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Application Proof of

Aulton New Energy Co., Ltd.
奧動新能源股份有限公司

(the "**Company**")

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

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Aulton New Energy Co., Ltd.
奧動新能源股份有限公司

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

[REDACTED]

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

***Sole Sponsor and Sole* [REDACTED]**

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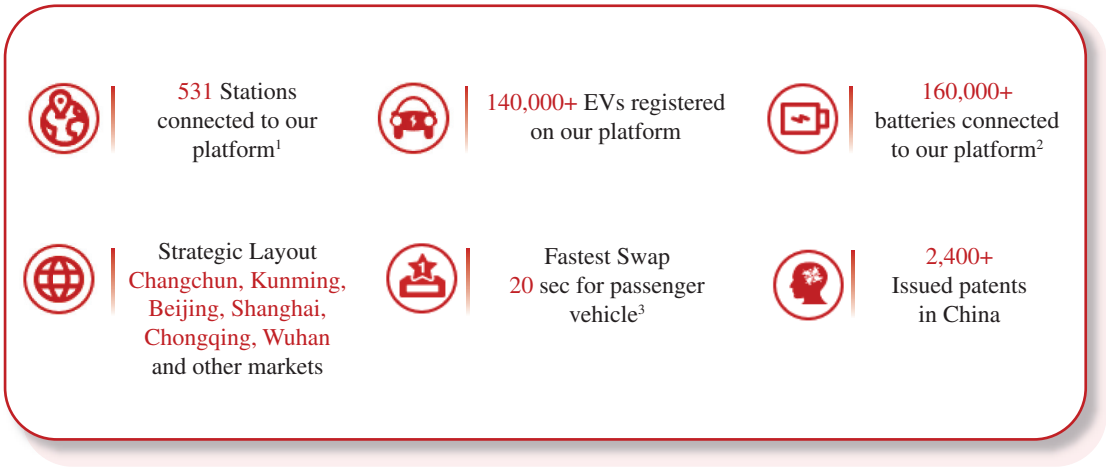
This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document before you decide to [**REDACTED**] *in the* [**REDACTED**]. *There are risks associated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

OVERVIEW

We are an established participant in China's battery-swapping industry, with a comprehensive portfolio 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 Practicable 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.

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 of 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.
  - *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.
  - *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.

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

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 battery swapping of passenger vehicles. We have also been developing battery-swapping stations for commercial vehicles, including minivans, light trucks, and heavy trucks, creating a well-rounded battery-swapping solution. 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. 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.

Our buckle-on-chassis battery swapping technology significantly enhances swapping speed and extends module lifespan while ensuring safety. It comprises three principal technological features: (i) buckle locking mechanism, which replaces conventional bolt-based systems to streamline battery installation and removal, achieving industry-leading swap times of as fast as 20 seconds for passenger vehicles and minivans, 30 seconds for light trucks, and 40 seconds for heavy trucks; (ii) planar connectors, designed to minimize mechanical abrasion and extend service life by improving electrical contact stability; and (iii) an adaptive docking system, which dynamically aligns with different vehicle models to improve compatibility and operational reliability. For details, see "Business — Our Battery-swapping Stations and Technologies."

During the Track Record Period, we recorded gross losses of RMB39.9 million, RMB34.1 million and RMB33.9 million in 2023, 2024 and 2025, respectively. 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 same period in 2025. Gross loss represents the amount by which cost of revenue exceeds revenue. Our gross losses during the Track Record Period were mainly attributable to the relatively high costs associated with our self-owned battery-swapping stations, which historically accounted for a significant portion of our revenue but remained loss-making due to their cost structure. To improve our overall financial performance, we have been shifting our business focus toward battery-swapping operational solutions, including equipment sales and operational services, which recorded positive gross profitability during the Track Record Period. During the four months ended April 30, 2026, we achieved a turnaround to gross profit of RMB4.1 million and recorded positive operating cash inflow, supported by higher equipment sales, continued optimization of the self-owned station portfolio and tighter control over station-level and operating costs.

We also incurred relatively high operating expenses in connection with the operation and management of our battery-swapping network and the development of our battery-swapping operational solutions. Nevertheless, as we gradually adjusted our business focus, optimized our cost structure and strengthened businesses with better gross profitability, our net loss narrowed from RMB655.5 million in 2023 to RMB418.9 million in 2024, and further to RMB307.4 million in 2025. For the four months ended April 30, 2026, our net loss narrowed to RMB91.4 million from RMB103.3 million for the same period in 2025.

MARKET OPPORTUNITIES AND COMPETITIVE LANDSCAPE

The battery-swapping solution is gaining prominence in the energy replenishment industry. The global BEV industry has experienced rapid expansion in recent years, growing from 2.2 million units sold in 2020 to 15.1 million units in 2025, at a CAGR of 47.5%, and is expected to reach 34.1 million units in 2030, at a CAGR of 17.6% from 2025 to 2030. This growth has been driven by government incentives, global carbon neutrality objectives, and successive technological breakthroughs in batteries, electric drive systems, and intelligent connectivity. Battery costs have continued to decline due to economies of scale, further enhancing affordability.

China has become a global leader in BEV adoption, with sales growing from 1.1 million units in 2020 to 8.6 million units in 2025, at a CAGR of 50.1%, and expected to reach 19.2 million units in 2030, at a CAGR of 17.4% from 2025 to 2030. Within this, passenger BEVs — both operational vehicles (including taxis, ride-hailing, and the emerging robotaxi model powered by advancements in autonomous driving technology) and private vehicles — have been the core driver of penetration. The medium- and heavy-duty truck segment is also undergoing significant electrification, particularly in high-load fixed-route applications such as port transport, mining operations, and trunk-route logistics. Electrification in these segments reduces emissions and improves cost efficiency, with battery-swapping technology offering a superior solution versus charging, due to faster replenishment, reduced downtime, and enhanced operational stability.

China's battery-swapping industry has emerged as a vital supplement to conventional charging infrastructure, enabling energy replenishment within minutes and mitigating seasonal charging inefficiencies. Continuous improvements in battery-swapping technology, alongside falling battery production costs, have enhanced the economic viability of swap operations. This has been supported by policy initiatives, expanding station networks, and a growing diversity of BEV models compatible with battery swaps. The market size of battery-swapping in China increased from RMB1.5 billion in 2020 to RMB18.5 billion in 2025, at a CAGR of 64.5%, and is expected to reach RMB76.5 billion by 2030, at a CAGR of 32.9% from 2025 to 2030.

The industry's competitive landscape includes BEV manufacturers operating proprietary battery-swapping networks and independent third-party solution providers offering cross-brand services. In 2025, we ranked third in China in terms of revenue generated from battery-swapping station operation services.

OUR COMPETITIVE STRENGTHS

We believe the following strengths have been the foundation of our strong performance and continued growth and differentiate us from our competitors: (1) advanced battery-swapping technologies supporting rapid battery swaps and scalable, reliable solution offerings; (2) integrated capabilities across key links of the battery-swapping ecosystem, from EV model enablement and station deployment to battery-swapping services; (3) cutting-edge and evolving technologies empowering continuous technology development; (4) commitment to promoting high-quality ESG practices in the EV industry; and (5) resilient, determined, and visionary founders and professional team with strategic shareholder structure.

OUR STRATEGIES

We intend to pursue the following strategies to achieve our mission: (1) advancing battery-swapping stations towards automation and digitalization; (2) developing and promoting the adoption of battery-swapping solutions for commercial vehicles; (3) expanding global market and developing global partnerships; and (4) accelerating the expansion of China's battery-swapping ecosystem into broader application scenarios.

CUSTOMERS AND SUPPLIERS

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. In 2023, 2024 and 2025 and for 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, representing 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, the 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, representing 10.6%, 5.9%, 3.9% and 19.5% of our revenue in each corresponding year or period during the Track Record Period, respectively. For details, see "Business — Customers."

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 aggregate 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, purchases from our 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. For details, see "Business — Raw Materials and Suppliers."

During the Track Record Period, we had major customers who were also our suppliers, or vice versa (the "***customer-suppliers***"), respectively. In each of 2023 and 2024, two of our major customers were also our suppliers. For the four months ended April 30, 2026, one of our major customers was also a supplier, while one of our major suppliers was also a customer. These overlapping customer-suppliers primarily supplied us with electricity, reserve batteries and other goods or services required for our day-to-day operations. For details, see "Business — Customers — Overlapping of Suppliers and Customers."

R&D AND INTELLECTUAL PROPERTY

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. As of April 30, 2026, our R&D and digitalization team consisted of 58 members. Their expertise spans 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. For details, see "Business — R&D and Digitalization."

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. 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. For details, see "Business — Intellectual Property."

MANUFACTURING

We have a 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. 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.

In 2023, 2024, 2025 and for the four months ended April 30, 2026, the respective utilization rate of our product lines was (i) 57.9%, 37.0%, 20.4% and 9.2%, respectively, for the production of battery-swapping stations; and (ii) 77.4%, 46.0%, 21.5% and 17.5%, respectively, for the production of battery-swapping modules. 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 the decline in customer demand, we are actively expanding our customer base and diversifying the application scenarios of our battery-swapping solutions.

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. For details, see "Business — Manufacturing."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following is a summary of our historical financial information as of and for the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2025 and 2026, extracted from the Accountants' Report set out in Appendix I to this document. The summary below should be read in conjunction with the consolidated financial information in Appendix I, including the accompanying notes and the information set forth in the section headed "Financial Information" in this document.

Consolidated Statements of Profit or Loss

The following table sets forth our consolidated statements of profit or loss for the periods indicated. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period.

	For the Year ended December 31,						For the Four Months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
							(Unaudited)			
	(RMB in thousands, except for percentages)									
Revenue	1,155,368	100.0	926,292	100.0	677,105	100.0	230,794	100.0	235,134	100.0
Cost of revenue	(1,195,222)	(103.4)	(960,394)	(103.7)	(710,998)	(105.0)	(244,597)	(106.0)	(231,011)	(98.2)
Gross (loss)/profit	**(39,854)**	**(3.4)**	**(34,102)**	**(3.7)**	**(33,893)**	**(5.0)**	**(13,803)**	**(6.0)**	**4,123**	**1.8**
Other net income/(losses)	30,773	2.7	40,717	4.4	18,474	2.7	(4,620)	(2.0)	10,716	4.6
Selling and marketing expenses	(68,702)	(5.9)	(65,789)	(7.1)	(45,840)	(6.8)	(18,045)	(7.8)	(13,226)	(5.6)
Administrative expenses	(133,036)	(11.5)	(122,977)	(13.3)	(101,313)	(15.0)	(30,584)	(13.3)	(35,470)	(15.1)
Research and development expenses	(76,356)	(6.6)	(67,093)	(7.2)	(36,997)	(5.5)	(18,659)	(8.1)	(12,950)	(5.5)

	For the Year ended December 31,						For the Four Months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
							(Unaudited)			
	(RMB in thousands, except for percentages)									
(Impairment losses)/reversal of impairment on trade and other receivables and contract assets	(1,481)	(0.1)	4,411	0.5	(16,424)	(2.4)	(1,549)	(0.7)	(2,434)	(1.0)
Impairment losses on property, plant and equipment	(41,851)	(3.6)	(12,821)	(1.4)	(64,009)	(9.5)	(4,497)	(1.9)	(28,747)	(12.2)
Loss from operations	**(330,507)**	**(28.6)**	**(257,654)**	**(27.8)**	**(280,002)**	**(41.4)**	**(91,757)**	**(39.8)**	**(77,988)**	**(33.2)**
Finance costs	(35,418)	(3.1)	(32,449)	(3.5)	(24,378)	(3.6)	(9,462)	(4.1)	(7,178)	(3.1)
Changes in the carrying amount of redemption liabilities	(281,027)	(24.3)	(121,079)	(13.1)	–	–	–	–	–	–
Share of results of joint ventures and associates	(5,577)	(0.5)	(7,158)	(0.8)	(2,337)	(0.3)	(2,071)	(0.9)	(2,543)	(1.1)
Loss before taxation	**(652,529)**	**(56.5)**	**(418,340)**	**(45.2)**	**(306,717)**	**(45.3)**	**(103,290)**	**(44.8)**	**(87,709)**	**(37.3)**
Income tax	(2,939)	(0.3)	(583)	(0.1)	(707)	(0.1)	(43)	0.0	(3,723)	(1.6)
Loss for the year/period	**(655,468)**	**(56.7)**	**(418,923)**	**(45.2)**	**(307,424)**	**(45.4)**	**(103,333)**	**(44.8)**	**(91,432)**	**(38.9)**

Non-IFRS Measures

To supplement our historical financial information which are presented in accordance with IFRS, we also use adjusted loss (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe that this measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of items. We believe that this measure provides useful information to [**REDACTED**] and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

We define adjusted loss for the period (non-IFRS measure) by excluding changes in the carrying amount of redemption liabilities, share-based payment expenses and [**REDACTED**] expenses. We recorded changes in the carrying amount of redemption liabilities, which primarily represent the redemptions rights that we granted to our [**REDACTED**]. Share-based payment expenses are non-cash expenses arising from share awards granted to certain general management personnel and employees and do not result in cash outflow. [**REDACTED**] expenses are expenses in relation to the [**REDACTED**] and the [**REDACTED**].

The following table sets forth a reconciliation of our adjusted loss (non-IFRS measure) for the periods indicated from the most directly comparable financial measure calculated and presented under IFRS and our adjusted loss margin (as a percentage of our revenue) (non-IFRS measure) for the respective periods:

	For the Year ended December 31,			For the Four Months ended April 30,	
	2023	2024	2025	2025	2026
				(Unaudited)	
	(RMB in thousands)				
Loss for the year/period	**(655,468)**	**(418,923)**	**(307,424)**	**(103,333)**	**(91,432)**
Add:					
Changes in the carrying amount of redemption liabilities	281,027	121,079	–	–	–
Share-based payment expenses	4,494	2,478	15,014	2,798	16,171
[**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Adjusted loss for the period (non-IFRS measure)	**(369,947)**	**(289,634)**	**(280,572)**	**(99,190)**	**(73,065)**
Adjusted loss margin (non-IFRS measure) (%)	(32.0)	(31.3)	(41.4)	(43.0)	(31.1)

Notes:

(1) Changes in the carrying amount of redemption liabilities represent the changes in carrying amount of our shares with redemption rights. Following the termination of the redemption rights pursuant to the relevant termination agreements entered into in May 2024, no redemption liabilities were recognized thereafter. This item is adjusted as it is non-cash in nature and is not expected to result in future cash outflows.

(2) Share-based payment expenses represent non-cash expenses arising from equity incentive arrangements, measured based on the fair value of the equity interests granted at the grant date, taking into account the consideration paid by the grantees for the subscription of such equity interests. This item is adjusted as it is non-cash in nature and is not expected to result in future cash outflows.

(3) [**REDACTED**] expenses represent expenses incurred in connection with the [**REDACTED**]. This item is adjusted as it relates to non-recurring expenses associated with the [**REDACTED**] and is not indicative of our ongoing operating performance.

