.
- Pricing based on electricity usage. The pricing model strictly follows the monthly pricing guidelines issued by the regional state-owned power suppliers, ensuring compliance and regional alignment. This pricing model comprises electricity charges and swapping service fees. The electricity charge is determined in accordance with the monthly price guidance published by the local state-owned power suppliers, while the swapping service fee is adjusted with reference to regional market conditions and supply-demand dynamics. During the Track Record Period, this model was primarily applied in Beijing and Shanghai. In Beijing, the guide price range was set between RMB0.89 to RMB1.75/kWh; and in Shanghai, the guide price range was set between RMB0.69 to RMB1.85/kWh.

In setting our prices, we conduct comprehensive market research to understand the market capacity, policy environment, competitive landscape, and local consumption patterns of the cities where the stations are built. Additionally, we continuously monitor operational trends at the battery-swapping stations and dynamically adjust our fees based on varying factors such as peak usage times at specific stations, the comparative busyness of different stations during the same time slot, and the cost of electricity at different times of day. This strategic approach ensures that our pricing remains competitive and reflects operational costs accurately.

V2S2G

We creatively introduced the V2S2G system, which enables bidirectional energy transmission between EVs and stations, and between stations and the grid. Through the connection of Station-to-Grid (“S2G”), battery-swapping stations can not only draw power from the grid but also return stored energy when the grid is under strain. This system also allows our stations to store power during off-peak periods when electricity costs and grid demand are lower. During peak periods, the stored energy can be released, effectively reducing the pressure on the grid. Through the connection of Vehicle-to-Station (“V2S”), EVs can either receive energy from the stations or discharge surplus energy back into batteries stored in stations. Our V2S2G system facilitates intelligent and dynamic energy management by enabling bidirectional energy exchange between electric vehicles, battery-swapping stations, and the power grid. At present, discharging stored electricity back to the grid under the S2G model remains at the pilot-validation stage. Its commercialization and regular deployment will depend on technical readiness, applicable regulatory requirements, grid-connection and dispatch arrangements, and the availability of commercially viable arrangements with grid operators or other market participants. We will continue to develop and explore this system, enriching our service offerings while taking on social responsibility, easing grid pressure, and contributing to the creation of a new green transportation ecosystem. As of the Latest Practicable Date, there were eight battery-swapping stations on our platform that has deployed with V2S2G systems.

BUSINESS SUSTAINABILITY

Past Financial Performance

Our business originated from the development of battery-swapping technologies and equipment during the early formative phase of China’s battery-swapping industry. Market participants were still exploring viable pathways for implementing battery-swapping solutions, and

BUSINESS

the broader ecosystem had not yet developed sufficiently for other participants to meaningfully engage in the construction or operation of battery-swapping stations. We began by developing, constructing and operating our own battery-swapping stations, which while enabled us to acquire indispensable technological, operational and market experience at an early stage of the industry, also required substantial upfront investments. Our frontloaded investments allowed us to (i) establish the “Aulton” brand and participate as an early mover in the formulation of national and industry standards for battery swapping, (ii) develop proprietary technological know-how, (iii) build broad and diversified cooperation with market participants across the battery-swapping value chain, and (iv) develop our smart energy service platform. We then broadened our business to cover segments with higher margin potential and a greater degree of scalability, such as the sales of battery-swapping equipment and the provision of operational services to third-party stations. These businesses enable us to leverage the technical, operational and digital capabilities accumulated in our earlier development stage to serve a wider range of partners and end users, and form the basis for a more service-oriented and asset-light revenue structure over the longer term.

Revenue Performance

Revenue From Sales of Equipment. Our revenue generated from sales of equipment decreased from RMB519.2 million in 2023 to RMB268.0 million in 2024, and further to RMB150.1 million in 2025, as station investors have generally adopted a more cautious investment approach, particularly with respect to upfront capital spending. For the four months ended April 30, 2026, the corresponding revenue increased to RMB82.8 million from RMB43.2 million for the same period of 2025, primarily as we actively expanded our battery-swapping solutions to more diverse application expansions such as light and heavy duty trucks.

Revenue From Battery-swapping Operational Services. Our revenue generated from provision battery-swapping operational services decreased from RMB86.9 million in 2023 to RMB84.7 million in 2024, and further to RMB66.7 million in 2025. This revenue also decreased from RMB26.2 million for the four months ended April 30, 2025 to RMB20.2 million for the same period of 2026, primarily due to certain battery-swapping station owners transitioning from purchasing operational services to platform services only.

Revenue From Self-owned Stations. Our revenue generated from self-owned battery-swapping stations increased from RMB528.6 million in 2023 to RMB546.8 million in 2024, then decreased to RMB435.5 million in 2025. For the four months ended April 30, 2026, the corresponding revenue decreased to RMB127.2 million from RMB155.9 million for the same period of 2025. As we continued to refine the scale and geographic layout of our self-owned stations, the number of such stations further decreased from 291 as of December 31, 2024 to 214 as of April 30, 2026. For detailed analysis, see “— Reasons for Historical Gross Loss — Battery-swapping Services Through Self-owned Stations.”

Gross Loss and Gross Loss Margin

Gross Profit From Sales of Equipment. We recorded gross profit of RMB3.6 million, RMB28.3 million, RMB12.8 million and RMB14.8 million from the sales of equipment in 2023, 2024, 2025 and for the four months ended April 30, 2026, respectively. The corresponding gross profit margin was 0.7%, 10.5%, 8.6% and 17.9% in 2023, 2024, 2025 and for the four months ended April 30, 2026, respectively. The decrease in gross profit in 2025 was mainly due the lower equipment sales as customers became more selective in capital expenditure amid a more cautious investment environment and newly developed customers generally placed smaller orders. In response, we refined product portfolio, expanded application scenarios, advanced product iteration and supply chain cost control, and adopted more flexible market pricing to enhance competitiveness.

Gross Profit From Battery-swapping Operational Services. We recorded gross profit of RMB34.9 million, RMB48.3 million, RMB41.4 million and RMB11.8 million from battery-swapping operational services in 2023, 2024, 2025 and for the four months ended April 30, 2026, respectively. The corresponding gross profit margin was 40.2%, 57.0%, 62.0% and 58.4% in 2023,

BUSINESS

2024, 2025 and for the four months ended April 30, 2026, respectively. As compared with the self-owned station model, under which we bear the full station-level cost base, battery-swapping operational services remained gross profitable at a relatively high level.

Gross Loss From Self-owned Stations. We recorded gross loss of RMB85.6 million, RMB109.7 million, RMB93.2 million and RMB23.7 million from the provision of battery-swapping services through self-owned stations in 2023, 2024, 2025 and for the four months ended April 30, 2026, respectively. The corresponding gross loss margin was 16.2%, 20.1%, 21.4% and 18.6% in 2023, 2024, 2025 and for the four months ended April 30, 2026, respectively. The gross loss increase in 2024, despite a mild rise in revenue, was primarily driven by more intense market competition, which led to lower service fee pricing in certain regions, as well as fluctuations in electricity costs during the year. The gross loss decrease in 2025 was the result of our station optimization and cost-control measures. For four months ended April 30, 2026, our gross loss and loss margin continued to narrowed as compared with the same period of 2025 reflecting our continued efforts on station optimization and cost control. For detailed analysis, see “— Reasons for Historical Gross Loss — Battery-swapping Services Through Self-owned Stations.”

Operating Expenses

We also incurred relatively high operating expenses during the Track Record Period. Our operating expenses, comprising selling and marketing expenses, administrative expenses and R&D expenses, decreased from RMB278.1 million in 2023 to RMB255.9 million in 2024 and RMB184.2 million in 2025, and amounted to RMB61.6 million for the four months ended April 30, 2026. The decrease primarily reflected our continued implementation of cost-reduction and efficiency-enhancement measures, including streamlining our organizational structure, reducing office, business development and travel expenses, and strengthening project prioritization, budgeting and execution to improve resource allocation and control expenditure.

Reasons for Historical Gross Loss

Our historical gross losses were primarily attributable to the operation of self-owned battery-swapping stations. Compared with the operational services model, the self-owned station model has a materially heavier cost structure because we bear the full station-level cost base, including electricity procurement, on-site staffing, lease and other site-related costs, depreciation of station equipment and right-of-use assets, maintenance and other day-to-day operating expenses. A significant portion of these costs is fixed or semi-fixed. Accordingly, where a self-owned station does not generate sufficient station-level revenue to absorb such costs, it may record a gross loss notwithstanding its revenue contribution. To address this, we have implemented a range of measures, including optimizing our self-owned station portfolio, strengthening station-level cost control and progressively shifting our business focus toward battery-swapping operational solutions. The financial impact of this transition took time to be reflected in our consolidated results because (i) we continued to operate a substantial portfolio of self-owned stations during the Track Record Period; and (ii) the gross profit generated by equipment sales and operational services had not yet reached a level sufficient to fully offset the gross losses from self-owned stations and our operating expenses. These measures have nevertheless begun to improve our financial profile. For the four months ended April 30, 2026, we achieved a turnaround to gross profit, recording gross profit of RMB4.1 million and a gross profit margin of 1.8%. Our net loss also continued to narrow, recording a net loss of RMB91.4 million for the same periods.

Our performance was also affected by fluctuations in market demand arising from the investment cycle of China’s battery-swapping industry, particularly in relation to equipment sales. Since 2024, investment environment across the EV and battery value chain became more cautious. As an indicator of this broader investment environment, according to CIC, capital expenditure by listed lithium battery companies in China decreased by 26.2% and 14.5% year-on-year in 2023 and 2024, respectively. Against this backdrop, station investors, EV OEMs, battery manufacturers and fleet operators became more selective in new infrastructure investment, the development and rollout

BUSINESS

of battery-swapping-compatible vehicle models and fleet expansion. While we believe such short-term investment-cycle effects will not alter the longer-term development potential of the battery-swapping market, but it affected our financial performance during the Track Record Period.

Battery-swapping Services Through Self-owned Stations

The table below sets forth the key operating and financial metrics relating to our battery-swapping services through self-owned stations for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
Revenue (RMB'000) . .	528,583	546,761	435,476	155,874	127,223
Cost of sales					
(RMB'000)	(614,162)	(656,471)	(528,684)	(192,032)	(150,926)
Gross loss (RMB'000) .	(85,579)	(109,710)	(93,208)	(36,158)	(23,703)
Gross margin (%)	(16.2)%	(20.1)%	(21.4)%	(23.2)%	(18.6)%
Number of stations generating revenue for the period	318	325	278	267	215
Total swaps for the period	15,452	18,806	17,884	5,826	5,608
Average swaps per station for the period ('000 times) .	49	58	64	22	26
Effective fee rate for per swap* (RMB) . .	34.2	29.1	24.4	26.8	22.7

Note:

* Effective fee rate for per swap refers to the total revenue from battery-swapping services through self-owned stations divided by total times of battery swaps in a given year/period.

Our self-owned station model was the primary contributor to our gross loss during the past years. Under this model, we deploy battery-swapping stations, recognizes battery-swapping service revenue from drivers and vehicles, and bears the full station-level cost base. We adopted this model at an early stage of China's battery-swapping market, to develop key local markets, support the adoption of battery-swapping compatible vehicles, accumulate station operating experience and demonstrate the commercial feasibility of our battery-swapping solutions. Our early adoption of self-station model established our operating foundation, but causing a comprehensive station-level cost base.

From 2023 to 2024, the slight revenue increase from self-owned stations was mainly due to more battery swaps from 15.5 million in 2023 to 18.8 million in 2024, driven by the expansion of the swapping network and vehicle registration in cities such as Chongqing and Wuhan. This revenue increase was partially offset by promotional activities and more flexible pricing arrangements in certain region. Such promotional arrangements were adopted to support market cultivation and user activation in markets where the battery-swapping model was still at promotional stage, and where taxi and other operational vehicle users were sensitive to energy replenishment costs. We sought to encourage vehicle operators and drivers to use battery-swapping services more frequently, improve driver retention and station utilization, and strengthen the competitiveness of battery swapping against other energy replenishment alternatives. These arrangements increased swapping activity but reduced the effective fee rate per swap. The gross loss and gross loss margin expanded in 2024, primarily due to higher electricity consumption, the cost base associated with newly added stations and the continuing depreciation and amortization, as well as the impact of promotional activities in certain regions.

BUSINESS

From 2024 to 2025, the revenue decrease from self-owned stations was mainly because (i) we continued to optimize our station portfolio by closing or transferring certain underperforming stations in 2025; (ii) in markets such as Beijing and Yunnan, we adopted promotional pricing and user activation measures to support local vehicle usage and maintain driver engagement. Also, in certain cities, including Guangzhou and Xiamen, some vehicles reached the end of their operating period or were removed from our operational network. Notwithstanding the revenue decrease in 2025, the gross loss narrowed in 2025, reflecting the initial efficacy of our station optimization and cost-control measures.

For the four months ended April 30, 2026, the revenue decrease from self-owned station was primarily due to (i) our continued asset-light transition by moderating new self-owned station investment and optimizing existing self-station network; (ii) softer mobility demand under a relatively cautious macroeconomic environment, which affected the growth of newly registered vehicles and led to the exit of certain existing vehicles from our network; and (iii) targeted pricing incentives and user activation measures adopted in selected markets. Notwithstanding the revenue decrease for the four months ended April 30, 2026, the gross loss narrowed and the gross loss margin improved, primarily reflecting our continued optimization of self-owned station portfolio, as well as more refined cost-control and efficiency-enhancement measures at the station level.

Same-station Performance

We also assess the operating performance of comparable self-owned stations during the Track Record Period. For full-year comparisons, a station was included in the same-station sample only if it had not less than 300 operating days in each year of the relevant comparison period. For the four months ended April 30, 2025 and 2026, a station was included only if it had not less than 100 operating days in each of the relevant four-month periods. The station selection also excludes the impact of newly opened stations, closed stations or stations subject to temporary suspension.