Consolidated Statements of Financial Position

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Non-current assets				
Property, plant and equipment	1,170,057	968,789	804,316	755,801
Right-of-use assets	406,999	349,232	256,537	237,887
Intangible assets	6,037	5,646	4,218	3,716
Interests in joint ventures and associates	19,259	31,833	28,097	25,163
Other non-current financial assets	24,732	25,444	45,958	51,261
Other non-current assets	22,324	16,249	112,156	58,643
Deferred tax assets	67	83	44	35
Total non-current assets	**1,649,475**	**1,397,276**	**1,251,326**	**1,132,506**
Current assets				
Inventories	220,246	204,325	138,896	125,916
Contract assets	20,520	1,296	2,690	2,608
Trade and other receivables	363,083	214,753	223,571	264,236
Prepayments	9,377	10,090	12,948	14,943
Other financial assets	27,581	5,955	2,339	1,908
Financial assets measured at fair value through profit or loss ("FVPL")	–	200,000	–	–
Restricted bank deposits	66,697	91,185	62,125	19,112
Cash and cash equivalents	586,718	391,378	268,555	298,107
Total current assets	**1,294,222**	**1,118,982**	**711,124**	**726,830**
Current liabilities				
Contract liabilities	45,369	17,080	14,472	10,763
Trade and other payables	580,007	584,524	497,510	452,927
Loans and other borrowings	378,617	312,943	232,500	262,249
Redemption liabilities	3,793,869	–	–	–
Lease liabilities	72,514	65,071	65,988	61,482
Provisions	20,419	24,461	20,600	21,050
Current taxation	1,854	209	1,492	6,480
Total current liabilities	**4,892,649**	**1,004,288**	**832,562**	**814,951**
Net current (liabilities)/ assets	**(3,598,427)**	**114,694**	**(121,438)**	**(88,121)**
Total assets less current liabilities	**(1,948,952)**	**1,511,970**	**1,129,888**	**1,044,385**
Non-current liabilities				
Lease liabilities	318,715	279,957	198,080	184,577
Provisions	11,224	10,791	7,642	7,574
Deferred income	4,000	4,000	–	–
Deferred tax liabilities	5,620	5,078	3,918	1,944
Total non-current liabilities	**339,559**	**299,826**	**209,640**	**194,095**

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
NET (LIABILITIES)/ ASSETS	**(2,288,511)**	**1,212,144**	**920,248**	**850,290**
CAPITAL AND RESERVES				
Paid-in capital/share capital	951,208	951,208	951,208	951,208
Reserves	(3,182,595)	353,923	105,645	46,854
Total equity attributable to equity shareholders	**(2,231,387)**	**1,305,131**	**1,056,853**	**998,062**
Non-controlling interests	(57,124)	(92,987)	(136,605)	(147,772)
TOTAL (DEFICIT)/ EQUITY	**(2,288,511)**	**1,212,144**	**920,248**	**850,290**

Consolidated Statements of Cash Flows

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

	For the Year ended December 31,			For the Four Months ended April 30,	
	2023	2024	2025	2025	2026
			(RMB in thousands)	*(Unaudited)*	
Net cash generated from/ (used in) operating activities	164,233	292,447	(60,344)	(55,191)	10,873
Net cash (used in)/generated from investing activities	(183,678)	(346,674)	62,064	130,497	9,072
Net cash flows (used in)/generated from financing activities	(27,221)	(141,121)	(124,550)	(17,250)	9,607
Net (decrease)/increase in cash and cash equivalents	(46,666)	(195,348)	(122,830)	58,056	29,552
Cash and cash equivalents at beginning of the year/period	633,508	586,718	391,378	391,378	268,555
Effect of foreign exchange rate changes	(124)	8	7	12	–
Cash and cash equivalents at end of the year/period	**586,718**	**391,378**	**268,555**	**449,446**	**298,107**

Key Financial Ratios

The table below sets forth the key financial ratios of our Group for the periods or as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
Current ratio[(1)]	0.3	1.1	0.9	0.9
Quick ratio[(2)]	0.2	0.9	0.7	0.7
Liability-to-asset ratio[(3)]	177.7%	51.8%	53.1%	54.3%

(1) Current ratio represents current assets divided by current liabilities as of the same date.

(2) Quick ratio represents current assets less inventories, divided by total current liabilities as of the same date.

(3) Calculated by dividing total liabilities by total assets.

BUSINESS SUSTAINABILITY

During the Track Record Period, we recorded gross losses of RMB39.9 million, RMB34.1 million and RMB33.9 million in 2023, 2024 and 2025, respectively. 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 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. Against this backdrop, station investors, EV OEMs, battery manufacturers and fleet operators became more selective in new infrastructure investment, the development and rollout 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.

We also recorded relatively high operating expenses during the Track Record Period. As we have been implementing cost-reduction and efficiency measures, the related expenses steadily decreased during the Track Record Period. Our operating expenses, comprising selling and marketing expenses, administrative expenses and research and development expenses, decreased

from RMB278.1 million in 2023 to RMB255.9 million in 2024, to RMB184.2 million in 2025, and it decreased from RMB67.3 million for the four months ended April 30, 2025 to RMB61.6 million for the same period in 2026. For details of analysis of our past financial performance, see "Business — Business Sustainability."

We are implementing and will continue to implement, a series of initiatives to enhance our financial performance so that to support the sustainable development of our business and progress toward profitability. Our measures primarily include (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.

- **Expanding into Scalable Commercial Applications and Reinforcing Existing Markets.** We will further expand the application of our battery-swapping solutions to wider EV markets such as ride-hailing and commercial vehicles. These markets present higher-frequency and more time-sensitive replenishment needs, allowing us to further diversify and expand our customer base. At the same time, we are reinforcing our presence in existing passenger-vehicle markets by promoting our current swapping solutions, engaging additional vehicle operators, and advancing new swapping model development with OEM partners. We are also selectively exploring overseas opportunities in markets with growing demand for new energy vehicles, such as Southeast Asia and Latin America, through pilot sales and cooperation arrangements with potential local partners.

- **Improving operating leverage.** We began implementing cost-optimization measures during the Track Record Period, resulting in a steady decrease in operating expenses. Going forward, we plan to continue optimizing team structure across management, sales, R&D and administrative functions, including the consolidation of overlapping roles and digitalizing key management workflows. We also intend to adopt more disciplined procurement and production planning, broaden supplier sourcing, and pursue cost reductions across self-owned station operations through staffing optimization, automated upgrades, electricity cost management and tighter control of maintenance and miscellaneous expenses.

  For details see "Business — Business Sustainability — Path to Profitability."

OUR CONTROLLING SHAREHOLDERS

Immediately prior to the [**REDACTED**], our Company is owned directly as to (i) approximately 39.11% by Mr. Cai and (ii) approximately 0.99% by Zhuhai Aoli, one of our Employee Shareholding Platforms, which is controlled by Mr. Cai as its sole general partner.

Immediately following the completion the [**REDACTED**], Mr. Cai and Zhuhai Aoli will be, in aggregate entitled to control the exercise of approximately [**REDACTED**]% of the voting rights (assuming the [**REDACTED**] is not exercised) or approximately [**REDACTED**]% of the voting rights (assuming the [**REDACTED**] is exercised in full). Accordingly, Mr. Cai and Zhuhai Aoli will be our Controlling Shareholders after the [**REDACTED**].

[**REDACTED**]

FUTURE PLANS AND USE OF [**REDACTED**]

We estimate that we will receive net proceeds from the [**REDACTED**] of approximately HK$[**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per Share (being the mid-point of the [**REDACTED**] range of between HK$[**REDACTED**] and HK$[**REDACTED**] per Share), after deducting the [**REDACTED**] and estimated expenses paid or payable by us in connection with the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised.

In line with our strategies, we intend to apply the [**REDACTED**] from the [**REDACTED**] for the following purposes, subject to changes in light of our evolving business needs and changing market conditions: (1) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to iterate and optimize our battery-swapping solutions, as well as to advance our technological development, including enhancing digital-intelligent systems, advancing and promoting V2S2G technologies, and developing technologies for unmanned operations for battery-swapping stations; (2) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for promoting and marketing our battery-swapping solutions, as well as enhancing our operational capabilities to support scalable business growth; (3) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to fund potential strategic investment, acquisitions or cooperation arrangements that complement our battery-swapping solutions and energy management capabilities; and (4) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for our working capital and other general corporate purposes.

See "Future Plans and Use of [**REDACTED**]" in this document for further information relating to our future plans and use of [**REDACTED**] from the [**REDACTED**], including the adjustment on the allocation of the [**REDACTED**] in the event that the [**REDACTED**] is fixed at a higher or lower level compared to the mid-point of the indicative [**REDACTED**] range.

[**REDACTED**]

DIVIDEND

No dividend has been paid or declared by us during the Track Record Period. As of the Latest Practicable Date, we did not have a formal dividend policy. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not intend to declare or pay any dividends in the foreseeable future. Investors should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors subject to our Articles of Association and the PRC Company Law and any other applicable laws and regulations, and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits as determined in accordance with its articles of association and the accounting standards and regulations in China. As confirmed by our PRC Legal Adviser, according to the PRC law, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate at least 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

[**REDACTED**] EXPENSES

Our [**REDACTED**] expenses represent professional fees, [**REDACTED**] and other fees incurred in connection with the [**REDACTED**]. Assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the indicative [**REDACTED**] range, we estimated that the total [**REDACTED**] expenses for the [**REDACTED**] are approximately HK$[**REDACTED**], accounting for approximately [**REDACTED**]% of the [**REDACTED**] from the [**REDACTED**] (assuming no H Shares are issued pursuant to the [**REDACTED**]), of which approximately HK$[**REDACTED**] is expected to be charged to our consolidated statements of profit or loss, and approximately HK$[**REDACTED**] is expected to be accounted for as a deduction from equity upon the completion of [**REDACTED**].

As of April 30, 2026, we incurred [**REDACTED**] expenses of HK$[**REDACTED**] recognized in the statements of profit or loss and expected HK$[**REDACTED**] to be charged to the statement of profit or loss after the Track Record Period. The total [**REDACTED**] expenses comprise of (i) [**REDACTED**] expenses, including [**REDACTED**] and other expenses, of HK$[**REDACTED**]; and (ii) [**REDACTED**] expenses of HK$[**REDACTED**], including (a) fee paid and payable to legal advisers and reporting accountants of HK$[**REDACTED**], and (b) other fees and expenses of HK$[**REDACTED**]. The [**REDACTED**] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

KEY RISK FACTORS

Our operations and the [**REDACTED**] involve certain risks and uncertainties, which are set out in the section headed "Risk Factors" in this document. You should read that section in its entirety carefully before you decide to [**REDACTED**] in our Shares. Some of the major risks we face include: (1) a history of gross and net losses during the Track Record Period and the possibility that we may not achieve or sustain profitability; (2) increasingly intense competition and risks that we may not be able to compete effectively; (3) challenges in promoting and scaling our battery-swapping solutions in an emerging and fast-evolving market where unified industry standards are still taking shape; (4) reliance on customer acceptance of EVs, the battery-swapping model and competing battery-swapping technologies; (5) substantial cost of revenue and operating expenses and ongoing capital requirements that may require us to raise additional capital on terms that may not be available or acceptable; (6) risks that we may not be able to effectively manage, monetize or achieve expected performance from battery-swapping stations we have invested in and established; (7) operational and scaling risks related to our battery-swapping operational services and platform services provided to third-party operators; (8) risks connected with sales of battery-swapping stations to third-party customers and potential underperformance of that business; (9) operational disruptions at our battery-swapping stations that could materially and adversely affect our business and results of operations; and (10) the potential adverse impact on our business if we fail to upgrade and integrate advanced technologies into our operations and services.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

We have continued to diversify and expand the application scenarios of our battery-swapping solutions. Subsequent to the Track Record Period and up to the Latest Practicable Date, we made progress in ride-hailing and taxi fleets, commercial vehicles and overseas markets.

- ***Ride-hailing and taxi fleets***. We had delivered over 300 sets of battery-swapping modules for a new battery-swapping-compatible EV model developed with an EV OEM, which is designed for both ride-hailing and taxi fleet applications. Such EV model has entered the mass production stage. In addition, to support passenger vehicle battery-swapping demand, we had delivered 12 battery-swapping stations to customers subsequent to the Track Record Period and up to the Latest Practicable Date.

- ***Commercial vehicles***. We had entered into co-development agreements with three EV OEMs for the development of battery-swapping-compatible commercial vehicle models, covering two heavy-duty truck models and two light-duty truck models. These models were at the prototype development or mass production stage as of the Latest Practicable Date. We are primarily responsible for the development and adaptation of the corresponding battery-swapping modules. In addition, to support commercial vehicle battery-swapping demand, we had delivered 12 battery-swapping stations to customers subsequent to the Track Record Period and up to the Latest Practicable Date.

- ***Overseas markets***. We had sold and delivered 11 battery-swapping stations to a Thai customer, and had entered into a sales agreement with a Malaysian customer for the sales of 10 battery-swapping stations subsequent to the Track Record Period and up to the Latest Practicable Date.

Notwithstanding the above progress and the improvement in our gross margin performance, we expect to record a net loss for the year ending December 31, 2026. This is primarily because the gross profit contribution from our equipment sales, operational services and emerging application scenarios is expected to remain insufficient to fully cover our operating expenses, including selling and marketing expenses, administrative expenses and R&D expenses, as we continue to support technology development, customer expansion and overseas market exploration. Our net loss may

also be affected by [**REDACTED**] expenses and other non-operating items. We will continue to implement measures to improve operating efficiency, optimize our self-owned station portfolio, control costs and expand gross-profitable business lines.

Our Directors confirmed that subsequent to the Track Record Period and up to the date of this document, (1) there was no material adverse change in the market conditions and the regulatory environment in which our Group operates that would affect our financial or operating position materially and adversely; (2) there was no material adverse change in our business, revenue structure, profitability, cost structure, financial position and prospects; and (3) no event had occurred that would affect the information shown in our Accountants' Report in Appendix I to this document materially and adversely.

In this document, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below.

"affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	Accounting and Financial Reporting Council
"Articles" or "Articles of Association"	the articles of association of our Company adopted on October 25, 2025 with effect upon [**REDACTED**] (as amended from time to time), a summary of which is set out in Appendix III to this document
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of our Board
"Beijing Aulton"	Beijing Aulton New Energy Investment Co., Ltd.* (北京奧動新能源投資有限公司), a limited liability company established under the laws of the PRC on February 22, 2016, which was a non-wholly-owned subsidiary of our Company as at the Latest Practicable Date
"Board" or "Board of Directors"	the board of Directors of our Company
"Business Day" or "business day"	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

[**REDACTED**]

"Changchun Aulton"	Changchun Aulton New Energy Technology Co., Ltd.* (長春奧動新能源科技有限公司), a limited liability company established under the laws of the PRC on January 15, 2021, which was a wholly-owned subsidiary of our Company as at the Latest Practicable Date

"China" or "the PRC"	the People's Republic of China excluding, for the purposes of this document only, Hong Kong, Macau and Taiwan
"Chongqing Aulton"	Chongqing Aulton New Energy Technology Co., Ltd.* (重慶奧動新能源科技有限公司), a limited liability company established under the laws of the PRC on October 22, 2020, which was a wholly-owned subsidiary of our Company as at the Latest Practicable Date
"CIC"	China Insights Industry Consultancy Limited, our industry consultant, an independent market research and consulting company
"CIC Report"	the industry report which we commissioned CIC to prepare on the battery swapping market
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Aulton New Energy Co., Ltd. (奧動新能源股份有限公司), formerly registered under the name Aulton New Energy Automotive Technology Co., Ltd. (奧動新能源股汽車科技有限公司), a limited liability company established in the PRC on June 16, 2016 and converted into a joint stock company with limited liability established in the PRC on March 19, 2025
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules, and, unless the context requires otherwise, refers to Mr. Cai and Zhuhai Aoli
"core connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Corporate Governance Committee"	the corporate governance committee of the Board

"CSDC"	China Securities Depositary and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Data Security Law"	the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》)
"Director(s)"	the director(s) of our Company
"EIT"	enterprise income tax
"EIT Law"	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得税法》)
"Employee Shareholding Platforms"	the employee shareholding platforms as described in "History, Development and Corporate Structure — Employee Shareholding Platforms"
"Enze Haihe"	Enze Haihe (Tianjin) Equity Investment Fund Partnership (Limited Partnership)* (恩澤海河(天津)股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on August 31, 2020 and one of our [**REDACTED**] Investors
"ESG"	Environmental, Social and Corporate Governance
"Extreme Conditions"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
	[**REDACTED**]
"Foshan Yimi"	Foshan Yimi Jinxin Equity Investment Partnership (Limited Partnership)* (佛山蟻米金信股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on April 24, 2019 and one of our [**REDACTED**] Investors
"Fujian Aoxing"	Fujian Aoxing Equity Investment Partnership (Limited Partnership)* (福建奧興股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on April 30, 2020

"Fujian Aoying"	Fujian Aoying Equity Investment Partnership (Limited Partnership)* (福建奧盈股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 1, 2020 and one of our [**REDACTED**] Investors
	[**REDACTED**]
"Group", "our Group", "our", "we", or "us"	our Company and our subsidiaries (or our Company and any one or more of our subsidiaries, as the context may require)
"Guangjin Kaide"	Guangzhou Guangjin Kaide Ruichi Equity Investment Partnership (Limited Partnership)* (廣州廣金凱得睿馳股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on August 5, 2021 and one of our [**REDACTED**] Investors
"Guangzhou Aulton"	Guangzhou Aulton New Energy Technology Co., Ltd.* (廣州奧動新能源科技有限公司), a limited liability company established under the laws of the PRC on May 19, 2016, which was a non-wholly-owned subsidiary of our Company as at the Latest Practicable Date
"Guangzhou Chuangdongke"	Guangzhou Chuangdongke Venture Capital Partnership (Limited Partnership)* (廣州創動客創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on September 25, 2021 and one of our [**REDACTED**] Investors
"Guangzhou Jinxian"	Guangzhou Jinxian Investment Partnership (Limited Partnership)* (廣州金賢投資合夥企業(有限合夥)), a limited partnership established in the PRC on March 23, 2020 and one of our [**REDACTED**] Investors
"Guangzhou Yaoying"	Guangzhou Yaoying Investment Co., Ltd.* (廣州市曜盈投資有限公司), a company with limited liability established in the PRC on November 8, 2021 and one of our [**REDACTED**] Investors
"Guangxi Yesheng"	Guangxi Yesheng Industrial Investment Co., Ltd.* (廣西業盛實業投資有限公司), a company with limited liability established in the PRC on June 11, 2014 and one of our [**REDACTED**] Investors
"Guangzhou Yimi"	Guangzhou Yimi Kaide Industrial Investment Fund Partnership (Limited Partnership)* (廣州蟻米凱得產業投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on June 25, 2019 and one of our [**REDACTED**] Investors

"Guide"	the Guide for New Listing Applicants issued by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"H Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be converted from Unlisted Shares or subscribed for under the [**REDACTED**] and to be [**REDACTED**] in Hong Kong dollars and [**REDACTED**] on the Hong Kong Stock Exchange

[**REDACTED**]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK$"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

[**REDACTED**]

[**REDACTED**]

"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited

[**REDACTED**]

"IASB"	International Accounting Standards Board
"IFRS"	the IFRS Accounting Standards as issued by the IASB
"IIT Law"	the Individual Income Tax Law
"Independent Third Party(ies)"	any person(s) or entity(ies) who is not a connected person of the Company within the meaning of the Listing Rules

[**REDACTED**]

[**REDACTED**]

"Jingde Guangzhou"	Jingde (Guangzhou) Equity Investment Partnership (Limited Partnership)* (景得(廣州)股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 4, 2018 and one of our [**REDACTED**] Investors

[**REDACTED**]

"Latest Practicable Date"	July 10, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this propsecuts prior to its publication

[**REDACTED**]

"Listing Committee"	the listing committee of the Hong Kong Stock Exchange

[**REDACTED**]

"Listing Rules" or "Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"Macau"	the Macau Special Administrative Region of the People's Republic of China
"Main Board"	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operates in parallel with the GEM of the Hong Kong Stock Exchange
"MIIT"	the Ministry of Industry and Information Technology of the PRC

"MOF"	Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"Mr. Cai"	Mr. Cai Dongqing (蔡東青), our co-founder, chairman of our Board, executive Director and general manager of our Company and one of our Controlling Shareholders
"Mr. Zhang"	Mr. Zhang Jianping (張建平), our co-founder, deputy chairman of our Board and executive Director
"Nanjing Meiao"	Nanjing Meiao Venture Capital Partnership (General Partnership)* (南京美奧創投合夥企業(普通合夥)), a general partnership established in the PRC on November 19, 2019 and one of our [**REDACTED**] Investors
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"NIO"	Hubei Changjiang NIO New Energy Industry Development Fund Partnership (Limited Partnership)* (湖北長江蔚來新能源產業發展基金合夥企業(有限合夥))
"NIO Capital"	Hubei Jiahu Equity Investment Partnership (Limited Partnership* (湖北嘉湖股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on May 22, 2017 and one of our [**REDACTED**] Investors
"Nomination Committee"	the nomination committee of the Board
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)

[**REDACTED**]

[**REDACTED**]

"Overseas Listing Regulations"	The Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) promulgated by the CSRC on February 17, 2023 and became effective on March 31, 2023
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Company Law"	the Company Law of the People's Republic of China (中華人民共和國公司法)
"PRC GAAP"	generally accepted accounting principles of the PRC
"PRC Government"	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them
"PRC Legal Adviser"	Commerce & Finance Law Offices, the PRC legal adviser to our Company
"[**REDACTED**] Investor(s)"	the investor(s) in our Company prior to the [**REDACTED**] as described in "History, Development and Corporate Structure — [**REDACTED**] Investments"

[**REDACTED**]

"document"	this document being issued in connection with the [**REDACTED**]
"[**REDACTED**]"	[**REDACTED**] under the U.S. Securities Act

"Relevant Persons"	the Sole Sponsor, the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**] any of their or the Company's respective directors, officers, employees, partners, agents, advisers and any other parties involved in the [**REDACTED**]
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Accountants"	KPMG, our reporting accountants
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Ruihong Sanhao"	Gongqingcheng Ruihong No. 3 Investment Partnership (Limited Partnership)* (共青城瑞宏叁號投資合夥企業(有限合夥)), a limited partnership established in the PRC on May 20, 2021 and one of our [**REDACTED**] Investors
"SAFE"	State Administration of Foreign Exchange of the PRC (中國國家外匯管理局)
"SAIC"	the State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局), currently known as the SAMR
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"SAT"	the State Administration of Taxation of the PRC (中華人民共和國國家税務總局)
"Securities and Futures Commission" or "SFC"	the Securities and Futures Commission of Hong Kong
"Securities Law"	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shanghai Aulton"	Aulton (Shanghai) New Energy Technology Co., Ltd.* (奧動(上海)新能源科技有限公司), a limited liability company established under the laws of the PRC on February 4, 2017, which was a wholly-owned subsidiary of our Company as at the Latest Practicable Date

"Shanghai Dianba"	Shanghai Dianba New Energy Technology Co., Ltd.* (上海電巴新能源科技有限公司), a limited liability company established under the laws of the PRC on September 16, 2009, which was a wholly-owned subsidiary of our Company as at the Latest Practicable Date
"Shanghai Shine-Link"	Shanghai Shine-Link International Logistics Co., Ltd. (上海暢聯國際物流股份有限公司), a joint stock company established in the PRC on May 22, 2001 and one of our [**REDACTED**] Investors
"Share(s)"	Unlisted Share(s) and H Share(s) in the capital of our Company with a nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of the Share(s)
"Shenzhen Chunyang"	Shenzhen Chunyang Huiying Venture Capital Partnership (Limited Partnership)* (深圳春陽匯盈創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on January 11, 2021 and one of our [**REDACTED**] Investors
"Sole Sponsor" or "Sole Sponsor-[**REDACTED**]"	CMB International Capital Limited [**REDACTED**]
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"SVIC 38"	SVIC NO. 38 NEW TECHNOLOGY BUSINESS INVESTMENT L.L.P., a limited partnership established in South Korea on March 22, 2018, one of our [**REDACTED**] Investors
"Takeovers Code" or "Hong Kong Takeovers Code"	the Codes on Takeovers and Mergers and Share Buybacks issued by the SFC, as amended, supplemented or otherwise modified from time to time
"TERRAS"	TERRAS ENERGY (SG) PTE. LTD. is a private limited company incorporated in the Republic of Singapore on February 24, 2015, one of our [**REDACTED**] Investors
"Track Record Period"	the period comprising financial years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026 [**REDACTED**]

"Unlisted Share(s)"	ordinary share(s) issued by our Company with a nominal value of RMB1.00 each which is/are not listed on any stock exchange
"United States" or "U.S."	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
"U.S. dollars", "US$" or "USD"	United States dollars, the lawful currency of the United States
"U.S. Securities Act"	the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
"VAT"	value-added tax
"VAUCLUSE"	VAUCLUSE INVESTMENT (HK) COMPANY LIMITED (華克斯投資(香港)有限公司), a company established in Hong Kong on January 15, 2021 and one of our [**REDACTED**] Investors
"Wuhan Aulton"	Wuhan Aulton Unlimited Energy Investment Co., Ltd.* (武漢奧動無限能源投資有限公司), a limited liability company established under the laws of the PRC on April 26, 2021, which was a wholly-owned subsidiary of our Company as at the Latest Practicable Date
"Xiamen Aoli"	Xiamen Aoli Enterprise Management Partnership (Limited Partnership)* (廈門奧勵企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on April 26, 2020 and one of our Employee Shareholding Platforms
"Xiamen Aoyi"	Xiamen Aoyi Enterprise Management Partnership (Limited Partnership)* (廈門奧奕企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on December 21, 2020 and one of our [**REDACTED**] Investors
"Zhuhai Aoli"	Zhuhai Aoli Investment Center Partnership (Limited Partnership)* (珠海奧立投資中心合夥企業(有限合夥)), a limited partnership established in the PRC on March 23, 2018, one of our Controlling Shareholders and Employee Shareholding Platforms
"Zhuhai Aoli No. 1"	Zhuhai Aoli No. 1 Enterprise Management Center (Limited Partnership)* (珠海奧力一號企業管理中心(有限合夥)), a limited partnership established in the PRC on December 21, 2021 and one of our Employee Shareholding Platforms

"Zhuhai Aoli No. 2"	Zhuhai Aoli No. 2 Enterprise Management Center (Limited Partnership)* (珠海奧力二號企業管理中心(有限合夥)), a limited partnership established in the PRC on September 7, 2022 and one of our Employee Shareholding Platforms
"Zhuhai Aoli No. 3"	Zhuhai Aoli No. 3 Enterprise Management Center (Limited Partnership)* (珠海奧力三號企業管理中心(有限合夥)), a limited partnership established in the PRC on October 11, 2025 and one of our Employee Shareholding Platforms
"Zhuhai Aoli No. 4"	Zhuhai Aoli No. 4 Enterprise Management Center (Limited Partnership)* (珠海奧力四號企業管理中心(有限合夥)), a limited partnership established in the PRC on October 11, 2025 and one of our Employee Shareholding Platforms
"Zhuhai Aoning"	Zhuhai Aoning Investment Center Partnership (Limited Partnership)* (珠海奧寧投資中心合夥企業(有限合夥)), a limited partnership established in the PRC on March 23, 2018 and one of our [**REDACTED**] Investors
"Zhuhai Aoyue"	Zhuhai Aoyue Investment Center Partnership (Limited Partnership)* (珠海奧悅投資中心合夥企業(有限合夥)), a limited partnership established in the PRC on March 23, 2018 and one of our [**REDACTED**] Investors
"Zibo Yihao"	Zibo Shenshen No. 1 Equity Investment Partnership (Limited Partnership)* (淄博深厚一號股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on November 9, 2021 and one of our [**REDACTED**] Investors
"%"	percent

* *For identification purpose only*

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

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

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this document. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

"AI"	artificial intelligence
"BaaS"	Battery as a Service
"battery bank"	a battery asset pool managed by a battery asset management platform
"battery-swapping model"	an electric vehicle system where a discharged battery is rapidly exchanged for a fully charged battery at a swapping station, as an alternative to waiting for charging
"battery-swapping modules"	core components of an EV battery pack that enable the battery-swapping model; comprised of battery boxes and frames
"battery-swapping station"	a facility where electric vehicle owners can rapidly exchange a battery pack for a fully charged one, as an alternative to charging the vehicle at a charging station
"battery leasing"	a model under which consumers purchase an electric vehicle without the battery and obtain the right to use a new energy vehicle battery by leasing it from a battery asset management platform
"battery pack"	a package consisting of one or more batteries or individual battery cells, equipped with a compatible battery-swapping module to enable battery swapping
"BEV"	battery electric vehicle
"BMS"	battery management system
"bolt-on-chassis battery swapping"	a chassis battery-swapping technology that uses a bolt-on connection to attach the battery pack to the electric vehicle
"buckle-on-chassis battery swapping"	a chassis battery-swapping technology that uses a locking snap-on connection to attach the battery pack to the electric vehicle
"CAGR"	compound annual growth rate; measures an investment's average annual growth over a given period
"EV"	electric vehicle; a vehicle powered by electricity, typically stored in rechargeable batteries

GLOSSARY OF TECHNICAL TERMS

"EV models"	electric vehicle models developed and produced by automakers with different configurations
"grid load"	the total amount of electricity being used by all consumers (homes, businesses and industries) on a power grid at any given time
"GW"	gigawatt; a unit equals to one billion watts
"IoT"	internet of things; the extension of internet connectivity into physical devices and everyday objects
"kW"	kilowatt; one thousand watts
"mobility platform"	includes mobility platforms with their own service fleet and aggregation mobility platforms that consolidate service fleets from other mobility platforms
"passenger vehicle"	includes passenger service vehicles and private vehicles
"R&D"	research and development
"Robotaxi"	an autonomous car (SAE automation level 4 or 5 passenger vehicle) operated by a ridesharing company
"V2S2G"	vehicle-to-station-to-grid; the diversified digital energy services that use a battery-swapping station as a capacity-variable distributed energy storage station to support load shifting and balancing for the power grid
"voltage"	electric potential energy per unit charge

FORWARD-LOOKING STATEMENTS

We have included in this document forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This document contains certain forward-looking statements relating to our Company, our subsidiaries and consolidated affiliated entities that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words "aim", "anticipate", "believe", "could", "expect", "going forward", "intend", "may", "ought to", "plan", "project", "seek", "should", "will", "would" and the negative of these words and other similar expressions, as they relate to our Group or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks, uncertainties and other factors facing our Group which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- changes in the macro environment, regional and global economy, as well as industry trends related to our operations;
- our ability to successfully implement our business plans, strategies, objectives and goals;
- our ability to obtain adequate capital resources to fund future development plans;
- our ability to control costs, as well as to achieve and maintain operational efficiency;
- changes in our customers' demands and expectations;
- changes in the competitive landscape of the industries where we operate;
- our ability to protect our reputation and brand image, as well as trademarks, technologies, know-how, patents and other intellectual property rights;
- changes in local economic and political conditions and changes in compliance with international laws and regulations in the countries and regions where we operate;
- developments in technology and our ability to successfully keep up with technological advancement;
- our ability to attract and retain experienced professionals and other qualified employees and key personnel;
- changes in currency exchange rates; and
- the other risk factors discussed in this document as well as other factors beyond our control.

FORWARD-LOOKING STATEMENTS

The forward-looking statements are based on our current plans and estimates and speak only as of the date they were made. Nonetheless, due to the risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this document might not occur in the way we expect, or at all. Further, subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise.

Accordingly, you should not place undue reliance on any forward-looking statements in this document. All forward-looking statements contained in this document are qualified by reference to this cautionary statement.

You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an [**REDACTED**] *in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the* [**REDACTED**] *of our H Shares could decline, and you may lose all or part of your* [**REDACTED**]. *These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed "Forward-Looking Statements" in this document.*

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business and industry; (ii) risks relating to doing business in jurisdictions where we operate; and (iii) risks related to the [**REDACTED**]. Additional risks and uncertainties that are presently not known to us or not expressed or implied below or that we currently deem immaterial could also harm our business, financial condition, and results of operations. You should consider our business and prospects in light of the challenges we face, including those discussed in this section.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We have incurred gross losses and net losses during the Track Record Period and may not be able to achieve or subsequently maintain profitability in the future.