	FY2023 vs FY2024		FY2024 vs FY2025		4M2025 vs 4M2026	
Same-station count	195		175		153	
Same-station revenue (RMB'000)	424,979	423,530	434,889	366,495	121,825	105,848
Year-on-year growth (%)	(0.3)		(15.7)		(13.1)	
Daily swaps per station (times)	177	203	232	239	246	254
Daily electric consumption per station (kWh)	4,444	4,876	5,703	5,428	5,883	5,643
Average electric consumption per swap (kWh)	25.1	24.0	24.5	22.7	23.9	22.2

The decrease in same-station revenue during the Track Record Period was mainly caused by changes in pricing arrangements, lower electricity delivered per swap and, more fierce market competition.

Our same-station revenue in 2023 and 2024 remained broadly stable. The slight decrease in same-station revenue was mainly due to pricing adjustments in certain regions to promote our battery-swapping solutions. To promote our battery-swapping solutions and effectively compete in the energy replenishment industry, we took more flexible pricing arrangements in certain regions. Take Guangzhou as an example, the average battery-swap service fee that was charged per swap decreased from approximately RMB34 in 2023 to RMB30 in 2024, and further to RMB25 in 2025, and it decreased from RMB27 for the four months in 2025 to RMB23 for the same period in 2026.

Our same-station revenue decreased by 15.7% in 2025 mainly because daily electricity consumed per station decreased in the corresponding period. Although EVs continued to use the relevant stations frequently, the average electricity delivered per swap decreased due to the natural aging and performance degradation of existing batteries in mature operating regions where some in-service batteries experienced reduced charging capacity. As our service fee charged is associated with the amount of electricity delivered through battery swaps, lower electricity delivered per swap reduced average revenue per swap.

BUSINESS

For the four months ended April 30, 2026, our same-station revenue decreased primarily attributable to the battery aging and lower electricity delivered per swap as well as promotional activities to maintain fleet customer relationships and support station utilization.

In addition, the same-station performance should be viewed in the context of the age and development stage of the relevant station cohort. Many of these stations were deployed during an earlier phase of our network expansion, when station configuration and operating practices were still being refined, and their subsequent performance therefore reflects both current market conditions and the characteristics of that earlier deployment phase. Meanwhile, as our technology, equipment and operating capabilities continued to improve, our overall financial performance also improved, including a turnaround to gross profit for the four months ended April 30, 2026.

Breakeven analysis

Among our self-owned stations, 57, 53 and 38 achieved breakeven in 2023, 2024 and 2025, respectively. For the four months ended April 30, 2025 and 2026, 36 and 39 self-owned stations achieved breakeven, respectively. The decrease from 2023 to 2025 was mainly attributable to the deterioration in station-level performance at certain previously breakeven stations in markets including Hainan and Chongqing. Revenue at these stations was affected by softer local demand, site-specific operating conditions and, in certain cases, lower electricity delivered per swap as in-service batteries aged. Cost of revenue at certain stations also increased due to rental escalation and higher depreciation associated with additional reserve batteries deployed to support operations. The increase in the number of breakeven stations for the four months ended April 30, 2026 compared with the corresponding period in 2025 reflected the effects of our ongoing station portfolio optimization and cost-control measures.

Development Stage and Commercial Economics of Battery-swapping Industry

Our commercialization timeline and historical loss-making position should be viewed in the context of the development stage and commercial economics of China’s battery-swapping industry. Although we were established in 2016, the period before 2019 was primarily a technology development and validation stage. During this period, we focused on the R&D, engineering and productization of our battery-swapping technologies and products, including buckle-on-chassis technology, vehicle-station interface technologies, station-side control systems, battery-swapping modules and battery-swapping stations. We had not yet commenced large-scale commercial rollout, as the availability of battery-swapping-compatible EV models and the supporting industry ecosystem remained at an early stage.

Our commercial scale-up began around 2019, when we started collaborating with EV OEMs on the development of battery-swapping-compatible EV models and supporting the launch and deployment of such models. We subsequently expanded from technology validation into the operation of self-owned stations, deployment and sale of battery-swapping stations and modules, and the provision of operational services. As battery swapping is a network-based infrastructure business, commercialization required substantial front-loaded investment in self-owned stations, equipment and product development, our smart energy service platform, R&D capabilities and operating teams before compatible vehicle penetration, station utilization and revenue contribution could reach sufficient scale. Such investment and the resulting cost base were key contributors to our historical losses.

According to CIC, our loss-making status was broadly consistent with the development stage and commercial economics of China’s battery-swapping industry. As of December 31, 2025, there were more than ten comparable market participants in China’s EV battery-swapping industry, many of which had been established, or had commercially operated battery-swapping stations, for periods broadly comparable to ours. Nevertheless, none of the market participants had achieved corporate-level breakeven or sustained profitability from their respective battery-swapping businesses. This reflects the relatively long commercialization and ramp-up cycle of the industry, during which vehicle availability, network coverage, station utilization and revenue scale must develop before station-level fixed costs and corporate operating expenses can be fully absorbed.

BUSINESS

Reasons for Net Losses

Our net losses during the Track Record Period primarily reflected both the gross losses from our business operations and the operating expense base required to support our battery-swapping network, technology development and day-to-day operations. We incurred selling and marketing expenses for customer development, market promotion and commercial expansion; administrative expenses for management, finance, legal, human resources and other corporate functions; and R&D expenses for the continued development and iteration of battery-swapping stations, battery-swapping modules, our smart energy service platform and related technologies. These expenses supported our transition from operating self-owned stations to providing a broader range of battery-swapping operational solutions. However, they could not be fully absorbed during the Track Record Period, as self-owned station operations remained gross loss-making and the gross profit contribution from equipment sales and operational services had not yet reached sufficient scale. Nevertheless, as we progressively streamlined our organizational structure, optimized staffing, strengthened expense controls and allocated resources more efficiently, our net loss narrowed from RMB655.5 million in 2023 to RMB418.9 million in 2024 and RMB307.4 million in 2025, and further narrowed from RMB103.3 million for the four months ended April 30, 2025 to RMB91.4 million for the corresponding period in 2026.

Reasons for Historical Operating Cash Outflow

We recorded a net operating cash inflow of RMB164.2 million and RMB292.4 million in 2023 and 2024, respectively, and a net operating cash outflow of RMB60.3 million in 2025. The operating cash outflow in 2025 was primarily attributable to working capital movements, in particular a decrease of RMB125.8 million in trade and other payables as we settled operating liabilities, and an increase of RMB44.8 million in restricted bank deposits, which reduced the cash available for general operating purposes.

We achieved a turnaround from operating cash outflow of RMB55.2 million for the four months ended April 30, 2025 to operating cash inflow of RMB10.9 million for the corresponding period in 2026, principally reflecting improved operating performance and more favorable working capital movements. In particular, we recorded gross profit for the four months ended April 30, 2026, supported by the growth in equipment sales and the continued optimization of our self-owned station portfolio, while improved working capital management further supported operating cash generation.

Reasons for Net Current Liabilities

As of April 30, 2026, we recorded net current liabilities of RMB88.1 million, primarily because our current liabilities included substantial trade and other payables and short-term borrowings incurred in connection with our business operations and working capital requirements, while a portion of our current assets remained invested in inventories and trade and other receivables. Our net current liabilities nevertheless narrowed from RMB121.4 million as of December 31, 2025, principally reflecting improved cash generation from operations and more disciplined working capital management. In particular, the turnaround to gross profit, supported by higher equipment sales, continued optimization of our self-owned battery-swapping station portfolio and tighter control over station-level and operating costs, contributed to an increase in cash and cash equivalents and trade and other receivables, while continued settlement and management of operating payables reduced our trade and other payables.

Path to Profitability

While our business recorded losses during the Track Record Period, we have implemented, and plan to further implement, a combination of revenue-expansion initiatives and cost-efficiency measures. Looking ahead, we aim to support the sustainable development of our business and progress toward profitability through: (i) improving revenue by expanding into scalable commercial applications and reinforcing existing markets; and (ii) improving operating leverage through continued optimization of our cost structure and operating efficiency.

BUSINESS

Improving Revenue by Expanding into Scalable Commercial Applications and Reinforcing Existing Markets

In China, we plan to further develop high-potential application scenarios to broaden the reach of our battery-swapping services and expand our addressable customer base. Furthermore, we intend to strategically explore selectively overseas markets to cultivate new sources of business growth.

Broadening Domestic Application Scenarios. In China, the development of the battery-swapping industry continues to be supported by supportive policies, infrastructure planning and rising adoption among EV users. According to CIC, the sales volume of battery-swapping vehicles is projected to grow from approximately 415 thousand units in 2025 to 1,267 thousand units by 2030, with notable growth expected in operational fleets and heavy-duty trucks. Such applications are characterised by high utilisation and time-sensitive energy needs, which align well with the economic rationale of battery swapping and have begun to form commercially viable market segments. According to CIC, battery-swapping operational vehicles are expected to grow from 32 thousand units to 203 thousand units over the same period at a CAGR of 44.4%, and heavy-duty battery-swapping trucks are expected to increase from 61 thousand units to 206 thousand units, with a CAGR of 27.7%. We intend to expand our revenue base by focusing on application-driven markets where battery swapping can be deployed at scale. Specifically, we plan to broaden adoption among ride-hailing fleets within the operational passenger vehicle market and continue to develop battery-swapping solutions for commercial vehicles, particularly heavy-duty trucks which demonstrates great market potential.

Historically, our battery-swapping solutions were primarily deployed in taxi scenarios, which represented one of the earliest commercially viable application scenarios for battery swapping in China due to their high vehicle utilization rates, concentrated operating areas and predictable energy replenishment needs. Our historical focus on taxi operations reflected our phased development strategy, under which we initially focused on application scenarios with more established commercialization potential and operating characteristics suitable for battery swapping. Expansion into additional application scenarios such as ride-hailing fleets and commercial vehicles generally requires vehicle adaptation, customer validation, ecosystem development and infrastructure deployment, which may involve relatively long business development cycles, pilot deployments and multiple rounds of commercial discussions with vehicle manufacturers and fleet operators. We believe our progress in vehicle development, pilot deployment and customer engagement supports the feasibility of expanding our products and services into additional battery-swapping vehicle categories.

- ***Ride-hailing Fleets.*** During the Track Record Period, our battery-swapping services were largely used by taxi drivers, and have also extended to ride-hailing drivers. As ride-hailing operations involve frequent and time-sensitive energy needs similar to taxis, we see meaningful room for further development in this area. To strengthen our position in this market, we are developing compact, automated and cost-efficient swapping stations that fit the operational needs and investment considerations of ride-hailing scenarios. Currently, we are collaborating with two EV OEMs, respectively, on the development of new battery-swapping compatible EV models, targeting both ride-hailing and taxi applications. As of the Latest Practicable Date, both EV models have entered mass production, and we have sold and delivered over 300 compatible battery-swapping modules. We have also signed cooperation intention arrangements with ride-hailing companies to facilitate future deployment. As battery-swapping vehicle deployment increases, we expect demand for battery-swapping stations, battery-swapping modules, platform services and related operational services to increase correspondingly. These developments provide support for the feasibility of expanding our battery-swapping solutions into ride-hailing applications.
- ***Commercial Vehicles.*** We are extending our battery-swapping applications to commercial vehicles, particularly heavy-duty trucks used in mid- to long-distance freight transportation. The application scenario of heavy-duty trucks is characterised by intensive vehicle utilization and strong demand for fast and predictable energy replenishment, making battery swapping a practical alternative where charging speed

BUSINESS

may constrain operational efficiency. Our efforts in this market focus on enhancing technology and cost efficiency. We are upgrading our heavy-truck swapping solutions through higher automation, improved durability and more compact station designs, with the aim of maintaining a cost structure that remains competitive with charging while offering materially shorter replenishment times. Currently, we are collaborating with three EV OEMs, respectively, on the development of four battery-swapping compatible EV models, including two heavy duty trucks and two light duty trucks. As of the Latest Practicable Date, one heavy duty truck model was in the preparation for mass production, and the other heavy duty truck model and two light duty truck models has completed model prototyping. In addition, we have delivered 12 battery-swapping stations and entered into a station sales agreement for sales of two battery-swapping stations. Following the commercialization of these new models, we will further promote the compatible battery-swapping modules and stations, as well as the provision of operational and platform services.

Reinforcing Sales in Existing Markets. We will continue to promote our passenger-vehicle battery-swapping solutions to strengthen and expand our sales performance in existing markets. In addition, battery-swapping vehicle models that we co-developed with EV OEMs targeting taxi and ride-hailing applications have entered mass production. Following the launch of one such battery-swapping vehicle model, we are currently in discussions with prospective customers regarding commercial deployment and expect further conversion of customer interest into procurement orders. The increasing deployment of battery-swapping vehicles is expected to drive demand for battery-swapping stations, battery-swapping modules, platform services and related operational services, thereby supporting future revenue growth and strengthening the commercial viability of our passenger-vehicle battery-swapping solutions.

Expanding into Overseas Markets. We initiated our overseas expansion during the Track Record Period and have been targeting regions with growing adoption of new energy vehicles. As an initial pilot, we entered into contracts for the sale of two swapping stations to customers in the Philippines with contract values of approximately RMB2.6 million and RMB3.1 million, respectively. As of the Latest Practicable Date, such stations were in the process of delivery and had not yet completed acceptance procedures. Accordingly, no revenue had been recognized in relation to such sales during the Track Record Period. Subsequent to the Track Record Period, we also entered into sales with (i) a Malaysia customer for the sale of 10 battery-swapping stations; and (ii) a Thailand customer for the sale of 11 battery-swapping stations. Our overseas business model generally generates revenue through the sale of battery-swapping stations, battery-swapping modules and related operational and platform services. We seek to expand overseas primarily by introducing our existing battery-swapping solutions developed in China into overseas markets and validating their suitability through pilot deployments. Expansion into overseas markets generally requires vehicle adaptation, product certification and pilot validation, which may involve relatively longer commercialization timelines. For example, certain overseas markets may require adaptation of vehicle configurations and completion of local product certification procedures. We intend to continue adopting a pilot-led approach and progressively expand into markets with operational feasibility and stronger adoption potential. We believe the progress of our pilot projects and signed contracts supports the feasibility of our overseas expansion strategy.