In 2023, 2024, 2025 and four months ended April 30, 2025, we had gross losses of RMB39.9 million, RMB34.1 million, RMB33.9 million and RMB13.8 million, respectively, while we recorded gross profit of RMB4.1 million for the four months ended April 30, 2026. During the same periods, we had incurred net losses of RMB655.5 million, RMB418.9 million, RMB307.4 million, RMB103.3 million and RMB91.4 million, respectively. There is the possibility of continued losses due to increases in costs and expenses along with our business development. If we are unable to generate sufficient revenue and effectively manage our expenses, we may continue to experience significant losses and may not achieve profitability in the future. We plan to consistently invest in advancing battery-swapping stations, improving techniques and equipment and investing in R&D and marketing activities, which are considered crucial for our sustainable growth. However, there can be no assurance that these efforts will result in improved financial performance in the near term. If we are unable to generate sufficient revenue to offset the associated cost and expenses or effectively manage our cost and expense structure, we may not be able to increase profitability and improve liquidity position in the future.

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

Our competition not only comes from other battery-swapping service providers but also from EV charging service suppliers. Additionally, we are facing increasing competition as more EV OEMs enter the EV energy replenishment industry. Competitors may offer better prices and/or deliver better user experiences to prospective customers/users. We may also face future competition from new entrants that could intensify the market competition. We anticipate that more established companies, including EV OEMs that possess large, existing user bases, substantial financial resources and sophisticated technological capabilities may also enter the markets in which we compete. Competitors may have different business models, have different cost structures or participate selectively in different industry segments. They may ultimately prove to be more successful or more adaptable to customer demand and new regulatory, technological and other developments. Some of our current and potential competitors may have significantly more financial, technical, marketing and other resources than we do and may be able to devote greater resources to the development, promotion, sales and support of their products and service offerings. Our

competitors may also have longer operating histories, greater brand recognition and brand loyalty and broader or closer relationships with dealers, EV OEMs or other third-party relationships than us. Our competitors may be better at developing solutions and services, responding more quickly to new technologies and undertaking more extensive and effective marketing campaigns. In response to competition, we may have to lower and/or adjust the various fees charged and paid to the other parties, which could materially and adversely affect business, profit margins and results of operations. If we are unable to compete with such companies and meet the need for innovation in our industry, the demand for our services could stagnate or substantially decline, which could harm our business and results of operations.

We are in an emerging and fast evolving market, and may face challenges in promoting and scaling our battery-swapping solutions as unified industry standards for EV batteries are still taking shape.

The EV energy replenishment market, especially the battery-swapping solution market, is relatively new and evolving rapidly. There is no assurance that it can continue to grow as rapidly. We may not have sufficient experience to address the risks to which companies operating in new or rapidly evolving markets may be exposed. The laws and regulations governing the BEV industry in the PRC are still at a nascent stage and subject to further changes and interpretations. As the relevant markets, the regulatory environment or other conditions evolve, our existing battery-swapping products and service offerings may not continue to deliver the expected business results. As our business develops, we may continue to introduce new products and services, make adjustments to existing products and services, to our business model or to our operations in general. Our abilities to retain and attract new end customers, EV OEM partners, battery-swapping station partners, and other third parties are also critical to our business. Any significant change to our business model or failure to achieve the intended business results may have a material and adverse impact on our financial condition and results of operations. Therefore, it may be difficult to effectively assess our future prospects.

The EV battery-swapping industry currently faces a range of challenges and uncertainties, such as the lack of universally accepted technical standards for EV technology and batteries. Currently, EVs vary in size and performance capabilities and are compatible only with specific battery models. Although the Ministry of Industry and Information Technology of the PRC ("**MIIT**") and other departments have issued policies related to battery-swapping technology for EVs, there is no definitive timeline for the standardization of batteries. Consequently, our battery-swapping stations can only serve EVs that are equipped with compatible battery modules and have sizes that fit within the constraints of our stations, which restricts the marketability of our stations. Looking ahead, should the MIIT introduce unified standards for EV batteries, we may face significant expenses to align our existing and future products with these standards. Furthermore, there are currently different battery-swapping technologies in the market, including the buckle-on-chassis technology and the bolt-on-chassis technology. At present, it remains uncertain which of these technologies will become the market standard. Therefore, you should consider our business and prospects in light of the risks and challenges that we encounter or may encounter, given the rapidly evolving market in which they operate and their limited operating history.

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

Our business relies, to a large extent, on the customers' demand for EVs which is subject to a series of factors directly impacting EV prices or the costs of purchasing and operating automobiles, such as sales and financing incentives, purchasing prices, power rates and governmental regulations, including tariffs and other taxes. In addition, the market for new energy vehicles is still rapidly evolving, characterized by rapidly changing technologies, competitive pricing and competitive factors, evolving government regulation and industry standards and changing consumer demands and behaviors.

There are currently two primary methods for EV energy replenishment: charging and battery swapping. While battery swapping offers notable advantages, such as quicker energy replenishment and reduced battery wear, it is still relatively new compared to the more established charging model. As a result, it remains uncertain whether battery swapping will become the predominant method for EV energy replenishment in the future. Furthermore, within the battery-swapping model, there are different technologies in use. It is still unclear whether our buckle-on-chassis technology will become the preferred standard in the market. The future growth of our business will largely depend on the market's adoption of EVs, acceptance of the battery-swapping model, and preferences for different battery-swapping technologies. Any of the factors described above may make it difficult for us to promote, operate or sell our battery-swapping stations. If the markets for commercial-use EVs and battery-swapping stations do not grow as expected or develop more slowly than anticipated, our business, prospects, financial condition and operating results will be affected.

We incurred substantial cost of revenue and operating expenses during the Track Record Period, and expect to continue to make ongoing capital and operating expenditures. We may need to raise additional capital in the future, which may not be available on terms acceptable to us, or at all. If we cannot raise additional funds on attractive terms when we need them, our operations and prospects could be negatively affected.

We have incurred significant cost of revenue and operating expenses during the Track Record Period. In 2023, 2024, 2025 and four months ended April 30, 2025 and 2026, our cost of revenue amounted to RMB1,195.2 million, RMB960.4 million, RMB711.0 million, RMB244.6 million and RMB231.0 million, respectively. Our selling and marketing expenses were RMB68.7 million, RMB65.8 million, RMB45.8 million, RMB18.0 million and RMB13.2 million; our administrative expenses amounted to RMB133.0 million, RMB123.0 million, RMB101.3 million, RMB30.6 million, and RMB35.5 million; and our research and development expenses amounted to RMB76.4 million, RMB67.1 million, RMB37.0 million, RMB18.7 million and RMB13.0 million in 2023, 2024, 2025 and for the four months ended April 30, 2025 and 2026, respectively. The upgrading, procurement, ongoing maintenance of machinery and equipment and expanding our customer bases will require us to make continuous capital and operating expenditures to maintain our level of service. Changing competitive conditions or the emergence of any significant advances in battery-swapping solution could require us to invest significant capital in order to remain competitive. If we are unable to fund any such investment, our business, results of operations or financial condition could be adversely affected. Our capital and operating expense requirements will depend on many factors, such as technological advancements, market acceptance of our solutions, our operating efficiency.

Furthermore, if our capital requirements are materially different from those currently planned, we may need additional capital sooner than anticipated. Additional financing may not be available on favorable terms, on a timely basis, or at all. If adequate funds are not available on acceptable terms, we may be unable to continue our operations as planned, develop or enhance our solutions, expand our sales and marketing programs, take advantage of future opportunities or respond to competitive pressures.

We had net liabilities and net current liabilities during the Track Record Period, which may expose us to liquidity and financial risks.

As of December 31, 2023, 2024, 2025 and April 30, 2026, we had net liabilities of RMB2,288.5 million, net assets of RMB1,212.1 million, RMB920.2 million and RMB850.3 million, respectively. In addition, we had net current liabilities of RMB3,598.4 million, net current assets of RMB114.7 million, net current liabilities of RMB121.4 million and net current liabilities of RMB88.1 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively. For details, please see "Financial Information — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position." Net liabilities and net current liabilities positions can expose us to liquidity and financial risks. This in turn could require us to seek financing from external sources such as debt issuance and bank borrowings, which may not be available on terms favorably or commercially reasonable to us, or at all.

We recorded net operating cash outflows in certain periods during the Track Record Period and may experience such outflows in the future, which could adversely affect our liquidity.

We recorded net cash generated from operating activities of RMB164.2 million and RMB292.4 million in 2023 and 2024, respectively, net cash used in operating activities of RMB60.3 million in 2025, and net cash generated from operating activities of RMB10.9 million for the four months ended April 30, 2026, compared with net cash used of RMB55.2 million for the corresponding period in 2025. If continued net losses or adverse working capital movements cause us to experience net operating cash outflows, the cash available for our operations, capital expenditure and payment obligations may be reduced, and additional financing may not be available on acceptable terms or at all.

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

We operated 321, 291, 236 and 214 self-owned battery-swapping stations as of December 31, 2023, 2024, 2025 and April 30, 2026, respectively. While we have been placing increasing emphasis on offering battery-swapping solutions to customers that operate or plan to operate battery-swapping businesses, including sales of battery-swapping stations and battery-swapping modules as well as provision of battery-swapping operational services, self-owned stations currently remain the primary contributor to our total revenue during the Track Record Period. In 2023, 2024, 2025 and for the four months ended April 30, 2026, our revenue from the self-owned battery-swapping services amounted to RMB528.6 million, RMB546.8 million, RMB435.5 million and RMB127.2 million, respectively, accounting for 45.8%, 59.0%, 64.3% and 54.1% in each of the respective periods. Operating these stations requires significant financial investments that encompass various aspects: upgrading, procurement and ongoing maintenance of machinery and equipment, as well as associated property and labor costs. Each of these components contributes to the substantial overall investment needed to maintain the operational efficiency of these stations. Such significant capital allocation inevitably impacts our profit margins and cash flow. Furthermore, the heavy capital deployment into station infrastructure might limit our ability to invest in technology and R&D activities, potentially leading to adverse effects on our business growth. Additionally, operating in regional markets where we may not have the same level of market insight or resource allocation capabilities as local competitors can be challenging. This scenario could restrict our ability to gain operational efficiencies and competitive advantages in these markets, thus impacting the overall viability of our self-owned stations.

We face risks associated with the development and scaling of our battery-swapping operational services and/or platform services.

During the Track Record Period, we intensified our efforts to expand the provision of operational services to customers that operate or plan to operate battery-swapping businesses. The number of battery-swapping stations purchasing our operational services (excluding platform service) were 111, 71, 59 and 79 as of December 31, 2023, 2024, 2025 and the four months ended April 30, 2026. During the same period, another 120, 198, 229 and 238 battery-swapping stations purchased our platform services on standalone basis. We typically enter into service agreements, for key terms of which, see "Business — Our Battery-Swapping Solutions — Battery-Swapping Operational Solutions — Battery-Swapping Operational Services." We may not be able to renew these agreements with our customers on commercially acceptable terms or at all. Our customers may elect not to renew their agreements with us or otherwise terminate their business relationships with us for various reasons, including in the event as stipulated by the related laws and regulations. In addition, we may not be able to establish business relationships with new partners to support the continued growth of our business. In the event that a significant number of our customers terminate their relationships with us, or we are otherwise unable to maintain and expand our operation effectively, our business, results of operations and financial condition could be materially and adversely affected. Also, if we fail to further expand the customer base for our battery-swapping

operational services as anticipate, or if we cannot continue to provide the satisfactory battery-swapping operational services as required by our customers, our business, financial condition, and results of operations could be adversely affected.

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

We face risks associated with our sales of battery-swapping stations, and any underperformance in this business may adversely affect our business, financial condition, and operational results.

We sell battery-swapping stations to customers that have entered or intend to enter into the energy replenishment industry. Our future growth is closely tied to our ability to encourage existing partners to make repeat purchases of our battery-swapping stations and to extend our customer base. In 2023, 2024, 2025 and the four months ended April 30, 2026, we sold 90, 56, 36 and 20 stations, respectively. The decline in sales volume reflects our strategic decision to moderate the pace of station rollout during our business transition, as we shifted our focus toward optimizing market layout and enhancing the long-term viability of our business model. While this shift supports our attempts to drive sustainable growth in the long term, it creates near-term pressure on sales performance and increases our reliance on successfully generating future demand. If we fail to generate sustained purchasing demand from existing customers or to expand into new customer segments, our ability to grow revenue and maintain scale may be adversely affected. In addition, securing long-term purchasing engagement from customers requires ongoing effort to demonstrate value, align operational models, and maintain high service standards. Any failure to effectively manage these commercial relationships and expand our sales channels may materially and adversely affect our growth prospects, financial condition, and operating results.

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

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

If we fail to upgrade and integrate advanced technologies into our operations and services, our business, financial condition, and results of operations could be adversely impacted.

EV energy replenishment industry is characterized by rapid technological evolution, frequent introduction of new services and products embodying new technologies, and the emergence of new industry practices. In 2023, 2024, 2025 and for the four months ended April 30, 2026, we incurred R&D expenses of RMB76.4 million, RMB67.1 million, RMB37.0 million and RMB13.0 million, accounting for 6.6%, 7.2%, 5.5% and 5.5% of our revenue for the same periods, respectively. We

anticipate continuously incurring substantial and potentially increasing R&D costs as part of our efforts to design, develop, manufacture and commercialize more upgraded solutions and enhance existing offerings. We may not always be able to keep up with changes in EV and battery-swapping technologies and, as a result, our competitiveness may suffer. In addition, developments in alternative technologies, such as ethanol, fuel cells, hydrogen fuel power or compressed natural gas or improvements in the fuel economy of the internal combustion engine, may materially and adversely affect our business and prospects. Any failure by us to successfully react to changes in existing technologies could materially harm our competitive position and growth prospects.

We view our technological advantages as our core competence to enhance our market competitiveness. However, as the EV and the EV energy replenishment industry is rapidly evolving, we cannot be certain that our choices of technologies will become the industry mainstream, or we can accurately anticipate the way these markets will evolve. In addition, even if our technological advancements are in line with industry trends, we cannot assure you that all of our R&D efforts will lead to profitable products or solutions in the short term. In the event that our new technologies fail to achieve commercialization, or our products and solutions fail to be adopted by the market, our business prospects and financial condition could be materially and adversely affected.

Our market position depends critically on our ability to continuously optimize, upgrade and enrich our battery-swapping businesses, as well as to improve our existing ones in a cost-effective and timely manner.

Our ability to enrich and upgrade battery-swapping businesses, as well as enhance our existing offerings, is crucial to our business, financial condition and results of operations. However, there is no assurance that our assessments, introduction and commercialization of the new solutions, or the enhancement of current offerings will turn out to be successful in a cost-effective and timely manner and generate the expected returns.

Our development strategies include, among others, (i) advancing battery-swapping stations towards full automation and digitalization; (ii) developing and promoting the adoption of battery-swapping solutions for commercial vehicles; (iii) expanding global market and developing global partnerships and (iv) accelerating the expansion of China's battery-swapping ecosystem into broader application scenarios. See "Business — Our Strategies." While we strive to align our business strategies with market trends, we cannot guarantee that they will be launched in a timely manner or receive the anticipated market acceptance. We may face unforeseen technical challenges that could delay the completion and delivery of our products and solutions, as well as hinder our ability to produce them cost-effectively. Such delays and inefficiencies could weaken our competitive position and harm our customer relationships. Furthermore, even if we successfully develop new technologies and solutions, there is no guarantee that these will sufficiently differentiate our offerings from those of our competitors in terms of accuracy, safety, and comfort-enhancing features.

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.

Our smart energy service platform provides comprehensive real-time intelligent operational management, covering aspects such as user (drivers and vehicles) operations, battery-swapping stations and battery management, activity operations, environmental and operational monitoring, as well as data tracking and analysis. See "Business — Our Battery-Swapping Stations and Technologies — Smart Energy Service Platform." Therefore, our business operations are largely dependent on the proper functioning of this cloud platform and any of its improper functioning or material failure could interrupt our business activities. Our cloud service platform may contain "bugs" or undetected errors, potentially affecting its functionality and reliability.

Any discontinuation of preferential tax treatments, government grants or imposition of any additional taxes and surcharges could adversely affect our financial condition and results of operations.

We are incorporated in the PRC and are governed by applicable PRC income tax laws and regulations. The EIT law and its implementing rules, impose a statutory rate of 25% on PRC enterprises. We and certain of our subsidiaries have obtained qualification as a High and New Technology Enterprise and was subject to a reduced preferential tax rate of 15% during the Track Record Period. The discontinuation of any of our current tax treatments could materially increase our tax obligations and adversely impact our net income.

In addition, we were supported with government grants during the Track Record Period. In 2023, 2024, 2025 and the four months ended April 30, 2026, we recognized government grants of RMB19.9 million, RMB37.1 million, RMB14.3 million and RMB4.7 million as other net income, respectively. Preferential tax treatments and incentives granted to us by PRC governmental authorities are subject to review and may be adjusted or revoked at any time in the future. We cannot guarantee that the preferential tax treatments and incentives to which we are currently entitled would be successfully renewed. There can be no assurance that the local tax authorities will not, in the future, change their position and discontinue any of our current tax treatments, potentially with retrospective effect. The unavailability, reduction or elimination of government and economic incentives or government policies which are favorable for EVs, domestically produced vehicles or battery-swapping stations could have a material adverse effect on our business, financial condition and prospects.

We could experience cost increases or disruptions in supply of raw materials and electricity.

Our battery-swapping stations require various raw materials, including charging cabinets, charging systems, shuttle vehicles, stackers, and containers. For our battery-swapping modules, the key raw materials include sheet metal parts, connectors, and wiring harnesses. The prices for these materials are subject to fluctuations due to factors beyond our control, such as market conditions, global demand, and supply chain disruptions. Any significant increase in the cost of these materials could adversely impact the production costs and profitability of our battery-swapping stations and modules. Moreover, our battery-swapping services are directly influenced by electricity costs, and therefore, any rise in electricity prices could increase the operational costs associated with providing battery-swapping services, potentially reducing the demand from drivers and negatively affecting our financial performance. If electricity costs rise significantly, we may be forced to adjust our pricing strategies, which could further impact the competitiveness and adoption of our services in the market.

If we experience any delay in the development and launch of our battery-swapping stations, or in the production and delivery of the battery-swapping modules ordered by our EV OEM customers, or if we fail to forecast market demand accurately, leading to either an oversupply or undersupply of our products and services, our business, financial condition, and results of operations may be adversely impacted.

We arrange the construction of our battery-swapping stations and negotiate the production and supply of battery-swapping modules with our manufacturing partners, according to our operational and expansion plans. Our main production activities, including the construction of battery-swapping stations equipment, accessory materials, and battery-swapping modules, are carried out at our facility in Shanghai. We also outsource certain non-core production processes, such as minor surface processing steps, to third-party manufacturers. Any delays in our or our manufacturing partners' production activities with could adversely affect our overall production schedule and business operations. Furthermore, we plan our production based on market demand. Failure to accurately forecast market demand could lead to either an oversupply or undersupply of our products and services, which may have a material adverse impact on our business, financial condition, and results of operations.

We may face risks relating to safety incidents, malfunctions or operational failures at our battery-swapping stations that may result in liabilities, adverse publicity or other negative impacts on our business and financial condition.

Any malfunction or defect in the battery-swapping stations we constructed or the battery-swapping modules we produced may subject us to product liability claims to the extent people or properties are harmed by such defect. Our offerings are technically complex and adhere to stringent manufacturing standards. We have established a series set of safety production and management systems, including standardized battery-swapping safety management protocols, high-risk operations management procedures, safety inspection regulations, and hazard identification and risk management systems. Furthermore, we have implemented safety training programs and employed a certified safety engineer and safety management personnel to ensure the standardization of our production and operations. Nonetheless, we cannot guarantee that our products and solutions will be free from defects, errors, or reliability issues. We historically encountered one battery combustion incident at our battery-swapping station in Beijing in 2022. Based on the findings of our investigation and analysis, the incident was caused by a short circuit in stored batteries, leading to spontaneous combustion but not resulting in any injuries or fatalities. We have strengthened the management of our battery-swapping stations and enhanced the frequency of monitoring through our advanced battery management system, ensuring timely and effective management of thermal runaway risks. In response to this incident, we have implemented specific corrective measures and strengthened our internal controls to prevent similar occurrences. These actions include installing intelligent smoke detectors at city operation sites to automatically report abnormal conditions. In addition, the city safety function is responsible for supervising frontline staff to complete emergency drills and periodic emergency assessments as required. Personnel who do not pass the drills or assessments are required to undergo targeted training. During the Track Record Period and up to the Latest Practicable Date, we had no experienced similar incidents during the operation of battery-swapping stations.

Although we have maintained all-risk insurance and public liability insurance, the coverage may not fully protect us from all losses or damages. We may have legal recourse against the cooperating manufacturers, station partners and/or suppliers under PRC law in such circumstances, attempting to enforce our rights against these parties may be expensive, time-consuming, and ultimately futile. As a result, any material product liability claim or litigation could have a material and adverse effect on our business, financial condition and results of operations. Even unsuccessful claims could result in the expenditure of funds and managerial efforts in defending them and could have a negative impact on our reputation.

Our information technology networks and systems may encounter malfunction, unexpected system failure, interruption, insufficiency or security breaches. A breach in our cybersecurity, or failure to protect confidential information, may result in legal and financial exposures and reputational damages.

We rely on information technology networks and systems for providing services, managing our suppliers and employees, and monitoring service and manufacture status. Our business involves storage and transmission of data about our business, suppliers, customers and other business partners. Our information technology systems, some of which are managed by third parties, may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components, power outages, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors or catastrophic events. Any such breach could compromise our networks and the information stored therein, possibly resulting in legal and regulatory actions, disruption of operations and customer services, and otherwise harming our business, reputation and future operations. If we do not effectively resolve the issues in a timely manner, our business, results of operations and financial condition may be materially and adversely affected, and we could experience delays in reporting our financial results.

Any harm to our brands or reputation or any damage to the reputation of the third parties with whom we collaborate or failure to enhance brand recognition could have a material adverse effect on our results of operations and growth prospects.

Enhancing the recognition and reputation of our brands are critical to our business and competitiveness. Any malicious or inadvertent negative allegations made by the media or other parties about the foregoing or our management, business, compliance with law, financial condition or prospects, whether with merit or not, could severely hurt our reputation and harm our business and results of operations.

As the EV market in China rapidly expands, the high pace of industry development may lead to increased media scrutiny and the potential for higher visibility of any incidents. This heightened attention could adversely affect our business operations if negative publicity arises, even if we are not directly involved. Furthermore, during the course of industry expansion, issues such as alleged design deficiencies or safety concerns may emerge. These issues could adversely impact the industry as a whole. Additionally, such perceived problems could lead to tighter regulatory scrutiny of the sector and potentially restrict the scope of permissible activities for market participants. These developments could materially and adversely impact our business and operational results.

We collaborate with various industry participants in providing products and services. Such participants include EV OEMs and battery manufacturers and other business partners. Negative publicity about such counterparties, such as their failure to comply with applicable laws and regulations or to otherwise meet required quality and service standards, could cause reputational harm to our business. Furthermore, any delivery delays caused by our manufacturing partners could negatively impact our brand reputation.

The seasonality of the passenger vehicle industry and seasonable impacts on EV battery performance affect our operating results.

The passenger vehicle industry is subject to seasonal variations in revenues. Demand for ride-hailing services and taxis is generally higher in summer as well as before or during certain major Chinese holidays. Accordingly, we expect our revenues and operating results generally to be higher in these periods than in other months of the year. Furthermore, during the winter months, EV batteries tend to drain faster and offer less range, leading to an increased frequency and need for energy replenishment. This seasonal effect significantly heightens the demand for our battery-swapping services. If circumstances arise during these periods that impede the need for automobile services, our revenues for the year would be disproportionately adversely affected. In addition, comparisons of sales and operating results between different periods within a single fiscal year, or between the same periods in different fiscal years, may not be meaningful and should not be relied upon as indicators of our performance.

We may not be able to adequately protect our intellectual property rights, which could harm the value of our brand and adversely affect our business.

Our success partially relies on our capabilities to obtain patents and other intellectual property rights to maintain adequate legal protection for our technologies, products and solutions in the jurisdictions where we commercialize our products and solutions. Currently, we rely on a combination of patents, trademarks, copyrights and other intellectual property rights, trade secrets, contractual arrangements and confidentiality procedures to establish and protect our proprietary technologies, know-how and other intellectual property rights. However, those measures only provide limited protection. We may encounter challenges in filing and prosecuting all necessary or desired patent applications within reasonable costs and timeframes. A failure to timely identify patentable technological developments from our R&D activities could lead to a loss of patent protection, permitting competitors to develop and commercialize similar products, thereby potentially impacting our key products, technologies, and overall business. Furthermore, despite our efforts, there is a risk that unauthorized parties may copy, reverse engineer, disclose, obtain, or use

our technologies, products, and solutions. Competitors might also develop similar or competitive technologies, products, or services, or design around our existing patents. Such activities could materially and adversely affect our competitive position. Engaging in legal proceedings to defend our intellectual property could result in substantial costs and divert our resources and management's attention from other strategic areas, including further R&D and business operations, potentially impacting our ability to develop technologies and manage our business effectively.

We may be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations.

We operate in the competitive energy replenishment solution industry, where intense R&D investment and the protection of derived technologies are common among competitors. Consequently, there is a risk that third parties may have independently developed similar technologies or acquired them through other means. If we do not promptly and effectively secure our intellectual property and a third party successfully files or registers a similar technology under relevant laws before us, we could face intellectual property claims. Should a claim of infringement be successfully asserted against us, we may be compelled to cease selling, integrating, or using products or services that involve the disputed intellectual property. This situation could result in substantial liability for damages.

Our success depends on our ability to retain key members of our management team and to attract, retain and motivate other key personnel and qualified personnel.

Our future success is significantly dependent upon the continued service of our key executives and other key employees. In particular, we are highly dependent on management team and our key R&D personnel for the development of our business and technology development. However, if we lose the services of any senior management or key R&D personnel, we may face difficulties in finding suitable or qualified replacements and may incur additional expenses to recruit and train new personnel, which could severely disrupt our business and growth. Furthermore, as we expect to continue to expand our operations and develop new products, we will need to continue attracting and retaining experienced management and key R&D personnel. The availability of suitable and qualified candidates could be limited. We compete to attract and retain qualified R&D personnel with other new energy-focused companies, universities and research institutions. Competition for these individuals could cause us to offer higher compensation and other benefits in order to attract and retain them, which could materially and adversely affect our financial condition and results of operations. We may be unable to attract or retain the personnel required to achieve our business objectives and failure to do so could severely disrupt our business and growth.

We may experience fluctuations in labor costs or labor shortages.

If we face labor shortages or significant increases in labor costs caused by the intense competition, higher employee turnover rates, increases in wages or other employee benefit costs or changes to labor laws and regulations, our operating costs could increase significantly, which could materially and adversely affect our results of operations. We cannot assure you that labor disputes will not occur between us and our employees in the future. If such incidents do occur, we may be subject to fines by relevant governmental authorities and may incur settlement costs in order to resolve labor disputes. In addition, we may become subject to higher labor costs in the future when recruiting new employees due to the reputational damage caused by labor disputes.

We are exposed to inherent operational risks and hazards, which may result in personal injuries or accidents.

Our operations, including the production of battery-swapping modules and the construction and operation of battery-swapping stations, do not inherently subject our employees to high-risk safety environments. Moreover, we have implemented comprehensive safety policies and standardized operating procedures. However, there is still a potential for personal injuries or

fatalities among our employees due to improper operation, individual health issues, geological catastrophes, or other factors beyond our control. During the Track Record Period and up to the Latest Practicable Date, there occurred three fatal incidents. For detail, see "Business — Environment Protection, Social Responsibility and Corporate Governance — Labor." We cannot guarantee that material workplace accidents will not occur in the future despite our safety policies and measures. Even if such accidents were not caused by our fault or negligence, such accidents may still cause us to incur substantial costs, damage to our reputation and loss of future business, which may materially and adversely affect our business, financial position and results of operations.

Our leased property interests may be defective and our right to lease or use the properties may be challenged.

As of the Latest Practicable Date, we leased 172 parcels for 214 self-owned battery-swapping stations, among which 15 parcels for 18 self-owned battery-swapping stations have potential title defects, including: (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 Non-compliant Stations accounted for approximately 8.4% of our total self-owned battery-swapping stations. For details, see "Business — Legal Proceedings and Regulatory Compliance."

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. 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. If we face any claim or challenge brought by any regulatory authorities or third parties concerning the use of our leased properties with title defects, we may be forced to vacate from our leased properties and our business operations may be interrupted.

Any failure to fully comply with labor-related laws may subject us to government investigations or require us to incur additional expenditures.

Companies operating in China are required to participate in various government sponsored other welfare-oriented payment obligations and contribute to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of its employees up to a maximum amount specified by the relevant local government from time to time. The employee benefit plan requirement, however, has not been implemented consistently across the local governments given the different levels of economic development in different locations. We did not make full contributions to the social insurance and housing funds for our employees during the Track Record Period. Our PRC Legal Adviser has advised us that, pursuant to relevant PRC laws and regulations, if we fail to pay the full amount of social insurance contributions as required, we may be ordered to pay the outstanding social insurance contributions within a prescribed time limit and may be subject to an overdue fine of 0.05% of the delayed payment per day from the date on which the payment is payable. If such payment is not made within the stipulated period, the competent authority may further impose a fine from one to three times the amount of any overdue payment. As a result, we may be required by competent authorities to pay the outstanding amount and could be subject to late payment penalties or enforcement application made to the court. As of April 30, 2026, we had a shortfall of social insurance and housing provident fund of approximately RMB4.8 million. For details, see "Business — Employees — Social Insurance and Housing Provident Fund."

During the Track Record Period, we had engaged third-party human resource agencies to pay social insurance premium and housing provident funds for certain of our employees in certain location where they work. The incidents occurred primarily because we entered into employment contracts with employees whose registered addresses were in cities different from where they actually worked. As a result, we paid their social insurance premiums or housing provident funds locally through third-party human resource agencies, according to the preferences of these employees. Under the agreements between the third-party agencies and us, the third-party agencies had the obligations to pay social insurance and housing provident funds for our relevant employees on time and in full amounts. However, the contributions to social insurance premium and housing provident funds made through third-party accounts may not be viewed as contributions made by us, and as a result, we may be required by competent authorities to pay the outstanding amount and could be subject to late payment penalties or enforcement application made to the court. During the Track Record Period and as of the Latest Practicable Date, we had not received any fines or penalties from the competent authority as a result of any such arrangement. However, we cannot assure you that we will not be subject to any of such order of correction, fines or penalties if we fail to maintain compliance with relevant ongoing regulatory requirements.

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

We maintain different types of insurance policies, including social insurance and accident insurance for our employees, property all-risk insurance and public liability insurance. See "Business — Insurance." In line with industry practice, we have elected not to maintain certain types of insurances, such as key person insurance. We cannot assure you that our insurance coverage is sufficient to prevent us from any loss, or that we will be able to successfully claim our losses under our current insurance policies on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

If we become subject to litigation, legal or contractual disputes, governmental investigations or administrative proceedings, our management's attention may be diverted and we may incur substantial costs and liabilities.