Increasing Contribution from Platform Service Revenue. As a growing number of battery-swapping station owners procure our platform services, the gross margin of our battery-swapping operational services continues to rise. The platform services based on our standard smart energy service platform are inherently more scalable and cost-efficient than self-operated or equipment-based businesses, and we expect them to contribute positively to our overall margin profile as adoption deepens.

BUSINESS

Improving our Operating Leverage

We plan to strengthen our operating leverage through a series of cost-optimization and efficiency enhancement initiatives. These efforts focus on improving our cost structure, streamlining sales and administrative processes, and refining the operations of our self-owned stations.

Sales and Administrative Efficiency. Going forward, we expect to further improve sales and administrative efficiency without expanding headcount, focusing on leaner team structures, clearer role alignment and enhanced productivity. For our sales team, we intend to shift toward a structure organized by application scenarios, such as ride-hailing, commercial vehicles and overseas markets, and manage these teams directly by headquarters. A more streamlined and scenario-based model is expected to enable sharper customer targeting, leaner staffing and more effective support for each use case. As our business relationships and brand awareness continue to build, we also plan to reduce lower-yield sales activities, such as broad marketing and participation in non-targeted exhibitions, and focus on more targeted customer engagement led by sales personnel. For our administrative team, we intend to transition to a more centralized structure, shifting from city-level administration to regional management directly overseen by headquarters, with the aim of improving staffing efficiency and strengthening execution. We also plan to continue advancing our digital management capabilities, including the upgrade of our OA and financial systems, to digitalize core workflows such as approvals and accounting. By integrating operational data across different business processes, we expect to strengthen data-driven decision making and improve overall efficiency.

Research and Development Expenses. In the early stage of our business development, our R&D spending was relatively high, primarily due to the development of battery-swapping technologies and our smart energy service platform and the underlying system architecture that supports our battery-swapping operations. As these core systems have now become more mature and are broadly deployed across our service offerings, our R&D efforts going forward will mainly relate to upgrades and enhancements rather than foundational development. Accordingly, we plan to streamline our in-house R&D resources and outsource certain non-core development and maintenance tasks where appropriate.

Cost Structure and Operating Efficiency. We are developing a more disciplined procurement and production framework to support long-term cost efficiency. We will try to secure long-term procurement agreements with supplier to secure stable prices for key components. In addition, we intend to adopt more diversified procurement approaches, such as market-based tenders and broader quotation solicitations, to expand the pool of qualified suppliers, enhance price competition and reduce procurement costs. As the volume of battery-swapping equipment increases, we expect economies of scale to progressively emerge. We also plan to further optimize production processes, reduce material consumption, enhance labor efficiency and implement more structured inventory management. At the same time, we plan to optimize our production arrangements. For all battery-swapping stations and equipment used in passenger-vehicle battery swapping, we expect to continue primarily with self-manufacturing. For commercial-vehicle modules, including heavy-duty trucks, production plans will be determined based on market demand, cost considerations and operational efficiency, and may be adjusted flexibly, including through outsourced manufacturing or production carried out by EV OEMs. These initiatives are designed to lower production costs while improving working-capital management.

Operations of Self-Owned Stations. We will continue to optimise the scale, configuration and operating model of our self-owned stations to enhance utilization and improve cost efficiency. For station deployment, we have closed stations in cities where performance was weak or long-term scalability of the business was limited. Going forward, we will continue to evaluate the commercial viability of battery-swapping operations in each city and adjust our station portfolio accordingly. Benefiting from the mobile and modular features of our stations, we will also relocate certain stations to more suitable sites where appropriate. On the operational side, we intend to optimise

BUSINESS

staffing and scheduling based on utilization levels and reduce station labor needs through automation upgrades. We also plan to improve electricity cost management by increasing consumption during lower-tariff periods and utilizing electricity transactions through the power-trading market. In addition, we aim to further control maintenance and miscellaneous operating expenses by enhancing parts reparability, widening the range of replaceable components and optimizing procurement of frequently used parts, supporting the reduction of station-level operating costs.

The foregoing forward-looking statements on our future revenue and profitability are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Our business growth and long-term profitability is subject to known and unknown risks, uncertainties and other factors, some of which are beyond our control, and they 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 set out above. See “Risk Factors — Risks Relating to Our Business and Industry.”

R&D AND DIGITALIZATION

Our success depends significantly on our R&D capabilities, which include the development of battery-swapping technologies and products, as well as the promotion of digitalized operation. We are committed to delivering high-quality, cutting-edge battery-swapping solutions that cater to our customers’ needs, with a continued emphasis on R&D investment.

As of April 30, 2026, our R&D and digitalization team consisted of 58 members. Their expertise spans across multiple areas, including (i) the development of battery-swapping technologies and hardware for battery-swapping equipment; as well as (ii) the advancement of our smart energy cloud platform and data analytics systems. Their work encompasses not only optimizing operational efficiency but also enhancing intelligent data processing capabilities, predictive analytics, and real-time system monitoring, all of which contribute to the continuous improvement of our digital infrastructure and services. In 2023, 2024, and 2025 and the four months ended April 30, 2026, our R&D expenses amounted to RMB76.4 million, RMB67.1 million, RMB37.0 million and RMB13.0 million, respectively, accounting for 6.6%, 7.2%, 5.5% and 5.5% of our total revenue in each corresponding period.

Our product and technology development relies mainly on in-house capabilities. For details of our core advanced technologies, see “— Our Battery-Swapping Stations and Technologies.” In developing EV models compatible with our battery-swapping solutions, we work closely with EV OEMs to continually expand the range of vehicles, including passenger and commercial vehicles, that can utilize our battery-swapping services. For battery-swapping station development, we are committed to creating stations that are compatible with a wider variety of vehicle models. Our R&D efforts are not limited to battery-swapping technology; our V2S2G model under development also explores energy storage and charging technologies.

INTELLECTUAL PROPERTY

We regard our proprietary patents, trademarks, copyrights, domain names, know-how, trade secrets and other intellectual property, as critical to our business operations and fundamental to our success and competitiveness. We devote significant time and resources to the development and protection of our intellectual property rights, and we rely on relevant intellectual property laws and confidentiality, invention assignment and non-compete agreements with our employees and others to protect such rights. As of April 30, 2026, we maintained a portfolio of 2,453 issued patents in China. Among our issued patents, we had 634 inventions, 422 design patents and 1,397 utility model patents; and we maintained 242 trademarks, nine copyrights and 47 software copyrights registered in China.

BUSINESS

We adopt a comprehensive strategy to protect our technology and intellectual property rights, utilizing a blend of know-how, patents, copyrights, and trademark laws, supplemented by internal protocols, policies, and contractual safeguards. We enter into confidentiality and non-disclosure agreements with our employees, suppliers, and other business collaborators to protect our proprietary rights. Employment agreements specify that any patents, software, inventions, developments, works of authorship, and trade secrets generated by employees during their tenure belong to our company. Additionally, we reinforce the protection of our proprietary rights through internal policies, confidentiality agreements, encryption, and robust data security practices. However, there can be no assurance that our efforts will be successful. Even if our efforts are successful, we may incur significant costs in defending our rights. Moreover, we may face litigation from third parties either claiming that we infringe on their intellectual property or asserting their rights to use our intellectual property without infringement. See “Risk Factors — Risks Relating to Our Business and Industry — We may be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations.”

During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material infringement (i) by us of any intellectual property rights owned by third parties, or (ii) by any third parties of any intellectual property rights owned by us.

MANUFACTURING

Manufacturing Facilities

Battery-swapping stations are constructed using components and equipment that are centrally produced at our manufacturing base, then assembled on-site at designated locations. This method ensures shorter construction periods and controllable costs. We have an R&D and Manufacturing Center in Shanghai, where we produce and assemble modularized battery-swapping modules and components for the battery-swapping stations. Our manufacturing facility spans an area of 65,822 sq.m, providing ample space for existing manufacturing operations and potential future expansion. By leveraging our in-house manufacturing and testing capabilities, coupled with strict quality control protocols, we guarantee the superior performance and reliability of our products.

Our production activities are overseen by our supply chain management center, which is responsible for manufacturing, procurement, prototyping, equipment management, standardization, safety management, quality assurance, planning logistics, and after-sales services for the battery-swapping stations and battery-swapping modules. As of April 30, 2026, we had 55 employees for the manufacture and supply chain management. Our production team has adopted a suite of management strategies and practices, aiming to enhance production efficacy and advance the automation of our manufacturing procedures. We have implemented information management systems such as the enterprise resource planning system and the manufacturing execution system to enhance production efficacy and advance the automation of our manufacturing procedures. We also strive to provide a safe working environment for our employees. See “— Environment Protection, Social Responsibility and Corporate Governance.”

Our Shanghai manufacturing facility is designed to produce customized products with built-in flexibility to ensure our production lines being both effective and adaptive to the market demands and ever-changing manufacturing practices. Our production line is equipped with a range of manufacturing equipment, including welding line equipment, bending machines, fiber cutting machines, CNC machining centers, and computer numerically controlled punch presses. We perform routine and preventative maintenance on our manufacturing machinery and equipment to ensure their proper functioning. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material interruption to our production process due to machine or equipment failure.

BUSINESS

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

	For the Year Ended December 31,			For the Four Months Ended April 30,
	2023	2024	2025	2026
Battery-swapping stations				
Production capacity ⁽¹⁾	162	162	162	54
Production volume	94	60	33	5
Utilization rate ⁽²⁾	57.9%	37.0%	20.4%	9.2%
Battery-swapping modules				
Production capacity ⁽¹⁾	47,250	47,250	47,250	15,750
Production volume	36,578	21,718	10,165	2,750
Utilization rate ⁽²⁾	77.4%	46.0%	21.5%	17.5%

Notes:

- (1) The production capacity is calculated based on the number of production lines, per-line output, and shift schedule, assuming 250 workings days each year, or 83 days for the four months ended April 30, 2026.
- (2) The utilization rate equals actual production volume divided by the production capacity.

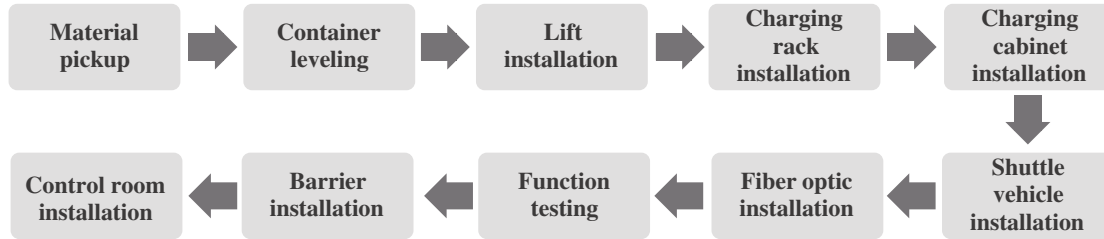
During the Track Record Period, the decrease in the utilization rates of our production lines was primarily due to lower production output in response to decreased customer demand for battery-swapping stations and battery-swapping modules. As our business evolved from self-owned station operation toward battery-swapping operational solutions for third-party customers, our production output became more closely linked to confirmed orders, customer deployment schedules and the pace of market demand. Since 2024, third-party station investors, fleet customers and EV OEMs became more cautious in capital expenditure and procurement amid a more competitive and uncertain market environment, resulting in lower demand for our battery-swapping stations and modules. In response to such market conditions, we adopted a measured and disciplined production approach by calibrating production output with actual customer demand and delivery schedules, rather than building inventory or scaling production ahead of confirmed orders. We are also actively expanding our customer base and broadening the application scenarios of our battery-swapping solutions. For details, see “— Business Sustainability — Path to Profitability.”

Such adjustment also reflects our ongoing refinement of market strategy, where we apply accumulated operational experience to guide selective and demand-aligned deployment. We remain focused on sustainable growth and will continue to adjust our production planning dynamically based on business needs and future demand visibility.

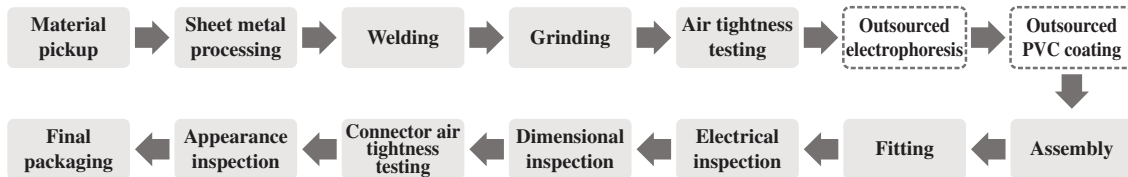
BUSINESS

Manufacturing Process

Our manufacturing process for battery swapping modules and battery swapping stations typically include metal processing, welding, assembly, commissioning and testing. In addition, we may customize components of our battery swapping modules based on customers’ specifications. The production of battery-swapping stations primarily consists of the following steps:



The production of battery-swapping modules primarily consists of the following steps:



Outsourcing

We outsource a limited number of non-core production processes in the manufacturing of battery-swapping modules. To utilize our production capacity more effectively and ensure the quality and efficiency of our core component manufacturing, we outsource minor surface processing steps of battery-swapping modules to specialized third-party subcontracting manufacturers. Specifically, we outsource the electrophoresis and PVC coating processes for battery boxes to third parties. Our Directors consider that investing in machinery and labor for such processes is not an effective use of funds and resources, while subcontracting is more cost-effective and time efficient. According to CIC, such outsourcing arrangement is in line with the industry norm.