We may from time to time become subject to various litigation, legal or contractual disputes, investigations or administrative proceedings arising in the ordinary course of our business, including but not limited to various disputes with or claims from our suppliers, customers, contractors, business partners and other third parties that we engage for our business operations. On-going or threatened litigation, legal or contractual disputes, investigations or administrative proceedings may divert our management's attention and consume their time and our other resources. In addition, any similar claims, disputes or legal proceedings involving us or our employees may result in damages or liabilities, as well as legal and other costs and may cause a distraction to our management. Furthermore, any litigation, legal or contractual disputes, investigations or administrative proceedings which are initially not of material importance may escalate and become important to us, due to a variety of factors, such as the facts and circumstances of the cases, the likelihood of loss, the monetary amount at stake and the parties involved. If any verdict or award is rendered against us or if we settle with any third parties, we could be required to pay significant monetary damages, assume other liabilities and even to suspend or terminate the related business projects. In addition, negative publicity arising from litigation, legal or contractual disputes, investigations or administrative proceedings may damage our reputation and adversely affect the image of our brands and products. Consequently, our business, financial condition and results of operations may be materially and adversely affected. During the Track Record Period and as of the Latest Practicable Date, we had not been subject to any punishment involving an amount of RMB100,000 or above for violating laws and regulations with respect to market supervision in connection with our sales practices. Nonetheless, we cannot assure you that disputes, or any compliance concerns will not arise in the future, we may attract claims of engaging in

anticompetitive conduct or abuse of substantial market power. Under such circumstances, we may be subject to fines and/or other penalties, incur substantial legal costs and may suffer from business disruption and/or negative media coverage, which could adversely affect our business, results of operations and reputation. Furthermore, if we pursue infringement claims, we may face the risk of malicious countersuits. Such actions could lead to additional litigation costs and risks, and our business operations and brand reputation could be adversely impacted.

Compliance with applicable data-related laws and regulations could require additional expenditures and consequently affect our business, financial condition and results of operations.

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, information regarding drivers using the battery swapping platform, such as name, age, ID number, address and phone number, and behavioral data from charging, consumption and review through our battery swapping services. Thus, we are subject to various laws and regulations concerning data security and privacy. Recently, the governments worldwide have placed increasing emphasis on privacy and data protection regulations. However, the interpretation and application of these laws, regulations, and standards related to cybersecurity, data protection, and privacy remain uncertain and constantly evolving, which may create uncertainty regarding our responsibilities in this area.

The Cybersecurity Review Measures (《網絡安全審查辦法》), which was promulgated on December 28, 2021 and became effective on February 15, 2022, provides that, among others, (i) a critical information infrastructure operator, or CIIO, purchasing network products and services, or a network platform operator that engages in data processing activities that affect or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office, the department which is responsible for the implementation of cybersecurity review under the CAC; (ii) a network platform operator handling personal information of more than one million users which seeks listing in a foreign country is obliged to apply for a cybersecurity review by the Cybersecurity Review Office; and (iii) the relevant regulatory authorities may initiate cybersecurity review if such regulatory authorities determine that the issuer's network products or services or data processing activities affect or may affect national security. Considering that (i) we have not been involved in any cybersecurity review or investigation by the CAC or other authorities with respect to the Cybersecurity Review Measures; (ii) we have not been informed that we are recognized as a critical information infrastructure operator by any relevant authority; (iii) we have taken reasonable and adequate technical and management measures to ensure data security; and (iv) our PRC Legal Adviser conducted a named-basis telephone consultation with the China Cybersecurity Review Certification and Market Regulation Big Data Center (the "**CCRC**"), which is the competent authority entrusted by the CAC to set up a cybersecurity review consultation hotline, and the CCRC confirmed that the term "listing in a foreign country" does not apply to listings in Hong Kong, we and our PRC Legal Advisor are of the view that such regulations would not have a material adverse impact on our [**REDACTED**]. However, the Cybersecurity Review Measures and certain provisions thereof are still evolving and are subject to finalization or clarifications by relevant authorities; as such, the PRC regulatory authorities may have discretion in the interpretation of "affect or may affect national security."

We may be subject to increased environmental and safety or other regulation resulting in higher costs, cash expenditures, and/or sales restrictions.

As our business involves manufacture of battery-swapping modules and construction and operation of battery-swapping stations, we are subject to complex environmental, manufacturing, health, and safety laws and regulations in China, including laws and regulations relating to the use, handling, storage, recycling, disposal and human exposure to hazardous materials and relating to the construction, expansion and maintenance of their facilities. The costs of compliance, including remediating contamination if any is found on our facilities, and any changes to their operations mandated by new or amended laws, may be significant. We may be required to incur additional costs to comply with any changes to such regulations, and any failures to comply could result in significant expenses, delays, fines or shutdowns. We will be subject to laws, regulations and standards applicable to the supply, manufacture, import, sale and service of automobiles in different jurisdictions and relating to vehicle safety, fuel economy and emissions, among other things, in different jurisdictions which often may be materially different from each other. As a result, we and/or or manufacturing partners may need to make additional investments to ensure regulatory compliance.

We may be unable to obtain additional funding in a timely manner or on acceptable terms.

In order to refine our smart integrated energy service solution and augment our service platform, improve our operational efficiency, and fund potential strategic investments and acquisitions, we may require additional capital. We expect to satisfy any such capital commitments using part of the [**REDACTED**] from the [**REDACTED**] to be received by us, cash flow generated from our operations, bank facilities available to us and cash and cash equivalents on hand. To the extent we need additional financing, financing may be unavailable in amounts or on terms acceptable to us. Our ability to obtain additional capital is subject to a variety of uncertainties, including our future financial conditions, results of operations and cash flows, general market conditions for capital raising activities, and global economic, political and other conditions. The sale of additional equity or equity linked securities could result in dilution to the Shares held by our shareholders. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants restricting our operations or our ability to make acquisitions or pay dividends. Any failure to acquire sufficient additional capital to meet our capital requirements may materially and adversely affect our business, financial condition and results of operations.

We face risks associated with public health crises, force majeure events, severe weather conditions and other natural disasters, which could significantly disrupt our business operations.

Any future occurrence of public health crises, force majeure events, natural disasters or outbreaks of epidemics and contagious diseases may materially and adversely affect our business, financial condition and results of operations. An outbreak of an epidemic or contagious disease could result in a widespread health crisis and restrict the level of business activities in affected areas, which may, in turn, materially and adversely affect our business. Moreover, natural disasters such as snowstorms, earthquakes, fires, and floods can cause physical damage to our production facilities, equipment, and inventory which could result in production delays, inventory shortages and obsolete, which could increase our impairment and costs for repairs and replacements. Additionally, these events can lead to power outages, communication interruptions, and transportation disruptions, further hampering business operations.

We face inventory risks that, if not properly managed, could harm our financial condition, operating results, and prospects.

As of December 31, 2023, 2024, 2025 and April 30, 2026, we had inventories of RMB220.2 million, RMB204.3 million, RMB138.9 million and RMB125.9 million, respectively. We face inventory risks that may adversely affect our operating results as a result of increased competition, introduction of new battery technologies, shifts in customer demand, and other factors. We endeavor to accurately predict these trends and avoid overstocking or understocking issues. Demand for our solutions, however, may change significantly between the time inventory is procured and when it is utilized in battery swapping. We may misjudge customer demand, resulting in inventory buildup and possible significant inventory write-down.

Failure to collect our trade and other receivables in a timely manner or at all could have a material and adverse impact on our business, financial condition, liquidity and prospects.

Our cash flows and profitability are subject to the timely settlement of payments by our customers. As of December 31, 2023, 2024, 2025 and April 30, 2026, our trade and other receivables were RMB363.1 million, RMB214.8 million, RMB223.6 million and RMB264.2 million, respectively. Our trade receivables turnover days were 97 days, 93 days, 86 days and 89 days for the years ended December 31, 2023, 2024, 2025 and the four months ended April 30, 2026. We cannot assure you that we will be able to collect all or any of our trade and other receivables or collect the amount for any unbilled work on time, or at all. Our customers may face unexpected circumstances, such as that may delay or even default in their payment obligation. As a result, we may not be able to receive such customers' payment of uncollected debts in full, or at all, and we may need to make provisions for trade and other receivables. The occurrence of such events would materially and adversely affect our financial condition and results of operations.

Failure to make timely payments to our suppliers may undermine their confidence in us and increase the pressure on our financing arrangements.

An increase in trade payables might result in increased liquidity risk, as higher outstanding amounts could strain our cash flow and limit our ability to meet other financial obligations on time. As of December 31, 2023, 2024, 2025 and April 30, 2026, our trade and other payables were RMB580.0 million, RMB584.5 million, RMB497.5 million and RMB452.9 million, respectively. Furthermore, heightened trade payables may adversely affect our creditworthiness, potentially eroding suppliers' confidence in our settlement ability, which could lead to stricter credit terms, supply interruptions, or reduced bargaining power. The accumulation of overdue payables also exposes us to penalty and interest expenses, thereby increasing financing costs and eroding profitability. Sustained high trade payables could also undermine supply chain stability, jeopardizing operational continuity, potentially affecting external stakeholders' perceptions and investor confidence, and thereby constraining future access to financing on favorable terms.

Property, plant and equipment impairment could negatively affect our reported results of operations.

The carrying values of property, plant and equipment are reviewed for impairment annually or more frequently when events or changes in circumstances indicate the carrying values may not be recoverable. We recognized impairment losses of our property, plant and equipment of RMB41.9 million, RMB12.8 million, RMB64.0 million, RMB4.5 million and RMB28.7 million for the year ended December 31, 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively. Due to our business nature, we may continue to incur impairment losses property, plant and equipment for going forward.

Our impairment review process involves significant management judgment, particularly in determining the recoverable amount of assets. We assess property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount may no longer be recoverable. The application of the impairment test requires assumptions about future market conditions, asset usage, and cash flow projections, all of which are inherently uncertain. If our estimates or judgments regarding recoverable amounts are inaccurate, we may not recognize sufficient impairments, or may need to record additional impairments in future periods. Any significant impairment losses related to property, plant and equipment could materially and adversely affect our financial position and results of operations.

RISKS RELATING TO DOING BUSINESS IN JURISDICTIONS WHERE WE OPERATE

Changes in the laws and regulations of the jurisdictions where we operate may affect our business, financial condition and results of operations.

We primarily operate in mainland China and are subject to a civil law system that is based on written statutes. Unlike the common law system where prior court rulings hold significant precedential value, decisions within the civil law system are often referenced but carry limited precedence. Recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in the market. Specifically, the interpretation and application of some of these laws and regulations to our operations continue to evolve. Given that local administrative and court authorities possess discretion in interpreting and applying statutory provisions and contractual terms under applicable laws, predicting the outcomes of administrative and court proceedings and the extent of legal protection available to us can be challenging. Local courts may exercise discretion to deny enforcement of foreign or arbitration awards in alignment with existing laws and regulations. Such variability may influence our assessments regarding legal requirements and our capacity to enforce our contractual rights or claims. In addition, while regulatory changes aim to enhance compliance and fairness, they may also be misused by parties through unmerited or frivolous legal actions, claims related to third-party behaviors, or threats designed to extract payments or advantages from us. Furthermore, administrative and judicial processes can be lengthy, incurring significant expenses and diverting resources and management focus.

It is possible that a number of laws and regulations may be adopted or construed to apply to us in the market where we operate and elsewhere that could affect our business and operations. We may be required to devote additional legal and other resources for compliance with regulatory requirements. Changes in current laws or regulations or the imposition of new laws and regulations in the market where we operate may affect the industry in which we operate and affect our business, financial condition and results of operations.

Changes in the economic, political or social conditions or government policies of the jurisdictions where we operate could affect our business, financial condition and results of operations.

During the Track Record Period, substantially all of our assets and operations were located in China. As a result, our business, financial condition and operational results are influenced by the prevailing political, economic, and social conditions in the country. Economic conditions, such as inflation, recession, or currency fluctuations, can impact consumer purchasing power and demand for our services and products. Changes in government policies — including trade policies, tax laws, and regulations — can significantly affect our operational costs, market access, and business strategies. Social factors, such as shifts in consumer preferences, social norms, or demographic trends, also play a critical role in shaping product demand. In addition, the global macroeconomic environment is currently facing challenges. For example, the public health event may exert downward pressure on the global economy, leading many major economies to reduce their growth forecasts. The extent to which these challenges and uncertainties will be contained or resolved, and their long-term effects on global political and economic conditions, remain uncertain.

We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions, export control and similar laws; and noncompliance with such laws can subject us to administrative, civil and criminal fines and penalties, collateral consequences, remedial measures and legal expenses, all of which could adversely affect our business, results of operations, financial condition and reputation.

We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions, export control and similar laws and regulations in various jurisdictions in which we conduct activities. Any non-compliance with anti-corruption, anti-bribery, anti-money laundering or financial and economic sanctions laws could subject us to whistleblower complaints, adverse media coverage, investigations, and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures and legal expenses. In addition, many of our customers require us to follow strict anti-bribery and anti-money laundering policies as part of doing business with us. Our procedures and controls to monitor anti-bribery and anti-money laundering compliance may fail to protect us from reckless or criminal acts committed by our employees or agents. If we fail to comply with applicable anti-bribery laws and anti-money laundering laws, we may be subject to criminal and civil penalties and sanctions, incur significant expenses, our reputation could be harmed and our customers could cancel or not renew contracts for our services, all of which could have a material adverse effect on our business, financial condition and results of operations.

We may and intend to sell our products and services to other countries and regions outside China. Certain countries, regions, or individual counterparties with which we trade or operate in, or may trade or operate in the future, may be or become the subject of economic sanctions or export control of one or more countries that may have jurisdiction over all or portions of our operations. The number of authorities imposing and enforcing these types of sanctions has grown in recent years, and the complexity of the sanctions regimes has increased, making compliance with them more onerous and uncertain. Any violation of economic sanctions, or even an alleged or suspected violation, could harm our reputation and cause financial institutions or other counterparties to refuse to do business with us, which may negatively affect our business, our results of operations, or the [**REDACTED**] of our Shares. In addition, changes in economic sanctions laws in the future could also adversely impact our business and [**REDACTED**] in our Shares.

It may be difficult to effect service of process upon us or our directors or officers named in this document or to enforce foreign court judgments against them.

We are a company incorporated under the laws of the PRC and a substantial majority of our assets and subsidiaries are located in the PRC. The majority of our Directors and senior management resides within the PRC. The assets of these Directors and senior management may also be located within the PRC. As the cross-border service of legal process is typically cumbersome and time-consuming, it may be difficult for [**REDACTED**] outside China to effect service of legal process upon those persons residing in China or to enforce against us or them in China any judgments obtained from non-PRC courts. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts of most other jurisdictions. As a result, recognition and enforcement in the PRC of judgments of a court in any of these jurisdictions outside China may be subject to uncertainties.

Furthermore, although we will be subject to the Listing Rules and the Takeovers Code upon the [**REDACTED**] on the Stock Exchange, the holders of H Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. Moreover, the Takeovers Code does not have the force of law and provides only standards of commercial conduct considered acceptable for takeover and merger transactions and share repurchases in Hong Kong.

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

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

Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the income derived in China under the Individual Income Tax Law ("**IIT Law**") and its implementation guidelines. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》) (Cai Shui Zi [1994] No. 020) issued by the Ministry of Finance of the PRC ("**MOF**") and the State Administration of Taxation of the PRC ("**SAT**") on May 13, 1994, the income gained by individual foreigners from dividends and bonuses of enterprises with foreign investment are exempted from individual income tax for the time being. In addition, under the IIT Law and its implementation regulations, non-PRC resident individual holders of H Shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition of H Shares. However, pursuant to the Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Cai Shui Zi [1998] No. 61) issued by the MOF and the SAT on March 30, 1998, from January 1, 1997, the income of individuals from the transfer of the shares of listed enterprises continues to be exempted from individual income tax. As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied on non-PRC resident individual holders on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges, and to our knowledge, no such individual income tax was levied by PRC tax authorities in practice. However, there is no assurance that the PRC tax authorities will not change these practices which could result in levying income tax on non-PRC resident individual holders on gains from the sale of H Shares.

For non-PRC resident enterprises that do not have establishments or premises in China, and for those that have establishments or premises in China but whose income is not related to such establishments or premises, under the EIT Law and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are subject to PRC EIT at a 10% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897) issued by SAT on November 6, 2008, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including [**REDACTED**]). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval.

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

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

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] for our H Shares and the liquidity and [REDACTED] of our H Shares may be volatile.