We select our subcontractors based on several key factors, including their location, reliability, production capacity, product quality, and price. We typically screen multiple qualified subcontractor candidates before finalizing our cooperation partners. Our subcontractors are usually responsible for sourcing materials required for the subcontracting processes. We may conduct on-site inspections of our subcontractors’ production facilities to perform quality checks during the subcontracting process. Additionally, we carry out quality control tests on the semi-finished or finished products processed by our subcontractors before incorporating them into our production process or accepting delivery of the finished products.

During the Track Record Period, we had engaged four subcontractors, all independent third parties, for the aforesaid processing procedures. Accordingly, the subcontracting fees paid to these subcontractors amounted to RMB33.3 million, RMB15.0 million, RMB5.0 million and RMB0.5 million, respectively, in 2023, 2024, 2025 and for the four months ended April 30, 2026, accounting for 2.8%, 1.6%, 0.7% and 0.2% of our total cost of revenue in each of the respective period. During the Track Record Period and up to the Latest Practicable Date, we did not experience any difficulties in procuring services from subcontractors, nor have we encountered any material delay in the provision of services by our subcontractors which caused material disruption to our operations.

BUSINESS

Quality Control

We are committed to delivering high-performance products with consistent quality and reliability. Our production processes adhere to industry standards, including IATF 16949:2016, QS-9000, and ISO 9001 quality management systems, overseeing the full lifecycle from strategic planning, concept design, development, data involvement, drawing, testing validation, process verification, production preparation, to production launch. Additionally, we conform to the ISO 14000 environmental management system. Quality metrics used in our product testing include finished product pass rate, yield rate, and defect rate in line with automotive industry standards. These standards enable us to maintain strict quality control, optimize manufacturing costs, accelerate product development cycles, and enhance supply chain resilience. As of April 30, 2026, our quality control department, staffed by 17 experienced personnel, oversees quality management across our supply chain and production processes.

Logistics and Warehousing

We primarily engage certified third-party logistics providers to transport our products. Our warehouse, located in Shanghai, serves as the primary storage site for our work-in-process and completed products. We may also rent a few temporary warehouses in areas close to our customers or battery-swapping stations, depending on our sales demand or development plan. Once products have successfully undergone quality checks, they are moved to the warehouse, where we implement stringent inventory management and control protocols. The products are then shipped to our EV OEMs or the sites of our designated battery-swapping stations, ensuring a streamlined distribution process.

RAW MATERIALS AND SUPPLIERS

Suppliers

Our suppliers mainly include power grid companies, as well as suppliers of raw materials for battery swapping stations and battery-swapping modules. In 2023, 2024 and 2025 and the four months ended April 30, 2026, the purchases from our top five suppliers in each year or period during the Track Record Period amounted to RMB364.7 million, RMB317.6 million, RMB238.9 million and RMB117.7 million, which accounted for 35.0%, 39.0%, 41.3% and 52.8% of our total purchases in each corresponding year or period during the Track Record Period, respectively. For the same periods, our purchases from the largest supplier in each year or period during the Track Record Period amounted to RMB131.7 million, RMB160.5 million, RMB153.9 million and RMB52.1 million, which accounted for 12.6%, 19.7%, 26.6% and 23.4% of our total purchases in each corresponding year or period during the Track Record Period, respectively. We typically make payments to our suppliers via wire transfer. The following tables set out details of our five largest suppliers in each year or period during the Track Record Period:

For the year ended December 31, 2023

Supplier	Background	Type of products provided	Relationship since	Credit term	Purchase amount RMB'000	Percentage of total purchase %
Supplier A/ Customer B	A state-owned enterprise based in Beijing with a registered capital of RMB1,304.5 billion, primarily engaged in the electricity supply and related power services	Electricity	2017	Monthly payment or prepayment	131,667	12.6

BUSINESS

Supplier	Background	Type of products provided	Relationship since	Credit term	Purchase amount <i>RMB'000</i>	Percentage of total purchase <i>%</i>
Supplier B . . .	A state-owned enterprise based in Guangzhou with a registered capital of RMB90.2 billion, primarily engaged in the electricity supply and related power services	Electricity	2018	Monthly payment or prepayment	85,198	8.2
Supplier C . . .	A private company based in Shanghai with a registered capital of RMB20.0 million, primarily engaged in electrical technology development and equipment manufacturing	Raw materials	2020	30 days upon delivery	58,145	5.6
Supplier D . . .	A private company based in Zhuhai with a registered capital of RMB250.0 million and a subsidiary of a Hong Kong-listed company, primarily engaged as a service provider in the electric power industry	Raw materials	2011	Install payment within one year upon delivery	46,792	4.5
Supplier E . . .	A state-owned enterprise based in Wuhan with a registered capital of RMB8.6 million and a company listed on the A-share and Hong Kong stock markets, primarily engaged in the manufacturing of commercial vehicles, passenger vehicles, and new energy vehicles.	Batteries	2022	Prepayment	42,941	4.1
Total					364,744	35.0

BUSINESS

For the year ended December 31, 2024

Supplier	Background	Type of products provided	Relationship since	Credit term	Purchase amount <i>RMB'000</i>	Percentage of total purchase %
Supplier A/ Customer B . . .	A state-owned enterprise based in Beijing with a registered capital of RMB1,304.5 billion, primarily engaged in the electricity supply and related power services	Electricity	2017	Monthly payment or prepayment	160,538	19.7
Supplier B	A state-owned enterprise based in Guangzhou with a registered capital of RMB90.2 billion, primarily engaged in the electricity supply and related power services	Electricity	2018	Monthly payment or prepayment	49,787	6.1
Supplier C	A private company based in Shanghai with a registered capital of RMB20.0 million, primarily engaged in electrical technology development and equipment manufacturing	Raw materials	2020	30 days upon delivery	42,038	5.2
Supplier D	A private company based in Zhuhai with a registered capital of RMB250.0 million and a subsidiary of a Hong Kong-listed company, primarily engaged as a service provider in the electric power industry	Raw materials	2011	Install payment within one year upon delivery	37,723	4.6
Supplier F	A private company based in Chongqing with a registered capital of RMB5.0 million, primarily engaged in the distribution and related services of new energy vehicles	Batteries	2021	15 working days upon receipt of invoice	27,552	3.4
Total					317,638	39.0

BUSINESS

For the year ended December 31, 2025

Supplier	Background	Type of products provided	Relationship since	Credit term	Purchase amount <i>RMB'000</i>	Percentage of total purchase <i>%</i>
Supplier A/ Customer B . . .	A state-owned enterprise based in Beijing with a registered capital of RMB1,304.5 billion, primarily engaged in the electricity supply and related power services	Electricity	2017	Monthly payment or prepayment	153,863	26.6
Supplier B	A state-owned enterprise based in Guangzhou with a registered capital of RMB90.2 billion, primarily engaged in the electricity supply and related power services	Electricity	2018	Monthly payment or prepayment	39,856	6.9
Supplier D	A private company based in Zhuhai with a registered capital of RMB250.0 million and a subsidiary of a Hong Kong-listed company, primarily engaged as a service provider in the electric power industry	Raw materials	2011	Install payment within one year upon delivery	22,254	3.8
Supplier C	A private company based in Shanghai with a registered capital of RMB20.0 million, primarily engaged in electrical technology development and equipment manufacturing	Raw materials	2020	30 days upon delivery	14,393	2.5
Supplier G	A foreign-invested enterprise based in Shanghai with a registered capital of US\$29.5 million, primarily engaged in the production and sales of containers and other logistics-related equipment	Raw materials	2023	Monthly payment with grace period of 90 days	8,531	1.5
Total					238,896	41.3

BUSINESS

For the four months ended April 30, 2026

Supplier	Background	Type of products provided	Relationship since	Credit term	Purchase amount <i>RMB'000</i>	Percentage of total purchase <i>%</i>
Supplier H . . .	A state-owned enterprise based in Beijing with a registered capital of RMB10.7 billion, primarily engaged in the development, production and sales of passenger vehicles (including new energy vehicles) and core automotive components	Batteries	2025	5 working days upon placement of the order	52,135	23.4
Supplier A/ Customer B . .	A state-owned enterprise based in Beijing with a registered capital of RMB1,304.5 billion, primarily engaged in the electricity supply and related power services	Electricity	2017	Monthly payment or prepayment	45,782	20.6
Supplier B . . .	A state-owned enterprise based in Guangzhou with a registered capital of RMB90.2 billion, primarily engaged in the electricity supply and related power services	Electricity	2018	Monthly payment or prepayment	11,468	5.1
Supplier C . . .	A private company based in Shanghai with a registered capital of RMB20.0 million, primarily engaged in electrical technology development and equipment manufacturing	Raw materials	2020	30 days upon delivery	5,432	2.4
Supplier I . . .	A state-owned enterprise based in Chongqing with a registered capital of RMB150.0 million, primarily engaged in the sales of passenger vehicles (including new energy vehicles) and related automotive services	Batteries	2023	15 working days upon receipt of invoice	2,861	1.3
Total					117,679	52.8

BUSINESS

All of our five largest suppliers in each year or period during the Track Record Period were Independent Third Parties. During the Track Record Period and up to the Latest Practicable Date, none of our Directors, their respective associates, or any of our shareholders who, to the best of our knowledge, owned more than 5% of our share capital, had any interest in any of our top five suppliers.

During the Track Record Period and as of the Latest Practicable Date, we did not experience any material dispute with our suppliers, difficulties in the procurement of our direct materials, or interruptions in our operations caused by our suppliers.

Raw Materials

Raw materials we procured for the production of battery-swapping stations primarily include charging cabinets, charging systems, shuttle vehicles, stackers, and containers, and raw materials we procured for the production of battery-swapping modules primarily include sheet metal parts, connectors, and wiring harnesses. In 2023, 2024, 2025 and the four months ended April 30, 2026, we incurred inventory costs of RMB461.1 million, RMB197.3 million, RMB111.6 million and RMB52.1 million, respectively, representing 38.6%, 20.5%, 15.7% and 22.6% of our cost of revenue, respectively.

The raw materials of our main products which we sourced from our suppliers are generally readily available in the market. We believe we have alternative sources for the supply of principal raw materials with comparable quality and prices. We have not experienced significant difficulties in maintaining reliable sources of supplies and expect to be able to maintain adequate sources of quality supplies in the future through continuously developing new supplier relationships and exploring domestic replacements. We generally enter into supply agreements with a term of one year with our raw material suppliers. The purchase price of our raw materials is primarily based on prevailing market prices for raw materials of similar quality and subject to arm's length negotiation. In addition, our raw material procurement is primarily based on our production and sales plans, as well as our forecasts of inventory consumption rates. We have implemented a warehouse management system and manufacturing execution system to enhance our digital operations, allowing us to effectively monitor and manage our inventory levels and consumption rates, ensuring stable stock levels. During the Track Record Period and up to the Latest Practicable Date, we did not experience significant supply shortage of raw materials and we generally did not experience significant price volatilities. For risks relating to the supply of raw materials, see “Risk Factors — Risks Relating to Our Business and Industry — We could experience cost increases or disruptions in supply of raw materials and electricity.”

SALES AND MARKETING

We have established the Marketing and Regional Management Center to develop our battery-swapping business from multiple dimensions, including brand marketing, product promotion, sales management, and ecosystem partnerships. As of April 30, 2026, our sales and marketing team comprised 30 knowledgeable personnel.

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

BUSINESS

In addition to our ongoing brand-building efforts, we are also proactively promoting the sales of our battery-swapping equipment, including battery-swapping stations and battery modules, which in turn supports the expansion of our operational solutions provided to battery-swapping station operators. The sales of battery-swapping equipment are closely tied to the deployment of battery-swapping EVs—sufficient EV adoption drives demand for battery-swapping infrastructure. To capture this opportunity, we have strategically mobilized our available resources across multiple fronts, which includes offering a variety of station types and vehicle models, as well as introducing standardized processes for product development, sales, and operational services. We also form a comprehensive framework for managing potential customer engagement throughout the entire conversion journey—including initial outreach, lead tracking, interest evaluation, and post-engagement follow-up—ultimately driving transaction conversion.

Our pricing strategy is dynamic, adapting to market reception and considering various factors like raw material costs, business expansion efforts, customer demand, and anticipated sales volumes. We continually monitor market trends to adjust our pricing strategies, ensuring we remain competitive within the industry. For details of pricing or our products and services, see “— Our Battery-Swapping Solutions — Battery-Swapping Operational Solutions”, and “— Our Battery-Swapping Solutions — Battery-Swapping Services Through Self-owned Stations.”

CUSTOMERS

During the Track Record Period, substantially all our products and services were provided in China. Our battery-swapping services through self-owned stations primarily serve EV drivers who typically make payments to us via online payment methods. The customers that purchase our battery-swapping stations and operational services are primarily local urban investment companies, energy investment companies, transportation enterprises, and grid companies. Our battery-swapping modules are primarily provided to EV OEMs or battery manufacturers. Our corporate customers typically make payments via wire transfer. For details of the major terms of agreements we entered into with our customers, see “—Our Battery-swapping Solutions.”