Prior to completion of the [**REDACTED**], there was no [**REDACTED**] for our H Shares. The initial [**REDACTED**] disclosed to the public for our H Shares was the result of negotiations among us and the [**REDACTED**], and the [**REDACTED**] may differ significantly from the [**REDACTED**] for the H Shares following the [**REDACTED**]. We have applied to [**REDACTED**] and [**REDACTED**] the H Shares on the Stock Exchange. We cannot assure you that the [**REDACTED**] will result in the development of an active, liquid public [**REDACTED**] market for the H Shares. In addition, the [**REDACTED**] and [**REDACTED**] volumes of the H Shares may be volatile due to a series of factors, such as our actual or anticipated operating performance and financial results, and general market conditions or developments affecting us or our industry. Moreover, the [**REDACTED**] has, from time to time, experienced significant [**REDACTED**] and [**REDACTED**] volume fluctuations that were unrelated or not directly related to the operating performance of the underlying companies in the market. These broad market and industry fluctuations may have a material and adverse effect on the market [**REDACTED**] and [**REDACTED**] volume of our H Shares.

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

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

We cannot assure you that we will declare and distribute any amount of dividends in the future.

There can be no assurance that we will declare and pay dividends because the declaration, payment and amount of dividends are subject to the discretion of our Directors, depending on, among other considerations, our operations, earnings, cash flows and financial position, operating and capital expenditure requirements, our strategic plans and prospects for business development, our constitutional documents and applicable law. For more details on our dividend policy, see "Financial Information — Dividend" in this document.

Furthermore, under the PRC law and regulations, we may only pay dividends out of distributable profits. Distributable profits are our after-tax profits, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including in periods for which our financial statements indicate we are profitable. Any distributable profit not distributed in a given year is retained and available for distribution in subsequent years.

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

Our management may spend the [**REDACTED**] from the [**REDACTED**] in ways you may not agree with or that do not yield a favorable return. See "Future Plans and Use of [**REDACTED**]." However, our management will have discretion as to the actual application of our [**REDACTED**]. You are entrusting your funds to our management, upon whose judgment you must depend, for the specific use we will make of the [**REDACTED**] from this [**REDACTED**].

You may incur immediate and significant dilution and may experience further dilution if we issue additional H Shares or other equity securities in the future, including pursuant to the share incentive schemes.

The [**REDACTED**] of the [**REDACTED**] is higher than the net tangible asset value per Share immediately prior to the [**REDACTED**]. Therefore, purchasers of the [**REDACTED**] in the [**REDACTED**] will experience an immediate dilution in [**REDACTED**] net tangible asset value. In order to expand our business, we may consider [**REDACTED**] and issuing additional Shares in the future. Purchasers of the [**REDACTED**] may experience dilution in the net tangible asset value per share of their Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time. Furthermore, we may issue Shares pursuant to the share incentive schemes, which would further dilute Shareholders' interests in our Company.

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

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

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

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

Certain facts and statistics derived from official government publications contained in this document may not be reliable.

We have derived certain facts and other statistics in this document, particularly those from official government publications, industry associations, independent research institutes and other third-party sources. While we have taken reasonable care in the reproduction of the information, the information derived from official government publications has not been prepared or independently verified by us, the Sole Sponsor, the Sole Sponsor-[**REDACTED**], the [**REDACTED**] or any of our or their respective affiliates or advisors and, therefore, we cannot assure you as to the accuracy and reliability of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics derived from official government publications may be inaccurate or may not be comparable with statistics produced for other economies, and you should not place undue reliance on them.

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

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [**REDACTED**]. Prior to the publication of this document, there may have been press and media coverage regarding us and the [**REDACTED**]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it, and you should not rely on such information.

In preparation for the [**REDACTED**], our Company has applied for the following waivers from strict compliance with the relevant provisions of the Listing Rules:

MANAGEMENT PRESENCE IN HONG KONG

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

Our Group's management, business operations and assets are primarily based outside Hong Kong. The headquarters and senior management of our Group are primarily based in the PRC, where the Group's management is best able to attend to its functions. Our Directors consider that the appointment of executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, the Group and therefore would not be in the best interests of our Company and Shareholders as a whole. Accordingly, our Company does not have, and for the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the management presence requirement under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules. In order to maintain regular and effective communication with the Stock Exchange, we will put in place the following measures:

- we have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The two authorized representatives are Mr. CAI Dongqing (蔡東青) and Mr. CHENG Ching Kit (鄭程傑) ("**Authorized Representatives**"). The Authorized Representatives will be readily contactable by the Stock Exchange by telephone and email to promptly deal with enquiries from the Stock Exchange, and will also be available to meet with the Stock Exchange to discuss any matter within a reasonable period of time upon request of the Stock Exchange;

- each of the Authorized Representatives will have all necessary means to contact the Directors (including the independent non-executive Directors) promptly at all times, as and when the Stock Exchange wishes to contact the Directors on any matters;

- all the Directors who are not ordinarily resident in Hong Kong have or can apply for valid travel documents to visit Hong Kong for business purposes and would be able to meet with the Stock Exchange upon reasonable notice;

- our Company will retain a Hong Kong legal adviser to advise on matters relating to the application of the Listing Rules and other applicable Hong Kong laws and regulations after [**REDACTED**];

- Octal Capital Limited, our compliance adviser, will act as an additional channel of communication with the Stock Exchange, and we will ensure that the compliance adviser will have access to our Authorized Representatives, Directors and other officers. We shall also ensure that such persons will promptly provide such information and assistance as the compliance adviser may need or may reasonably request in connection with the performance of the compliance adviser's duties as set forth in Chapter 3A of the Listing Rules; and

- pursuant to Rule 3.20 of the Listing Rules, each Director will provide his or her mobile phone number, office phone number, e-mail address and fax number, where available, to the Stock Exchange.

WAIVER IN RELATION TO JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary must be an individual who, by virtue of their academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

(i) a member of The Hong Kong Chartered Governance Institute;

(ii) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

(iii) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing the "relevant experience", the Stock Exchange will consider the individual's:

(i) length of employment with the issuer and other issuers and the roles he/she played;

(ii) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(iii) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(iv) professional qualifications in other jurisdictions.

Our Company has appointed Mr. JIANG Chao (蔣超), our secretary to the Board, and Mr. CHENG Ching Kit (鄭程傑) of SWCS Corporate Services Group (Hong Kong) Limited, as the joint company secretaries of our Company. Please see the section headed "Directors and Senior Management — Joint Company Secretaries" in this document for their biographies.

Mr. Cheng is an associate member of The Hong Kong Chartered Governance Institute and therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules.

Our Company's principal business activities are outside Hong Kong. Our Company believes that it would be in the best interests of our Company and the corporate governance of our Group to have as its joint company secretary a person such as Mr. Jiang, who is a member of the senior management and an employee of our Company and who has day-to-day knowledge of our Company's affairs. Mr. Jiang has the necessary nexus to the Board and close working relationship with the management of our Company in order to perform the function of a joint company secretary and to take the necessary actions in the most effective and efficient manner.

Accordingly, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules for a three-year period from the [**REDACTED**], in accordance with paragraphs 11 to 17 of Chapter 3.10 of the Guide for New Listing Applicants, on the conditions that: (i) Mr. Cheng is appointed as a joint company secretary to assist Mr. Jiang in discharging his functions as a company secretary and in gaining the relevant experience under Rule 3.28 of the Listing Rules; the waiver will be revoked immediately if Mr. Cheng, during the three-year period, ceases to provide assistance to Mr. Jiang as a joint company secretary; and (ii) the waiver can be revoked if there are material breaches of

the Listing Rules by our Company. In addition, Mr. Jiang will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the [**REDACTED**]. Our Company will further ensure that Mr. Jiang has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an issuer [**REDACTED**] on the Stock Exchange. Before the end of the three-year period, the qualifications and experience of Mr. Jiang and the need for on-going assistance of Mr. Cheng will be further evaluated by our Company. We will demonstrate Mr. Jiang, having benefited from the assistance of Mr. Cheng for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. CAI Dongqing (蔡東青)	37/F No. 62, Jinsui Road Tianhe District Guangzhou, Guangdong PRC	Chinese
Mr. ZHANG Jianping (張建平)	No. 118, Lane 99 Lizheng Road Pudong New Area Shanghai PRC	Chinese
Mr. CHEN Shaowen (陳紹文)	Room 2001, Building A1 No. 711, Jinsui Road Tianhe District Guangzhou, Guangdong PRC	Chinese
Non-executive Director		
Mr. YIN Yulong (尹玉龍)	Unit 201, Building 10 Fengling Street Shunde District Foshan, Guangdong PRC	Chinese
Independent Non-executive Directors		
Mr. CHOU Jianzhong (丑建忠)	Room 1402, No. 12 Cuihu Street, Tianhe District Guangzhou, Guangdong PRC	Chinese
Ms. TAN Yan (譚燕)	Room 302, No. 745-2 Zhongdayuan West District Haizhu District Guangzhou, Guangdong PRC	Chinese
Ms. CHIU Mun Wai (招敏慧)	Room E, 26/F Tower 4, Les Saisons 28 Tai On Street, Sai Wan Ho Hong Kong	Chinese (Hong Kong)

For details with respect to our Directors, see "Directors and Senior Management".

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor and [REDACTED]

CMB International Capital Limited
45th Floor, Champion Tower
3 Garden Road
Central
Hong Kong

[**REDACTED**]

Legal Advisers to our Company

As to Hong Kong law and United States law

O'Melveny & Myers
31/F, AIA Central
1 Connaught Road Central
Hong Kong

As to PRC law

Commerce & Finance Law Offices
12-14/F, China World Office 2
No. 1 Jianguomenwai Avenue
Beijing
PRC

Legal Advisers to the Sole Sponsor and the [REDACTED]

As to Hong Kong law

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1 Connaught Road Central
Central
Hong Kong

As to PRC law

Fangda Partners
Unit 01-06, 66/F
Guangzhou CTF Finance Centre
No. 6 Zhujiang East Road
Tianhe District
Guangzhou
Guangdong, PRC

Reporting Accountants and Auditor	**KPMG** *Certified Public Accountants* 8th Floor, Prince's Building 10 Chater Road Hong Kong
Industry Consultant	**China Insights Industry Consultancy Limited** 10th Floor, Block B Jing'an International Center 88 Puji Road Jing'an District Shanghai PRC

[**REDACTED**]

Compliance Adviser	**Octal Capital Limited** 504-505, 5th Floor 308 Des Voeux Road Central Hong Kong

CORPORATE INFORMATION

Registered Office	Room 501, 502, 503 and 504 5th Floor, Building D02 Aofei Cultural & Creative Center No. 1 Zhiwen 1st Street Huangpu District, Guangzhou PRC
Headquarters and Principal Place of Business in the PRC	Room 501, 502, 503 and 504 5th Floor, Building D02 Aofei Cultural & Creative Center Fenghu 2nd Road China-Singapore Guangzhou Knowledge City Huangpu District, Guangzhou PRC
Principal Place of Business in Hong Kong	40/F, Dah Sing Financial Centre 248 Queen's Road East Wanchai Hong Kong
Company's Website	**https://www.aulton.com/** *(The information contained in this website does not form part of this document)*
Joint Company Secretaries	**Mr. JIANG Chao (蔣超)** 5th Floor, Building D02 Aofei Cultural & Creative Center Fenghu 2nd Road China-Singapore Guangzhou Knowledge City Huangpu District, Guangzhou PRC **Mr. CHENG Ching Kit (鄭程傑)** *(an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* 40/F, Dah Sing Financial Centre 248 Queen's Road East Wanchai Hong Kong
Authorized Representatives	**Mr. CAI Dongqing (蔡東青)** 37/F No. 62, Jinsui Road Tianhe District Guangzhou, Guangdong PRC

	Mr. CHENG Ching Kit (鄭程傑) *(an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* 40/F, Dah Sing Financial Centre 248 Queen's Road East Wanchai Hong Kong
Audit Committee	Ms. TAN Yan (譚燕) *(Chairwoman)* Ms. CHIU Mun Wai (招敏慧) Mr. YIN Yulong (尹玉龍)
Nomination Committee	Mr. CAI Dongqing (蔡東青) *(Chairman)* Mr. CHOU Jianzhong (丑建忠) Ms. TAN Yan (譚燕)
Remuneration and Appraisal Committee	Mr. CHOU Jianzhong (丑建忠) *(Chairman)* Ms. CHIU Mun Wai (招敏慧) Mr. CAI Dongqing (蔡東青)

[**REDACTED**]

Principal Bank	**Bank of China** **Guangzhou Sun Yat-sen University Branch** Room 102, Tower A Science and Technology Complex Building Sun Yat-sen University No. 135 Xingang West Road Guangzhou, Guangdong PRC

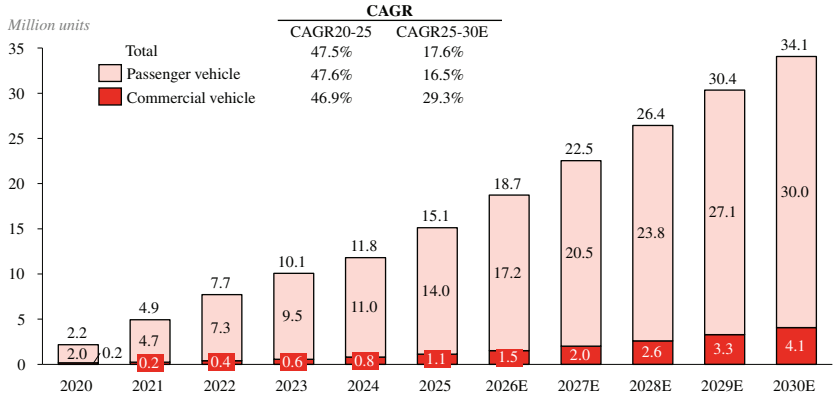
The information and statistics set out in this section and other sections of this document were extracted from the report prepared by CIC, which was commissioned by us, and from various official governmental publications and other publicly available publications. We engaged CIC to prepare the CIC report, an independent industry report, in connection with the [**REDACTED**]. *The information from official government sources has not been independently verified by us or any other parties involved in the* [**REDACTED**]*, or any of our or their respective directors, senior management, representatives, advisers or any other persons involved in the* [**REDACTED**] *and no representation is given as to its accuracy.*

THE GLOBAL AND CHINA'S BATTERY ELECTRIC VEHICLE INDUSTRY

Overview

In recent years, battery electric vehicles, or BEVs, have evolved from a developing trend into a mainstream market presence, gaining rapid traction across major global markets. The sustained growth of the BEV industry is driven by multiple factors. Governments worldwide have continuously introduced policy measures such as purchase subsidies, tax incentives, and exemptions from travel restrictions to accelerate BEV adoption. Global carbon neutrality objectives and energy saving and emission reduction requirements have strengthened the market demand for clean transportation. Successive breakthroughs in core technologies, including batteries, electric drive systems, and intelligent connectivity, have significantly enhanced BEV performance and user experience. Meanwhile, large-scale production and a maturing industrial value chain have gradually reduced the costs of core components and complete vehicles, further driving BEV penetration and market expansion. The global BEV sales increased from 2.2 million units in 2020 to 15.1 million units in 2025, at a CAGR of 47.5%, and is expected to reach 34.1 million units in 2030, at a CAGR of 17.6% from 2025 to 2030.