In 2023, 2024, 2025 and the four months ended April 30, 2026, the aggregate sales to our five largest customers in each year or period during the Track Record Period amounted to RMB386.5 million, RMB211.9 million, RMB93.8 million and RMB75.0 million, which accounted for 33.5%, 22.9%, 13.8% and 31.9% of our revenue in each corresponding year or period during the Track Record Period, respectively. For the same periods, sales to our largest customer in each year or period during the Track Record Period amounted to RMB121.9 million, RMB54.5 million, RMB26.7 million and RMB46.0 million, which accounted for 10.6%, 5.9%, 3.9% and 19.5% of our revenue in each corresponding year or period during the Track Record Period, respectively. The following tables set out details of our five largest customers in each year or period during the Track Record Period:

For the year ended December 31, 2023

Customer	Background	Type of products purchased	Relationship since	Credit term	Revenue RMB'000	Percentage of revenue %
Customer A . .	A public company based in Fujian and listed on both stock exchanges of Shenzhen and Hong Kong, primarily engaged in the development, production and sales of batteries and energy storage systems	Battery-swapping modules	2020	60 days upon receipt of invoice	121,930	10.6

BUSINESS

Customer	Background	Type of products purchased	Relationship since	Credit term	Revenue <i>RMB'000</i>	Percentage of revenue %
Customer B/ Supplier A . . .	A state-owned enterprise based in Beijing with a registered capital of RMB1,304.5 billion, primarily engaged in the electricity supply and related power services	Battery-swapping stations	2017	Installment payments based on upon receipt of invoice, equipment inspection, station operation, and warranty period	118,900	10.3
Customer C . . .	A state-owned enterprise based in Kunming with a registered capital of RMB200.0 million, primarily engaged in investments in the new energy businesses	Battery-swapping operational services, equipment and others	2021	3 working days upon bill confirmation for the operational services; and install payment for equipment sales	82,409	7.1
Customer D . . .	A state-owned enterprise based in Changchun with a registered capital of RMB35.4 billion, primarily engaged in the development, production and sales of vehicles	Battery-swapping modules	2021	2 months after the settlement months	32,933	2.9
Customer E . . .	A state-owned enterprise based in Beijing and listed on both stock exchanges of Shanghai and Hong Kong, primarily engaged in oil exploration, production and other energy-related businesses	Battery-swapping stations	2022	Installment payments based on upon contract execution, equipment delivery, and warranty period	30,288	2.6
Total					386,459	33.5

BUSINESS

For the year ended December 31, 2024

Customer	Background	Type of products purchased	Relationship since	Credit term	Revenue <i>RMB'000</i>	Percentage of revenue %
Customer A . .	A public company based in Fujian and listed on both stock exchanges of Shenzhen and Hong Kong, primarily engaged in the development, production and sales of batteries and energy storage systems	Battery-swapping modules	2020	60 days upon receipt of invoice	54,549	5.9
Customer D . .	A state-owned enterprise based in Changchun with a registered capital of RMB35.4 billion, primarily engaged in the development, production and sales of vehicles	Battery-swapping modules	2021	2 months after the settlement months	52,707	5.7
Customer E . .	A state-owned enterprise based in Beijing and listed on both stock exchanges of Shanghai and Hong Kong, primarily engaged in oil exploration, production and other energy-related businesses	Battery-swapping stations	2022	Installment payments based on upon contract execution, equipment delivery, and warranty period	37,118	4.0
Customer F . .	A state-owned enterprise based in Wuhan with a registered capital of RMB800.0 million, primarily engaged in operation and management of battery assets and related services	Battery-swapping equipment	2024	7 days upon inspection	33,874	3.7
Customer C . .	A state-owned enterprise based in Kunming with a registered capital of RMB200.0 million, primarily engaged in investments in the new energy businesses	Battery-swapping operational services, equipment and others	2021	3 working days upon bill confirmation for the operational services; and install payment for equipment sales	33,616	3.6
Total					211,864	22.9

BUSINESS

For the year ended December 31, 2025

Customer	Background	Type of products purchased	Relationship since	Credit term	Revenue <i>RMB'000</i>	Percentage of revenue %
Customer C . .	A state-owned enterprise based in Kunming with a registered capital of RMB200.0 million, primarily engaged in investments in the new energy businesses	Battery-swapping operational services, equipment and others	2021	3 working days upon bill confirmation for the operational services; and install payment for equipment sales	26,697	3.9
Customer D . .	A state-owned enterprise based in Changchun with a registered capital of RMB35.4 billion, primarily engaged in the development, production and sales of vehicles	Battery-swapping modules	2021	2 months after the settlement months	20,823	3.1
Customer G . .	A state-owned enterprise based in Changchun with a registered capital of RMB576.2 million, primarily engaged in power infrastructure construction and related businesses	Battery-swapping stations	2022	Installment payments based on upon contract execution, equipment delivery, and warranty period	17,228	2.5
Customer H . .	A private company based in Changchun with a registered capital of RMB1.0 billion, primarily engaged in the R&D, production and sales of new energy vehicle power batteries and related core components, as well as the provision of battery recycling and reuse services	Battery-swapping modules	2025	2 months after the settlement months	15,474	2.3
Customer I . .	A private company based in Shanghai with a registered capital of RMB50.0 million, primarily engaged in the development and provision of services related to battery equipment	Battery-swapping operational services, vehicle battery leasing services	2022	the 10th of the following month	13,593	2.0
Total					93,816	13.8

BUSINESS

For the four months ended April 30, 2026

Customer	Background	Type of products purchased	Relationship since	Credit term	Revenue <i>RMB'000</i>	Percentage of revenue %
Customer J . .	A private enterprise based in Kunming with a registered capital of RMB1.0 million, primarily engaged in new energy vehicle related businesses including intelligent battery swap services and new energy technology development	Battery-swapping stations	2026	30% payment upon contract execution, with the remaining settled within 12 months after settlement months	45,980	19.5
Customer H . .	A private company based in Changchun with a registered capital of RMB1.0 billion, primarily engaged in the R&D, production and sales of new energy vehicle power batteries and related core components, as well as the provision of battery recycling and reuse services	Battery-swapping modules	2025	2 months after the settlement months	9,673	4.1
Customer C . .	A state-owned enterprise based in Kunming with a registered capital of RMB200.0 million, primarily engaged in investments in the new energy businesses	Battery-swapping operational services, equipment and others	2021	3 working days upon bill confirmation for the operational services; and install payment for equipment sales	7,282	3.1

BUSINESS

Customer	Background	Type of products purchased	Relationship since	Credit term	Revenue <i>RMB'000</i>	Percentage of revenue <i>%</i>
Customer K . . .	A private company based in Changchun with a registered capital of RMB1.0 million, primarily engaged in sales of battery-swapping equipment	Battery-swapping stations	2026	Installment payments based on upon equipment delivery, inspection and warranty period	6,372	2.7
Customer L . . .	A private company based in Ordos with a registered capital of RMB100.0 million, co-founded by Ordos New Energy Development and Utilization Co., Ltd. and us, primarily engaged in new energy vehicle battery swap services, battery operation and management, and related new energy business operations	Battery-swapping stations	2023	Installment payments based on upon equipment delivery, inspection and warranty period	5,724	2.4
Total					75,031	31.9

All of our five largest customers in each year or period during the Track Record Period were Independent Third Parties. During the Track Record Period and up to the Latest Practicable Date, except for Customer L in which we hold an equity interest of 15%, none of our Directors, their respective associates, or any of our shareholders who, to the best of our knowledge, owned more than 5% of our share capital, had any interest in any of our top five customers.

BUSINESS

Overlapping of Suppliers and Customers

In 2023, 2024 and for the four months ended April 30, 2026, we had major customers who were also our suppliers, or vice versa (the “*customer-suppliers*”), respectively. The table below that sets forth the nature and amount of the relevant customer-supplier transactions during the Track Record Period:

	As Customer			As Supplier		
	Type of product purchased	Revenue contribution	% to total revenue	Type of product supplied	Purchase amount by the Group	% of total purchase
		(RMB'000)	(%)		(RMB'000)	(%)
For the year ended December 31, 2023						
Customer B/ Supplier A	Battery-swapping stations	118,900	10.3	Electricity	131,667	12.6
Customer D	Battery-swapping modules	32,933	2.9	Vehicles rental for daily operational use	19	0.002
For the year ended December 31, 2024						
Customer A	Battery-swapping modules	54,549	5.9	one-off procurement of raw materials for equipment development	10	0.001
Customer D	Battery-swapping modules	52,707	5.7	Vehicles rental for daily operational use	74	0.01
For the four months ended April 30, 2026 . .						
Customer H	Battery-swapping modules	9,673	4.1	Reserve batteries	696	0.3
Supplier H	Battery-swapping operational services	243	0.1	Reserve batteries	52,135	23.4

Negotiations of the terms of our sales to and purchases from the customers-suppliers were conducted on a transaction-by-transaction basis, and we have established solid business relationships with them. Our sales to and purchases from our customers-suppliers were not related to or inter-conditional upon each other. We had overlapping customers and suppliers during the Track Record Period due to business considerations, including transactions with different entities within the same conglomerate group and purchases and sales from the same entity of goods and services of different nature. According to CIC, such customer-supplier arrangements are common in the battery-swapping industry, as operators typically procure electricity, batteries or components from upstream suppliers while also selling swapping equipment or services to such parties when they participate in swapping-related operations. Our Directors confirmed that all of our sales to and purchases from these customers-suppliers were entered into after due consideration taking into account the prevailing purchase and selling prices at the relevant times, conducted in the ordinary course of business under normal commercial terms and on arm’s length basis.

Save as disclosed above, there were no five largest customers in each year or period during the Track Record Period who were also our suppliers in each respective year or period during the Track Record Period, or vice versa.

BUSINESS

CUSTOMER SERVICE AND WARRANTY

We strive to optimize our customers’ experience by offering high-quality customer services. We have invested significant management, financial and human resources to offer our customers personalized services across our various lines of business. We have a dedicated customer service department to handle customer queries and complaints and provide comprehensive training to our customer service representatives to ensure consistent and high-quality service. We maintain local customer-service hotlines, WeChat public account and mini-program to answer questions and complaints from our customers. Upon receiving feedback from a customer, our system will assign a customer service representative to follow up until the issue is resolved. During the Track Record Period and up to the Latest Practicable Date, we did not receive any material complaint from our customers.

For our sales of battery-swapping stations, we typically offer a warranty period of one year for the core modules of new battery-swapping stations, and six months for consumables. We strictly adhere to the quality requirements and construction standards stipulated in the sales contract to build and deliver battery-swapping stations, completing the corresponding acceptance procedures and finalization processes. Per request of the purchaser, we may purchase all-risk insurance, third-party liability insurance, and other commercial insurance to ensure comprehensive coverage and mitigate potential risks. For sales of our battery-swapping modules, we typically provide a warranty period of six years or 600 thousand kilometers. We generally do not accept returns or refunds unless due to product quality issues. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material product return, or any product recalls due to quality issues.

ENVIRONMENT PROTECTION, SOCIAL RESPONSIBILITY AND CORPORATE GOVERNANCE

Environmental, Social and Governance Structure

We are committed to integrating the philosophy of environmental, social and governance (“ESG”) into our management, strategy, policies and business plan to fulfill our obligation to corporate social responsibility. To achieve this, we have established 3-level ESG management structure. According to the structure, the Board takes ultimate responsibility for all our ESG and climate-related issues. The Board also delegates authority to the ESG working group to facilitate the management of ESG and climate-related issues.

The main responsibilities of the Board are formulating the regulatory system for ESG and climate-related issues, resolving and approving our management policies, strategies and targets related to ESG and climate-related issues, including assessing, prioritizing and managing material ESG and climate-related issues, risks and opportunities. In addition, the Board holds annual meeting to discuss ESG-related matters and approves ESG reports.

The ESG working group is led by the Secretary of the Board and is mainly responsible for (i) formulating ESG and climate-related policies, strategies, and targets, and facilitating the related implementation work, (ii) identifying, assessing, reviewing, and managing material ESG and climate-related risks and opportunities, (iii) monitoring the progress of ESG and climate-related performance and targets, and (iv) coordinating and promoting the implementation of ESG and climate-related policies among various departments. The ESG working group will regularly report to the Board each year on ESG and climate-related issues.

The execution level is composed of relevant departments and is mainly responsible for promoting implementation work in accordance with our ESG and climate-related policy requirements, collecting ESG key performance indicators, and reporting regularly to the ESG working group.

BUSINESS

To enhance the Board’s understanding of its obligations and knowledge concerning ESG issues, the directors will be required to participate in regular training sessions on the regulatory requirements for ESG and climate-related disclosures under regulations of the Stock Exchange.

Materiality Assessment

We conducted a materiality assessment to identify the significant material ESG issues that impact us and our stakeholders. This assessment aims to understand stakeholders’ expectations better. We engaged an independent ESG consultant to carry out the assessment in accordance with Appendix C2 of the Main Board Listing Rules of the Stock Exchange.

Our materiality assessment identifies and prioritizes key ESG issues by gathering and analyzing stakeholder concerns. The process includes: (i) identifying potential ESG issues based on our operations, HKEX Listing Rules (Appendix C2), SASB guidance, and peer practices; (ii) engaging stakeholders (including the Board, management, employees, suppliers, and customers) through questionnaires; (iii) analyzing responses to prioritize material issues; and (iv) reviewing and disclosing the most significant issues.

Based on this assessment, six issues were identified as highly material: (i) technological innovation and R&D, (ii) battery lifecycle management, (iii) energy management, (iv) product quality and safety, (v) sustainable battery swapping and charging services, and (vi) talent attraction and retention. We address these priorities by advancing distributed energy solutions, strengthening battery lifecycle governance, improving energy efficiency, ensuring product quality and safety, delivering sustainable battery services, and attracting and retaining talent through competitive benefits, performance management, and training programs.

Environmental Protection

We strictly comply with the Environmental Protection Law of the People’s Republic of China, as well as other laws and regulations related to environmental protection. For the production operation, we have formulated an Environmental Protection Policy that clearly stipulates energy and emissions, water resources and waste management. Our subsidiary’s environmental management system has been certified to be in conformity with the ISO 14001 standard.

By establishing a convenient, high-quality, and safe battery exchange business, we strive to create a positive environmental impact. Easy battery swapping encourages consumers to switch from fuel vehicles to new energy vehicles, thereby reducing carbon emissions. Moreover, battery swapping extends battery life through recycling, enhancing resource efficiency, and minimizing waste and pollution.

We have not (i) violated any laws or regulations regarding the emission of exhaust gases and greenhouse gases, the discharge of pollutants to water bodies and land, the generation of hazardous and non-hazardous waste; (ii) experienced any significant incidents affecting the environment and natural resources; or (iii) received any notices of environmental fines or litigation over the past three years and for the four months ended April 30, 2026.

Energy and Greenhouse Gas Emissions Management

In addition to general office electricity use, the primary source of our energy consumption is the electrical power utilized at our battery swapping station, which is necessary for battery charging, equipment operation, and air conditioning. Guided by a balance of energy efficiency and effectiveness, we implement energy-saving measures and promote conservation among employees.

Key initiatives include switching off lighting, air conditioning, and office equipment after working hours, and encouraging energy-saving habits through visible reminders. In operations, we further reduce energy use by adopting industrial air conditioning with temperature-based controls, selecting energy-efficient equipment and lighting, and conducting regular maintenance and inspections of company vehicles.

BUSINESS

Resources Utilization and Waste Management

Our main sources of waste are daily municipal solid waste, used ink cartridges, waste batteries, empty cleaning product containers such as bottles and cans of cleaning agents, and used rags. To regulate the disposal of waste and minimize environmental pollution, our Environmental Protection Policy (《環境保護政策》) defines waste management requirements, including regulations on recyclable waste, non-recyclable waste, hazardous waste, and resource conservation. This policy standardizes waste collection, storage, and disposal to ensure environmentally responsible handling.

Key measures include categorized collection of recyclables, proper disposal of non-recyclable waste through qualified contractors, and strict hazardous waste management with designated storage areas and licensed disposal vendors. We also promote resource conservation by adopting paperless practices, encouraging double-sided printing, and reducing single-use and non-recyclable materials.

For waste batteries, we have established a Battery Management System and Battery Asset Management and Optimization Guidelines to support full lifecycle management. Batteries are regularly monitored through a digital platform, with repair or replacement prioritized to avoid premature disposal. End-of-life batteries are handled through formal recycling vendor processes. In addition, a battery data platform tracks lifecycle information, including usage, faults, and repairs.

Water Resources Management

We acknowledge the importance of water resources for sustainable development and strive to improve water use efficiency. We maintain robust management and vigilant monitoring to prevent and control water pollution. We have also implemented water-saving measures in our office. These measures include (i) post water-saving signs in water-using areas, (ii) use water-saving products and control water consumption; and (iii) regularly check water pipes to prevent leaks.

Metrics and Targets

The following outlines the environmental key performance indicators for our offices, battery swapping stations and production facilities. Direct greenhouse gas (“GHG”) emissions that occur from sources that we controlled or owned, including fossil fuel combustion from both stationary and mobile sources, and refrigerant gas leaks, are categorized as Scope 1 emissions. Scope 2 emissions are indirect, stemming primarily from the consumption of purchased electricity.

	For the year ended December 31,			For the four months ended April 30,
	2023	2024	2025	2026
GHG Emissions				
Scope 1 (Direct emissions)				
(tCO ₂ e) [#]	440.15	782.76	566.68	85.45
Scope 2 (Indirect emissions)				
(tCO ₂ e)*	261,485.60	312,433.56	282,527.86	86,804.50
Scope 3 (Indirect emissions)				
(tCO ₂ e)	62.80	41.20	39.99	12.84
Total GHG emissions (Scopes 1 and 2) (tCO ₂ e)	261,925.75	313,216.32	283,094.54	86,889.95
Total GHG emissions (Scopes 1,2 & 3) (tCO ₂ e)	261,988.55	313,257.52	283,134.53	86,902.79

BUSINESS

	For the year ended December 31,			For the four months ended April 30,
	2023	2024	2025	2026
Total Scope 1 and 2 GHG emissions intensity (tCO ₂ e/million RMB revenue)	226.70	338.14	418.10	369.53
Resources Consumption				
Purchased electricity (kWh)	487,300,781.39	582,246,656.72	526,514,833.77	161,767,612.18
Purchased electricity intensity (kWh/million RMB revenue)	421,771.06	628,577.87	777,597.03	687,980.52
Water (m ³)	36,308.00	35,487.20	38,866.11	15,606.40
Water intensity (m ³ /million RMB revenue)	31.43	38.31	57.40	66.37
Waste				
Non-hazardous waste (kg)	124,957.50	118,828.35	107,826.90	47,522.50
Non-hazardous waste intensity (kg/million RMB revenue)	108.15	128.28	159.25	202.11
Hazardous waste (kg)	11,170.20	8,451.10	5,396.70	469.10
Hazardous waste intensity (kg/million RMB revenue)	9.67	9.12	7.97	2.00

Notes:

- # Scope 1 emissions in 2024 increased compared to 2023, primarily due to the comprehensive maintenance of the cooling systems at Shanghai Dianba during the year. This maintenance included compressor overhauls, heat exchanger replacements, and leak detection operations, all of which involved the use of refrigerants.
- * The increase in the number of vehicles provided with battery swapping services in 2024 led to a rise in electricity consumption at battery swapping stations, resulting in an overall increase in Scope 2 greenhouse gas emissions compared with 2023.

Targets

We have established environmental targets to maintain or reduce GHG emissions, electricity use, water consumption, and non-hazardous waste. All targets aim for a 6% reduction in intensity by 2030, including GHG emission, electricity consumption, water consumption and non-hazardous waste, using 2024 as the base year.

Climate Change

The Board holds full responsibility for overseeing climate-related management. We prioritize climate change management and recognize both physical risks from extreme weather and transition risks associated with the shift to a low-carbon economy. To address these, we assess climate-related risks and opportunities across short-term (within 5 years), medium-term (5–10 years), and long-term (over 10 years) horizons, and align our risk management strategies accordingly, as outlined below.

BUSINESS

Physical risks and response measures

Acute physical risk — Floods/Cyclones (Short-term, Low risk): Extreme weather may disrupt operations, increase maintenance costs, and affect staff safety. Mitigation measures include emergency response plans, regular drills, site elevation design, lightning protection, and staff training.

Chronic physical risk — Extreme temperature (Long-term, Low risk): Prolonged heat or cold may reduce operational efficiency, increase costs, and affect employee health. Mitigation measures include temperature-controlled facilities, safety protocols, off-peak operations, and enhanced winter maintenance and monitoring.

Transition risks and response measures

Policy and regulatory risk (Medium- to long-term, Low risk): Changes in subsidies and disclosure requirements may increase costs. The Company monitors regulations and enhances disclosure compliance.

Technological risk (Medium- to long-term, Medium risk): Evolving technologies and standards may increase R&D costs. The Company strengthens innovation capabilities, contributes to industry standards, and enhances battery technology.

Reputational risk (Medium- to long-term, Low risk): Failure to lead in low-carbon transition may affect brand value. The Company increases R&D investment and regularly discloses sustainability performance.

Market risk (Medium- to long-term, Low risk): Market diversification may affect customer retention. The Company expands its battery swapping network and builds partnerships across the ecosystem.

Labor

Employment

We strictly comply with the Labor Law of the People’s Republic of China and other laws and regulations. We have established a Recruitment Management System and strictly adhere to the principles of openness, fairness, and impartiality. We strictly abide by the Prohibition of Child Labor Regulations and the Special Protection Regulations for Underage Workers to ensure responsible employment practices. We have the New Employee Personal Information Confirmation Form and the Background Check Form to ensure that employees provide accurate and up-to-date personal information. As of April 30, 2026, we have a total of 1,149 employees shown as follows:

By gender	
– Male	1,035
– Female	114
Total number of employees	1,149

Employee rights and benefits

We strictly adhere to equal employment principles, prohibiting discrimination to ensure that employees’ rights are safeguarded. According to our Holiday Management System, we offer employees statutory holidays and an extensive paid leave program, such as annual leave, sick leave, work-related injury leave, providing robust work-life balance support.

BUSINESS

Development and Training

We place a strong emphasis on talent acquisition and development. We have implemented a training program, divided into internal and external training respectively. Internal training focuses on employee development through self-directed courses and expert-led sessions, while external training involves participation in specialized programs offered by external organizations. Our Training Management System covers new employee orientation, professional skills development, and management training. The principal objective is to enhance competencies and promote career advancement at all levels, establishing a solid foundation for professional development.

Occupational Health and Safety

Ensuring the safety and well-being of our employees in the workplace is our utmost responsibility. We continuously enhance our occupational health and safety management policies, integrating safety measures into the design and construction process to reduce risk and comply with national safety laws. Our approach includes stringent safety assessments, internal reviews, and final inspections across various departments to prevent workplace accidents and maintain a safe working environment. During the Track Record Period, we did not receive any material lawsuits regarding violations of health and safety laws from January 1, 2023 to April 30, 2026. We also did not experience any other material safety incidents, malfunctions, or operational failures during the Track Record Period or up to the Latest Practicable Date.

Safety Management Structure

We have established a robust safety management structure to safeguard employee well-being, ensure compliance with safety regulations, and prevent accidents. Our safety management structure is led by the Safety Committee, which includes the President, members of the Operations Committee, and key department heads. The committee is responsible for developing safety policies, analyzing safety performance, and making decisions on critical safety matters.

Production Safety Risk Management

We have implemented all-rounded occupational health and safety management procedures to reduce safety risks throughout the production process. To further enhance safety practices, we have established standardized safety requirements across all operations, including our battery swapping stations, ensuring compliance with the Basic Norms for Enterprise Safety Production Standardization (GB/T 33000). It covers everything from planning and implementation to monitoring and corrective actions, helping us strengthen safety management and achieve continuous improvement.

We are determined to provide a safe and healthy working environment for employees. We have implemented the High-risk Operation Management System to strengthen the safety management of high-risk operations and ensure the safe operation. All high-risk operations, such as work at heights and hot work, must only proceed after obtaining a valid high-risk operation permit.

Safety Training

We prioritize employee safety education by conducting training and assessments for all new hires. In compliance with national safety laws, we have implemented a Safety Training Management System to enhance employees' safety awareness and skills, prevent and reduce workplace injuries. Our Safety Management Department oversees all safety education and training across subsidiaries. It is responsible for administering online safety assessments for operational management personnel, including staff at battery swapping stations, ensuring a 100% pass rate. Our training covers safety practices, accident prevention, and incident reporting, with employees required to complete role-specific training before starting work. Additionally, safety personnel at all subsidiaries participate in incident case study training twice a year.

BUSINESS

Emergency Management Measures

We have implemented the Battery Swapping Station Accident (Incident) Management System to standardize the reporting and handling processes for incidents and accidents at battery swapping stations, ensuring timely investigation, coordination, and implementation of safety measures to prevent recurrence and minimize impact. Shanghai Dianba has implemented the Emergency Preparedness and Response Control Procedures to oversee responses during emergencies. The EHS Department trains emergency rescue teams in safety and fire prevention skills and organizes regular fire drills to enhance preparedness to facilitate an effective response during emergencies.

During the Track Record Period and up to the Latest Practicable Date, we recorded three workplace fatalities at our battery-swapping stations. One incident was due to an employee in violation of operational protocols by entering the operating channel of the battery-swapping equipment without disconnecting the power. Following this accident, local government and relevant administrative authorities have completed a safety investigation and implemented administrative penalties. Under the Law of the People’s Republic of China on Work Safety (《中華人民共和國安全生產法》) and other relevant regulations, the actions taken included (i) a fine of RMB0.3 million imposed on us due to inadequate safety management and employee training, and (ii) fines against the management personnel of the involved battery-swapping station equivalent to 40% of his annual salary for inadequate supervision. We had fully paid the administrative penalties in due course. Furthermore, following the instructions of the relevant administrative authorities, we have strengthened the operational management of our swapping stations, enhanced our safety regulations and operational standards, and intensified management and training for our employees. The second fatality was caused by a sudden health condition experienced by an employee during working hours, and was not related to the performance of operational duties. The third incident was caused by an employee not fully adhering to the relevant operating procedures during the battery replacement process. The Company has also reviewed the incident and identified room for improvement in the execution of safety procedures and on-site supervision. Subsequently, the Company implemented corrective measures, including enhancing safety training, strengthening on-site supervision, and posting warning signage, to reduce the risk of similar incidents recurring. Following the incident, the local government and relevant authorities conducted a safety investigation and imposed administrative penalties. In accordance with the Work Safety Law of the People’s Republic of China and other relevant regulations, we were fined approximately RMB 0.5 million due to deficiencies in safety management and employee training. We have promptly paid the administrative fine in full. Following the tragic incidents that led to three employees’ deaths, we have implemented stringent safety measures at battery swapping stations. We have reinforced safety regulations and operational procedures, emphasizing management training and accountability for addressing hazards. A comprehensive risk assessment was conducted, resulting in the inspection and repair of safety barriers and signage. We enhanced 5S management to reduce safety risks and provided specialized training on equipment maintenance and safety protocols. Regular safety education sessions and drills have been established to strengthen awareness. Additionally, we conducted ongoing safety inspections and maintenance, including automatic voice alerts at critical points, to ensure compliance and prevent future incidents. In response to the above incidents, we have also implemented specific corrective measures and strengthened our internal controls to prevent similar occurrences. These measures include: requiring the city safety function to conduct monthly specialized safety training for city operations; mandating that newly onboarded operations personnel complete three-tier safety education and training; organizing nationwide online safety training sessions on a monthly basis; and requiring operations personnel to strictly comply with the “Top Ten Red Lines” and adhere to operational safety discipline.

BUSINESS

Supply Chain Management

We have established internal policies such as the Supplier Management Procedure, Supplier Quality Management Regulations and Non-Conforming Product Management Procedure, covering supplier selection, classification and management. Our procurement considerations include production capacity, quality assurance capability, on-time delivery, good after-sales service, and other aspects. We only select the suppliers which comply with national laws and regulations, and we strictly prohibit the provision of toxic substances and hazardous materials, as well as suppliers that do not meet environmental requirements. We prioritize selecting suppliers with certifications like ISO 9001 for quality management systems, CE for product quality, and ISO 14001 for environmental management systems. We especially favor suppliers who have obtained the IATF 16949 quality management system certification.

We will send Supplier Questionnaires to our potential suppliers, currently in the evaluation stage or serving as our reserve suppliers, to obtain detailed information for evaluation. All suppliers are required to sign a confidentiality agreement and a commitment to operate with integrity. All suppliers must be reviewed by the Purchasing Director and approved by the General Manager before being added to our Qualified Supplier List.

Anti-bribery and Anti-corruption

We uphold a culture of integrity and strictly comply with anti-bribery and anti-corruption laws. To this end, we have established an Employee Code of Conduct and an Integrity and Accountability Management System. The Audit Department under the Group Risk Control Center oversees integrity governance, including policy development and implementation, training, risk assessment, preventive controls, and investigations into suspected violations. We prohibit all forms of misconduct, including abuse of position, solicitation or acceptance of bribes, illegal disposal of company assets, and any actions that compromise the Company’s interests or violate laws and regulations. We have also established a comprehensive anti-corruption reporting procedure, allowing employees to anonymously or personally report any discovered corruption or other violations through email, WeChat official account or informants’ letterbox.

DATA PRIVACY AND SECURITY

Data Privacy

We are committed to complying with data privacy laws and protecting the security of customer data. We mainly collect and store data in relation to our battery swapping services, especially the data collected through the IoT. Such data primarily includes, among others, personal information such as name, age, ID number, address and phone number, and behavioral data from charging, consumption and evaluation through our battery swapping services. Such information is collected with prior consent from our customers in accordance with applicable laws and regulations.

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

BUSINESS

We believe our policies and practice with respect to data privacy and security are in compliance with applicable laws and prevalent industry practice. During the Track Record Period and as of the Latest Practicable Date, we were not aware of any significant incidents of data or personal information leakage. We have not experienced any material data leakage incidents. Furthermore, we have not been subject to any penalties for violating laws and regulations regarding data security and privacy protection that have had a material adverse effect on our business, nor have there been any litigation or disputes concerning privacy protection that have had a material adverse effect on our business. Based on the above, our PRC Legal Adviser is of the view that our policies and practice in the PRC with respect to personal privacy protection and data security comply with applicable PRC laws in all material respects.

COMPETITION

We operate in a rapidly emerging and evolving market in China, and face competition from a growing number of international and domestic market players, competing across factors such as the range of supported vehicle models for battery-swapping solutions, service pricing and quality, service efficiency, and accessibility. Competition with established leading market players and rapidly emerging new entrants is expected to persist and intensify as we continue to expand our market presence.

We compete primarily on technology performance, vehicle-model compatibility, station reliability, deployment and operating capabilities, platform-based management capabilities, cost efficiency and the ability to serve high-frequency operating and commercial scenarios. We have taken measures to strengthen our market competitiveness, including upgrading our battery-swapping technologies and station products, expanding cooperation with EV OEMs for battery-swapping-compatible vehicle models, optimizing our self-owned station portfolio, developing a more asset-light model through equipment sales and operational/platform services, and broadening our application scenarios and overseas markets. Nevertheless, our competitors may have longer operating histories, greater brand recognition, larger consumer bases, more established local presence as well as greater financial, technical and other resources. See “Risk Factors — Risks Relating to Our Business and Industry — We face increasingly intense competition and may not be able to compete effectively.” For more information on the competitive landscape of our industry, see “Industry Overview.”

EMPLOYEES

As of April 30, 2026, we had a total of 1,149 employees, substantially all of whom were based in mainland China. The following table sets forth a breakdown of our employees by function as of April 30, 2026.

Function	Number	Percentage of Total %
Regional management and operation of battery-swapping stations	949	82.6
Manufacture and supply chain	55	4.8
R&D and digitalization	58	5.0
Comprehensive administration and operation	57	5.0
Sales and marketing	30	2.6
Total	1,149	100.0

We generally recruit our employees in line with our business priorities and based on a number of factors, including value propositions, personal characteristics and professional expertise. We recruit our employees primarily through online job posting, job fairs, on-campus recruiting programs, internal referrals and recruitment firms or agents, to satisfy our demand for different

BUSINESS

types of talents. We implement a comprehensive training system for all of our employees, pursuant to which corporate culture, industry awareness, workplace safety, product knowledge, quality control, staff conduct policies and other trainings are regularly provided by internal speakers and external experts. In addition, from time to time, we schedule trainings at external institutions or government departments to improve our employees' educational background or professional qualifications. Our training results will be evaluated each year to adjust our training programs accordingly for the coming year. We provide periodic performance review of our employees to evaluate their performance and enhance productivity.

In compliance with the relevant PRC labor law, we enter employment contracts with our employees covering matters such as wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. Aside from the social insurance premiums (including basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing provident fund we pay for our employees according to the standard stipulated by the authorities under PRC law, we also purchase additional commercial health insurance for our frontline employees within their first month of employment to ensure our insurance coverage.

Our employees are represented by a labor union. During the Track Record Period and as of the Latest Practicable Date, we did not experience any material labor disputes or strikes that may have a material and adverse effect on our business, financial condition or results of operations.

Social Insurance and Housing Provident Fund

Pursuant to the relevant PRC laws and regulations, employers are obligated to contribute to the social insurance and housing provident fund for their employees. During the Track Record Period, we did not make adequate social insurance and housing provident fund contributions for certain employees, primarily because the implementation practices and interpretations of the applicable laws and regulations varied across jurisdictions, and we made such contributions by reference to the local practices where the relevant employees were based. Pursuant to the relevant PRC laws and regulations, if any of the relevant social insurance authorities is of the view that the social insurance contributions we made for our employees do not comply with the requirements under the relevant PRC laws and regulations, it may order us to pay the outstanding balance within a prescribed time period plus a late fee of 0.05% of the total outstanding balance per day. If we fail to do so within the prescribed period as requested by the relevant social insurance authorities, we may be subject to a fine ranging between one to three times of the total outstanding balance. In addition, if any of the relevant housing provident fund authorities is of the view that our contributions to the housing provident fund do not satisfy the requirements under the relevant PRC laws and regulations, it may order us to pay the outstanding balance within a prescribed period. If we fail to do so within the prescribed period, we may be subject to an order from the relevant PRC courts for compulsory enforcement. As of April 30, 2026, we had a shortfall of social insurance and housing provident fund of approximately RMB4.8 million.

We confirmed that, as of the Latest Practicable Date, (i) we had obtained compliance certificates or credit report from relevant authorities in China, confirming that we did not receive any material penalties by the relevant government authorities with respect to social insurance and housing provident fund-related laws and regulations in China; (ii) no employee had raised any material disputes against us regarding social security and housing provident fund matters, and we had not received any litigation documents related to material labor disputes (especially those related to social security and housing provident fund contributions) that had a material adverse effect on our business; and (iii) subsequent rectification will be carried out by us in accordance with applicable laws and regulations and the requirements of relevant competent authorities. Based on the foregoing, our PRC Legal Adviser is of the view that the likelihood that we would be pursued by the relevant authority for unpaid amounts and facing administrative fines due to historical shortfall is remote. Therefore, we had not made provision for shortfall of social insurance and housing provident fund during the Track Record Period.

BUSINESS

We have implemented and distributed a formal internal control policy governing social insurance and housing provident fund contributions in full compliance with applicable PRC laws and regulations. In accordance with this policy, we have adopted the following rectification and preventive measures to avoid similar non-compliance incidents in the future: (i) we will conduct regular legal compliance training for all employees, which is organized and executed by our human resources department and supervised by our compliance team; (ii) the above internal control policy has been fully rolled out to standardize daily contribution management. Our human resources department is responsible for daily implementation and management of relevant contribution procedures to ensure consistent compliance with statutory requirements; and (iii) we will establish a regular external legal consultation mechanism, managed by our compliance team, to engage external counsel for ongoing assessment of potential compliance risks relating to social insurance and housing provident fund practices. We intend to make full and adequate contributions to social insurance and housing provident funds by the end of 2027.

LICENSES, APPROVALS AND PERMITS

As confirmed by our PRC Legal Adviser, we had obtained all material licenses and permits required for our principal operations in the PRC, and such business licenses had remained in full effect during the Track Record Period and up to the Latest Practicable Date; and we did not experience any material difficulties in obtaining, making or renewing such licenses, approvals and permits during the Track Record Period nor foresee any legal impediment. The table below sets forth details of our material licenses, approvals and permits.

Holder	Name of License, Approval and Permit	Expiration Date
The Company	Value-added Telecommunications Service Operation Permit (He Zi B2-20220423) (《增值電信業務經營許可證》(合字B2-20220423))	November 4, 2027
The Company	Certificate of Information System Security Level Protection Filing (No. 31011750001-18001) (《信息系統安全等級保護備案證明》(證書編號: 31011750001-18001))	— ⁽¹⁾
Shanghai Dianba . . .	Customs Declaration Registration Certificate (No. 3116969659) (《海關報關單位註冊登記證書》(海關註冊編碼:3116969659))	Long term valid
Shanghai Dianba . . .	Foreign Trade Operator Registration Form (No. 02688166) (《對外貿易經營者備案登記表》(編號:02688166))	— ⁽¹⁾
Shanghai Dianba . . .	Permit for Discharging Urban Wastewater into the Drainage Network (Hu Zi Mao Lin Guan Shen (2022) No. 868) (《城鎮污水排入排水管網許可證》(滬自貿臨管審[2022]868號))	October 9, 2027
Shanghai Dianba . . .	Registration Receipt for Fixed Pollution Source Emission (No. 913101156942108531001X) (《固定污染源排污登記回執》(登記編號: 913101156942108531001X))	April 10, 2029

Note:

- (1) The relevant certificate or filing proof does not specify a fixed expiry date. We will complete any update, change filing or re-filing as and when required under applicable PRC laws and regulations.

BUSINESS

INSURANCE

We maintain insurance policies that are required under PRC laws and regulations as well as policies based on our assessment of our operational needs and industry practice. We have purchased insurance to cover certain potential risks and liabilities, such as all-risk property insurance for facilities in relation to our battery swapping stations and our EV batteries at hand, covering risks such as fire, earthquake, heavy rain, ground subsidence and failure of public utilities, as well as public liability insurance. We also make contributions for our employees towards pension, medical insurance, unemployment insurance, work injury and maternity insurances as required under the PRC social insurance system. We consider our existing insurance coverage is in line with industry norm and is sufficient for our present operations.

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

PROPERTIES

As of the Latest Practicable Date, we owned a plant facility in Shanghai, together with the corresponding land use rights, with an aggregate gross land area of approximately 65,822 square meters. Our owned property was primarily used for manufacturing, warehousing and office purposes. As of the Latest Practicable Date, our leased properties are primarily used for battery-swapping stations, offices and production facilities. The relevant lease agreements expire between 2026 to 2033. We believe our existing facilities satisfy our current demand, but we anticipate further expansion as we grow.

Our owned and leased properties are used for non-property activities as defined under Rule 5.01(2) of the Listing Rules. As of April 30, 2026, 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 (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any non-compliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

Title Defects in Relation to our Self-owned Battery-swapping Stations

As of the Latest Practicable Date, we leased 172 land parcels for our 214 self-owned battery-swapping stations. Among them, 15 parcels (the “**Relevant Properties**”) for 18 battery-swapping stations (the “**Relevant Stations**”) are subject to potential title defects that may affect the validity or enforceability of the underlying lease agreements. Such title defects included (i) failure by the lessors of the Relevant Properties to provide valid title certificates or proper sublease authorization; (ii) incomplete upstream lease agreements, where the lease term granted to the sublessor does not fully cover the duration of our sublease; and/or (iii) failure by lessors of the Relevant Properties to complete necessary land use procedures. These Relevant Stations accounted for approximately 8.4% of our total self-owned battery-swapping stations. During the Track Record Period, the Relevant Stations generated revenue of RMB43.3 million, RMB41.8 million, RMB38.7 million and RMB12.2 million in 2023, 2024, 2025 and for the four months ended April 30, 2026, respectively, representing 3.8%, 4.5%, 5.7%, and 5.2% of our total revenue for the corresponding periods.

BUSINESS

Background of Historical Title Defects

The abovementioned title defects arose during the earlier stages of our development and were attributable to a combination of historical and practical circumstances, including the following:

- ***Policy encouragement and historical land complexities.*** In response to local government initiatives encouraging the rapid build-out of battery-swapping infrastructure, we actively engaged in site development to meet pressing market demand. We entered into lease arrangements with landholding entities to secure strategically located sites. However, as some of these parcels were acquired long ago and involved complex or incomplete historical ownership records, the relevant lessors encountered difficulties in completing the legal procedures now required under the current regulatory framework.
- ***Lessors as compliance obligors.*** Under relevant PRC laws and regulations, the lessors or property owners are responsible for ensuring the land-use compliance of the leased properties. They shall maintain valid and lawful title certificates or obtaining the required sublease authorizations, including, for subleased properties, authorizations that sufficiently cover the entire lease term applicable to us, and/or ensuring that the actual use of the property complies with the permitted land or property use requirements. As the lessee, we primarily focused on ensuring that the selected sites met operational criteria such as accessibility, catchment area coverage, power connection availability, and overall suitability for station construction.
- ***No regulatory concerns observed.*** During the Track Record Period, we did not receive any regulatory inquiries, warnings, or penalties from the relevant government authorities relating to the land use for Relevant Stations, in the absence of which, we did not identify the potential compliance risks in a timely manner. As the compliance obligations primarily rest with the relevant lessors or property owners, and any regulatory inquiries, warnings or penalties concerning land use matters would typically be directed to them rather than to us. In our position as a downstream user, we do not have direct access to the underlying land approval documents or to any regulatory communications addressed to the obligors, which makes it inherently difficult for us to identify potential land-related compliance risks in a timely manner. During the Track Record Period and up to the Latest Practicable Date, and based on the information available to us, no regulatory inquiries, warnings or penalties relating to the land use status of these stations had been issued to or conveyed to us.
- ***Limited Scope and Stage-specific Nature.*** We believe that the issues with the Relevant Properties were limited in scope and occurred at a specific stage of development, and we do not consider the title defects to reflect systemic or ongoing deficiencies in our compliance practices, considering the following factors:
 - (i) ***Limited proportion of affected stations.*** The title defects involved 18 Relevant Stations, representing approximately 8.4% of our total self-owned battery-swapping stations as of the Latest Practicable Date. The affected stations were therefore a minority of our self-owned station network with their revenue contribution during the Track Record Period was also limited.
 - (ii) ***No concentration in one location or counterparty.*** The Relevant Properties are located in different cities and involve different lessors or counterparties. The title defects therefore do not arise from a single material property or a concentrated regional issue. Given the dispersed nature of the Relevant Properties, the likelihood of simultaneous third-party claims, lease challenges or relocation requirements affecting all Relevant Stations is remote.

BUSINESS

- (iii) *Historical expansion context.* The Relevant Stations were mainly deployed during the earlier stage of our self-owned station network expansion, when we were accelerating the construction of battery-swapping infrastructure in response to policy encouragement and evolving market demand. At that stage, we placed greater emphasis on rapidly securing operationally suitable sites in order to support station coverage. After identifying the relevant title defects, we have continued to communicate with the relevant lessors and counterparties and requested them to complete or supplement the relevant title, authorization or land use procedure documents to the extent applicable. We also closely monitor the remediation progress and seek to reduce the number of Relevant Stations with outstanding title defects where practicable. In parallel, we have strengthened our lease review, documentation and approval procedures, and no similar title defect has been identified in respect of new leases entered into after the implementation of the enhanced procedures.
- (iv) *Nature of defects.* The defects mainly relate to lessors failing to provide complete title certificates, sublease authorizations or land use procedure documents. They do not involve any identified illegality in the construction, equipment safety or day-to-day operation of the Relevant Stations, nor have they resulted in any regulatory order requiring us to suspend station operations, terminate leases or vacate the Relevant Properties during the Track Record Period and up to the Latest Practicable Date.

Potential Legal Implications

As advised by our PRC Legal Adviser, it is the responsibility of the lessors to obtain the proper and valid title certificates or sublease authorizations and to ensure that the actual use of the land is consistent with its permitted use. We, as the lessee, are unlikely to be subject to relevant administrative penalties or fines due to the lessors' failure to obtain or provide the relevant ownership certificates. However, our leasehold interests may be subject to uncertainty in the event of any third-party claims or challenges. In the worst case scenario, if the lessors are found to lack the requisite rights to lease such properties, the relevant lease agreements entered into with them may be deemed invalid, and we may be required to vacate the leased properties.

Potential Impact on our Business

During the Track Record Period and up to the Latest Practicable Date, we confirm that (i) with respect to the stations involving title defects, based on interviews with the relevant regulatory authorities, we had not received any rectification orders, nor had we been required to terminate the relevant leases or vacate the Relevant Properties due to such title defects, and we had not been subject to any actual adverse impact or loss as a result thereof; (ii) with respect to the stations for which the lessors had not provided proof of valid lease authorization, we had not received any third-party challenges regarding the ownership and/or land use rights of the leased properties; (iii) we had not encountered any early termination of lease agreements in respect of the above leased properties; and (iv) given that the Relevant Properties are located in different cities, we consider the likelihood of simultaneous third-party claims from different parties to be remote.

In the event we are required by the competent authorities to vacate the Relevant Stations, we believe there would be a sufficient supply of alternative leasable sites in the regions where we operate. In addition, our battery-swapping stations are designed with modular and mobile structures, which allow for disassembly and redeployment within a short period of time. As such, we consider the potential relocation costs to be manageable. Based on our current estimates, the average relocation cost per station is approximately RMB100 thousand, and the total maximum relocation cost for all potentially affected stations would be approximately RMB1.8 million. In the course of any relocation, battery-swapping service users in the relevant area may continue to access other stations within the same region, and we therefore expect that any impact on service continuity

BUSINESS

would be limited. Meanwhile, our Controlling Shareholder has undertaken to indemnify our Group against any relocation or other costs, expenses, claims, liabilities, penalties, losses or damages incurred or suffered by our Group arising from the existing or potential title defects of the leased properties.

Accordingly, we confirm, and our PRC Legal Adviser concurs, that the likelihood of such title-related issues having a material adverse impact on the continued operation of our business is low.

Enhanced Internal Control

We have engaged an independent internal control consultant to perform an internal control review of its internal control system within the agreed scope including the internal control mechanisms of property leasing and filling procedures. Accordingly, we have taken a number of remedial and preventive measures to strengthen our internal control system and compliance procedures in connection with the property leasing and site selection. No further comment has been raised by the internal control consultant after the follow-up review in November 2025.

Our remedial measures primarily include the following: (i) we have actively followed up with the relevant lessors to urge the completion of outstanding land use formalities and obtain the necessary permits and certificates; (ii) for Relevant Stations, we have been identifying alternative sites within the same cities that meet operational and compliance requirements, and may relocate the relevant stations when necessary. Due to the modular and movable design of our battery-swapping stations, we are able to relocate such stations within a relatively short period of time at a controllable cost; and (iii) we have adopted a case-by-case review approach for all existing and expiring lease arrangements and will consult our PRC Legal Adviser, where necessary, to assess the legal and operational feasibility before making decisions on renewal or continued use.

To prevent recurrence of similar issues, we have implemented the following enhanced internal control measures: (i) prior to entering into any new lease agreements, we require all lessors to provide valid land use rights certificates or title documents, and other necessary authorizations to demonstrate their entitlement to lease; (ii) all lease agreements and supporting documents must be reviewed and approved by our legal department and properly archived for compliance traceability; (iii) our standard lease agreement templates have been updated to incorporate clear contractual representations and warranties by the lessors regarding ownership and permitted usage of the leased land; (iv) we have strengthened internal compliance awareness by conducting regular staff trainings, circulating compliance reminders, and emphasizing the importance of legal due diligence in site selection and leasing; and (v) we have implemented a periodic review mechanism under which the management may, from time to time, review the compliance status of our leased properties. If any similar incident or failure to adhere to internal procedures is identified, we may take appropriate actions against the responsible personnel, including supplementary training, closer supervision or reflecting such conduct in their performance evaluation, to strengthen compliance awareness and accountability.

LEGAL PROCEEDINGS AND REGULATORY COMPLIANCE

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any 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.

BUSINESS

Legal Proceedings

We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management’s time and attention. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any litigation, arbitration or administrative proceeding against us that could have a material adverse effect on our business, financial condition or results of operations.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established risk management and internal control systems tailored to our business needs, incorporating policies and procedures aimed at ensuring legal compliance, intellectual property protection, information technology security, human resource management, financial reporting accuracy, and overall internal governance. These systems are subject to ongoing refinement to align with our operational demands. Our Directors oversee the establishment and periodic review of these systems, while our management monitors their effective daily execution across subsidiaries and functional departments. The head of each functional department, business unit and subsidiary are responsible for the related risk control in their responsible segments. To ensure the compliance culture is embedded into everyday workflow and set the expectations for individual behavior across the organization, we will regularly conduct internal compliance checks and inspirations, adopt strict accountability internally and conduct compliance training.

Legal and Compliance Risk Management

To manage compliance and legal risks, we adopted internal procedures, ensuring our operations align with applicable laws and regulations. Our in-house legal team reviews and updates the form of contracts we enter with clients, suppliers, and business partners. Our in-house legal team’s responsibilities encompass legal assistance for major projects, disputes resolution, intellectual property protection, corporate governance compliance, overseas regulatory landscape navigation, and support for subsidiaries’ compliance. Their daily tasks include reviewing business processes and contracts and analyzing daily legal queries. Additionally, our legal team is responsible for obtaining and maintaining the requisite administrative certificates and approvals for our business operation. We also continuously improve our internal policies according to changes in laws, regulations, and industry standards, and update internal templates for legal documents.

Information System Risk Management

Sufficient maintenance, storage and protection of user data and other related information are critical to our success. For risks relating to information systems, see “Risk Factors — Risks Relating to our Business and Industry — Any significant failure, weakness, interruption, cyber event, incident, or breach of security of our smart energy service platform and other information technology systems could subject us to cybersecurity risks and hinder the availability and effectiveness of our products and solution.” We have implemented relevant internal procedures and controls to ensure that user data is protected, and that leakage and loss of such data are avoided. In particular, we have installed encryption software on the computers of key functional departments, including, among others, R&D, human resources, procurement, and finance. The transmission and decryption of files for external purposes require prior approval, and all transmission records are archived. We monitor the execution of our information security policies and provide regular trainings and technical support to our business operation teams. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material information leakage or loss of user data.

BUSINESS

Data Privacy and Security Risk Management

We have designed strict data protection policies to ensure that the collection, use, storage, and processing of data comply with applicable laws and prevalent industry practices. We have adopted comprehensive data privacy and protection policies and have established a management system to enforce our data privacy and protection measures. We would also organize training from time to time to ensure privacy compliance and data security.

During the Track Record Period and as of the Latest Practicable Date, we have complied with laws and regulations related to data security and privacy with our products, systems and operations in all material aspects. As confirmed by our PRC Legal Adviser, we have neither incurred any related administrative penalties nor received any related administrative inquiry notice as of the Latest Practicable Date. For more details of laws and regulations regarding data privacy and protection, please see “Regulatory Overview — Regulations on Data Security, Cyber Security and Data Privacy Protection.” in this document. The data collected and generated during our business operations are stored within mainland China. During the Track Record Period and up to the Latest Practicable Date, we are not aware of any significant incidents of data or personal information leakage.

Financial Reporting Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management, such as financial report management policies, expenses management policies and treasury management policies. We have various procedures in place to implement accounting policies, and our finance department reviews our management accounts based on such procedures. We also provide regular training to our finance department staff to ensure that they understand financial management and accounting policies and implement them in our daily operations.

Human Resource and Anti-Corruption Management

We have established human resources policies covering recruitment, training, work ethics and legal compliance. We have in place an employee handbook and a staff code of conduct. The handbook contains internal rules and guidelines regarding work ethics, fraud prevention mechanisms, negligence, anti-bribery, and anti-corruption. We also have in place an anti-corruption policy to safeguard against any corruption within our Company. Our policies explain potential corruption conducts and our anti-corruption measures. Under our firm-wide whistle-blowing policy, we make our internal reporting channel open and available for our employees to report on an anonymous basis, any non-compliance incidents and acts, including bribery and corruption. Reported incidents and persons will be investigated and appropriate measures will be taken in response to the findings. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any non-compliance with relevant laws and regulations that have a significant impact on us relating to corruption and bribery. We conduct periodic performance reviews for our employees. We monitor the implementation of internal risk management policies on a regular basis to identify, manage and mitigate internal risks in relation to the potential non-compliance with our code of conduct, work ethics, and violations of our internal policies or illegal acts at all levels of our Group.

BUSINESS

AWARDS AND OTHER RECOGNITION

The following table sets out some of the significant awards and recognition we had received as of the Latest Practicable Date:

Award/Recognition	Organization/Authority	Year awarded
Global Unicorn Index (全球獨角獸榜)	Hurun Report (胡潤百富)	2022-2025
Guangzhou Unicorn Innovation Enterprise (廣州獨角獸創新企業)	Guangzhou Association of Science and Technology Innovation Enterprises (廣州市科技創新協會)	2022, 2025
National high-tech enterprises (國家高新技術企業)	Ministry of Science and Technology (國家科技部)	2023, 2020
Specialized, Refined, Featured and Innovative Enterprises of Guangdong Province (廣東省專精特新企業)	Industry and Information Technology Department of Guangdong Province (廣東省工業和信息化廳)	2023
2022 National IP Advanced Enterprises (2022年度國家知識產權優勢企業)	China National Intellectual Property Administration IP Promotion Division (國家知識產權局運用促進司)	2022
Top 100 Guangzhou Proposed Listing High and New Technology Enterprises (廣州擬上市高企百強企業)	Guangzhou Municipal Science and Technology (廣州市科學技術局)	2022
Guangdong Province Innovative Small and Medium-sized Enterprises (廣東省創新型中小企業)	Industry and Information Technology Department of Guangdong Province (廣東省工業和信息化廳)	2022
Specialized, Refined, Distinctive and Innovative “Small Giant” Enterprises (專精特新“小巨人”企業)	Ministry of Industry and Information Technology (工業和信息化部)	2021

As of the Latest Practicable Date, we had participated in the formulation of 82 published standards, including 16 national standards, seven local standards, 28 industry standards, and 31 alliance standards, mainly involving general technical requirements for battery-swapping stations and battery boxes, as well as standards for connectors, safety, locking mechanisms, and modularization.

IMPACT OF COVID-19

The COVID-19 pandemic, which began in early 2020, continued to affect certain regions in China during part of 2023, particularly following the relaxation of pandemic control measures in China in late 2022. Temporary travel restrictions, logistics disruptions, workforce absences and mobility control measures in certain regions had, to a limited extent, affected the deployment progress of certain battery-swapping stations, on-site operational activities and business development efforts during the early stage of the Track Record Period.

To minimize operational disruptions and safeguard the health and safety of our employees, we implemented various precautionary measures, including remote working arrangements for certain administrative personnel, health monitoring, staggered work schedules and other sitespecific operational measures.

BUSINESS

Despite the foregoing, we did not experience any material interruption to our supply chain, station operations or customer services during the Track Record Period, and the COVID-19 pandemic did not have a material adverse impact on our overall business operations or financial performance during the Track Record Period. Our gross losses decreased from RMB39.9 million in 2023 to RMB34.1 million in 2024 and further to RMB33.9 million in 2025. For the four months ended April 30, 2026, we recorded gross profit of RMB4.1 million, compared with gross loss of RMB13.8 million for the corresponding period in 2025.

As COVID-19-related disruptions have substantially subsided, we do not currently expect the pandemic to have any material adverse impact on our business operations or financial performance in the foreseeable future.