Global Sales Volume of BEV, by Types of Use, 2020-2030E

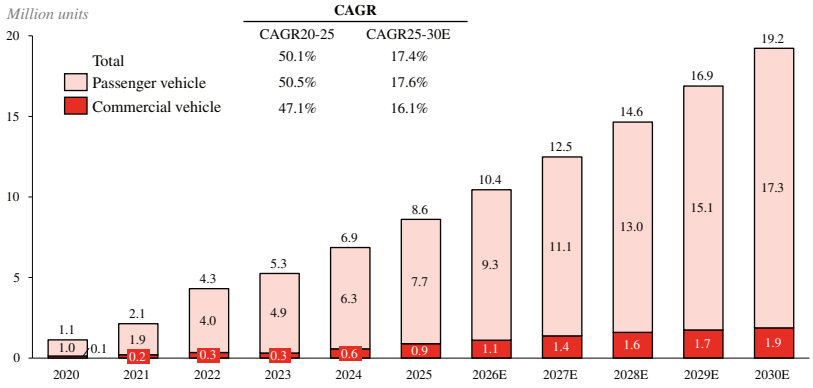


Source: International Energy Agency, CIC

China has become a leader in global automotive electrification, being the first to bridge the user awareness gap. It is expected to pioneer the development of the global BEV industry across multiple dimensions — product, technology, and supply chain — for the foreseeable future. The BEV sales in China increased from 1.1 million units in 2020 to 8.6 million units in 2025, at a CAGR of 50.1%, and is expected to reach 19.2 million units in 2030, at a CAGR of 17.4% from 2025 to 2030. China's BEV market has continued to expand, supported by a maturing supply chain, broader model offerings, improving vehicle performance and enhanced energy replenishment infrastructure. As BEV application scenarios become more diversified, demand for efficient and convenient energy replenishment solutions has increased, particularly in high-frequency operational scenarios where

vehicle utilisation and downtime are key considerations. Against this backdrop, batteryswapping vehicles have recorded rapid growth in China. Battery-swapping vehicles accounted for approximately 4.8% of China's BEV sales in 2025, and this proportion is expected to increase to 6.6% in 2030. In particular, battery-swapping operational vehicles accounted for approximately 5.7% of China's operational BEV sales in 2025, and this proportion is expected to reach 19.7% in 2030.

Sales Volume of BEV in China, by Types of Use, 2020-2030E



(1) Sales volume refers to the volume of retail sales.

Source: China Passenger Car Association, CIC

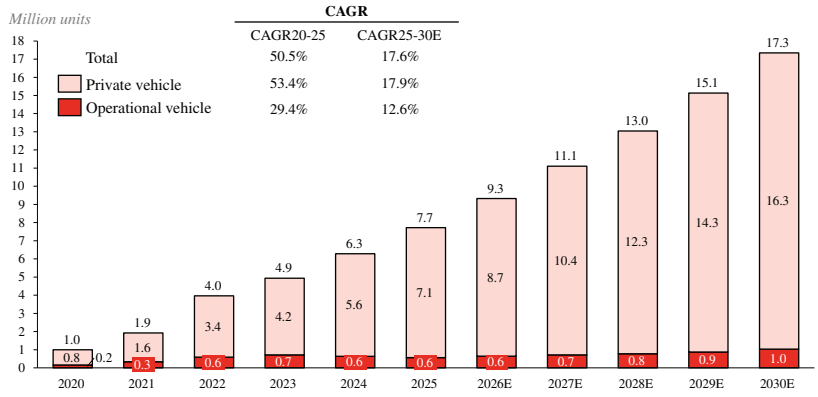
Introduction to Application Scenarios of BEVs

Driven by global and China's electrification trends, BEV application scenarios have become more diverse and can be categorized into passenger vehicles and commercial vehicles by type of use.

Passenger vehicles are the core segment for BEV penetration, comprising operational vehicles and private vehicles. Operational vehicles mainly include taxis and ride-hailing vehicles. This category features long daily mileage and high usage frequency; electrification can significantly reduce energy and maintenance costs and plays an active role in building urban low-carbon transportation systems. In recent years, the electrification rate in the operational vehicle market has continuously risen, driven by policies and proactive corporate planning. Meanwhile, advancements in autonomous driving technology are giving rise to a new operating model — robotaxi — which is expected to become an important component of smart mobility in the future.

Private vehicles are primarily used for daily family travel and inter-city commuting. With increasing driving range and improvements in the charging and swapping network, consumer acceptance of private BEVs continues to grow, making them a significant driver of market size expansion. The BEV passenger vehicle sales in China increased from 1.0 million units in 2020 to 7.7 million units in 2025, at a CAGR of 50.5%, and is expected to reach 17.3 million units in 2030, at a CAGR of 17.6% from 2025 to 2030.

Sales Volume of Passenger BEV in China, by Types of Use, 2020-2030E



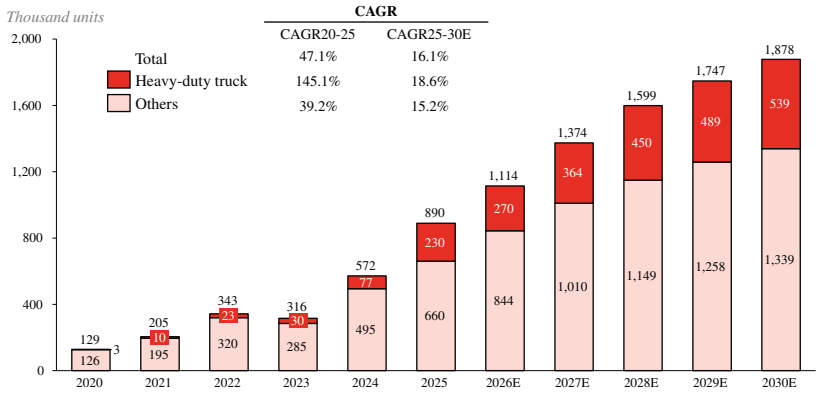
(1) Sales volume refers to the volume of retail sales.

Source: China Passenger Car Association, CIC

Commercial BEVs mainly cover coaches, trucks, and other commercial vehicles. Benefiting from high cost sensitivity in logistics transportation and policies restricting high-emission vehicles in some regions, the application share of BEV light trucks and urban delivery vehicles in segments such as last-mile logistics and urban delivery has been increasing. Heavy-duty trucks are gradually being electrified in application scenarios such as port transportation, mining operations, and trunk route logistics, particularly in operating modes with fixed routes and heavy loads. This shift is being driven by a combination of policy incentives, market economics, and technological progress. In China, both central and local governments are promoting the replacement of aging fuel-powered heavy-duty trucks through purchase subsidies, scrappage incentives, and differentiated road access privileges for new energy trucks. Meanwhile, the improving economics of oil-to-electricity replacement — supported by lower electricity costs, reduced maintenance requirements, and increased operational efficiency — are encouraging logistics operators to accelerate fleet electrification. Additionally, battery-powered trucks help reduce carbon emissions while delivering significant economic benefits. Ongoing advancements in battery performance and energy replenishment infrastructure, such as battery-swapping solutions, further minimize operational downtime and expand the suitability of battery electric heavy-duty trucks for long-haul and high-frequency freight scenarios, collectively strengthening the foundation for market growth. Moreover, the electrification of specialized vehicles, such as sanitation trucks and cold chain transportation vehicles, is also accelerating, leading to a steady increase in the penetration rate of BEV models in the commercial vehicle segment.

Commercial BEV sales in China increased from 129 thousand units in 2020 to 890 thousand units in 2025, at a CAGR of 47.1%, and are expected to reach 1,878 thousand units in 2030, at a CAGR of 16.1% from 2025 to 2030. The battery electric heavy-duty truck sales reached 230 thousand units in 2025, and are expected to reach 539 thousand units in 2030, at a CAGR of 18.6% from 2025 to 2030. The penetration rate of battery-swapping heavy-duty trucks among battery electric heavy-duty trucks is expected to increase from approximately 26.5% in 2025 to approximately 38.2% in 2030.

Sales Volume of BEV commercial vehicles in China, by Types of Use, 2020-2030E



(1) Sales volume refers to the volume of retail sales.

Source: China Passenger Car Association, CIC

OVERVIEW OF THE BATTERY-SWAPPING INDUSTRY

Comparison of Major Transportation Energy Replenishment Methods

Battery-swapping and battery-charging are the two major energy replenishment methods for BEVs. In the early stages of the BEV industry's development, battery-charging became the mainstream method due to lower construction costs and relatively uniform technical standards. Industry participants have continued to advance charging technologies. For example, BYD has announced megawatt flash charging technology, which can significantly reduce charging times. These advancements contribute to the ongoing evolution of charging standards and enhance the overall user experience across the BEV ecosystem, with battery charging remaining dominant today. Meanwhile, with the rapid increase in BEV ownership and increasingly diverse application scenarios, the sole reliance on battery-charging has limitations in certain contexts. To satisfy higher user demands for replenishment efficiency, cost, and convenience, the parallel development of the battery-swapping model has emerged as a critical supplement.

Compared with battery-charging, the battery-swapping method completes energy replenishment by directly swapping the battery, offering an obvious advantage in speed — often swapping can be completed within 10 minutes — thereby shortening vehicle downtime and significantly enhancing both the BEVs' economic benefits and user experience. Battery swapping typically relies on highly standardized automatic battery-swapping stations. The process is less affected by weather than battery-charging where ambient temperature can affect charging speed. The mechanized system within the station executes fast removal, installation, and testing of the battery to ensure the safety and consistency of the energy replenishment process. For the battery-swapping station operator, the fixed asset investment for a station with equivalent power capacity is usually higher than for a charging station. However, by leveraging the high throughput and performance per unit area of a battery-swapping station in high-frequency application scenarios, its per-unit output can be significantly higher. The battery-swapping model enables centralized management to achieve uniform standards for battery charging, discharging, and maintenance, extending battery lifespan. Through testing battery status and tiered deployment, the utilization rate of batteries across different tiers can be increased, reducing the entire lifecycle cost of the battery. Simultaneously, in the battery-swapping model, centralized battery operations allow for methods such as off-peak charging and smart power adjustment to reduce grid load, resulting in lower investment for grid reconstruction and enhancing asset turnover and overall cycle economic benefits. The major characteristics of battery-swapping and battery-charging models are illustrated below:

Comparison of Battery-swapping and Battery-charging Models

		Battery Swapping Model	Charging Model
Definition		The battery swapping mode benefits from rapid replenishment without affecting the battery or power grid. Reduced replenishment time enhances operational efficiency.	Charging the internal batteries of electric vehicles by connecting to charging piles
Attributes dimension	Energy replenishment duration	Battery swap model: within **10 minutes**	Fast charging model: **15-60 minutes** Slow charging model: **6-10 hours**
	Impact on batteries	Enables **extended battery life**, facilitates **cascading utilization**, and optimizes overall battery performance	Fast charging, with its high voltage and high current, may **negatively impact battery life** .
	Impact on power grids	Slow charging, **power grid-friendly**	The high energy consumption and cooling needs may result in **increased noise**, **EMC radiation**, and impose **greater burdens on power grids** .

Source: CIC

The battery-swapping model features energy replenishment characteristics similar to refueling conventional vehicles. As autonomous-driving technologies continue to develop, autonomous mobility and commercial transportation applications are gradually moving from road testing and pilot operation toward early-stage commercial deployment in approved operating areas. At the current stage, such applications are mainly concentrated in Robotaxi, autonomous shuttle, autonomous logistics and autonomous heavy-duty truck scenarios, where vehicles are typically operated under fleet-based management and require higher operating continuity. Compared with conventional charging, battery swapping provides a faster, more standardized and more predictable energy replenishment process, with lower reliance on human intervention. This makes battery swapping more suitable for autonomous fleets that need to coordinate vehicle operation, replenishment scheduling and asset utilization. Looking forward, as autonomous-driving applications continue to expand, battery swapping is expected to become an important energy replenishment solution for driverless fleet operations, particularly in high-frequency operational passenger vehicle and commercial vehicle scenarios. It is expected to play an increasingly important role in the BEV energy replenishment market, driving the global automotive electrification process alongside the battery-charging model.

Analysis of Application Scenarios for Battery-swapping Technology

Application of battery-swapping in the operational vehicle market

Among BEV passenger vehicles, operational vehicles have a stronger demand for the battery-swapping model. Operational vehicles refer to passenger vehicles used for commercial purposes, such as taxis and ride-hailing vehicles. They are characterized by long daily mileage, cost sensitivity, and sensitivity to recharging time. In the charging model, operational vehicles often face the following pain points:

- *Long recharging time impacting revenue*. Operational vehicles are used at high frequency, often requiring continuous operation for long periods, and their daily mileage far exceeds their single-charge range. In the charging model, charging time occupies a significant portion of operating hours, directly impacting revenue. Long queue times at charging stations in core areas also disrupt operating schedules.

- *Operational vulnerability to extreme weather*. The performance of BEVs is inherently sensitive to ambient temperature. In extremely high or low temperatures, battery efficiency declines, resulting in a reduced driving range and more frequent need for energy replenishment. At the same time, charging efficiency can deteriorate, extending vehicle downtime. Together, these factors — unpredictable range and prolonged charging during seasonal extremes — significantly disrupt operational planning and vehicle availability.

In the battery-swapping model, operational vehicle downtime is significantly reduced, enhancing utilization and operating efficiency. The battery-swapping model also mitigates the range and charging-efficiency volatility caused by extreme temperatures. By providing standardized in-station environmental control and rapid energy replenishment, it supports all-season operational continuity and enhances the stability of fleet attendance planning. The battery-swapping model can further reduce energy costs and enhance uptime efficiency through standardized operating procedures and intelligent scheduling systems. In addition, the development of Robotaxi services is expected to further strengthen the application of battery swapping in the operational vehicle market. Robotaxi fleets are more suitable for platform-led scheduling and standardised fleet management, and require rapid, stable and predictable energy replenishment to support high operating continuity. Battery swapping can shorten replenishment time and reduce operational uncertainty, making it more compatible with driverless mobility fleets than conventional charging in high-frequency operating scenarios. Battery-swapping-compatible vehicles have already been used in certain Robotaxi testing and pilot operation scenarios, and are expected to become an increasingly important application direction for battery-swapping operational vehicles as Robotaxi services expand and supporting vehicle-station deployment accelerates.

Application of battery-swapping in the commercial vehicle market

Currently, battery-swapping commercial vehicles are primarily heavy-duty trucks. Heavy-duty trucks are a significant source of transportation-related carbon emissions. Their electrification is a key goal for achieving carbon neutrality in the logistics industry. Heavy-duty trucks are typically used for long-distance transportation, logistics distribution, or heavy-load operations, and their battery capacity is usually much larger than that of passenger vehicles. Consequently, even with DC fast charging, recharging times remain considerably long, greatly affecting operating efficiency. Given their specific application scenarios and operational needs, the battery-swapping model is more suitable for heavy-duty trucks than the charging model.

- *Replenishing large-capacity batteries rapidly*. Battery-swapping heavy-duty trucks can complete a swap within minutes, allowing large-capacity batteries to be replenished rapidly. This satisfies the requirements for continuous operation in high-intensity transportation scenarios such as ports, mines, and line-haul logistics, ensuring the timeliness and economic efficiency of high-frequency transport tasks.

- *Simpler deployment of battery-swapping stations*. Heavy-duty trucks usually operate on relatively fixed routes, facilitating the planning and deployment of battery-swapping stations and reducing the difficulty and cost of building a swapping network. This also allows operators to accurately plan routes and replenishment times, further improving fleet operating efficiency and controllability.

- *Weight and safety*. The battery-swapping model avoids the need for heavy-duty trucks to carry aged or excess spare batteries long-term, reducing vehicle weight and improving performance. In addition, centrally managed batteries can be monitored and maintained in a professional environment, reducing safety hazards caused by aging or failure.

- *Battery standardization*. Heavy-duty trucks used in fixed heavy-load commercial scenarios have specific requirements for vehicle range and replenishment efficiency, leading to a relatively higher degree of battery standardization, making them more amenable to battery-swapping technology.

The battery-swapping model effectively satisfies the operational needs of heavy-duty trucks for high intensity, long range, and high economic efficiency. With continuous improvements in battery-swapping technology and infrastructure, it is expected to become an important solution for the electrification of heavy-duty trucks, providing strong support for green logistics and transportation. The development of autonomous heavy-duty trucks may further support the application of battery swapping in commercial vehicle scenarios. At the current stage, autonomous

heavy-duty trucks are more likely to be adopted first in closed or semi-closed scenarios such as ports, mines and industrial parks, where routes and operating conditions are relatively defined. As autonomous-driving technologies, fleet dispatching systems and battery-swapping networks continue to improve, autonomous heavy-duty truck applications may gradually extend toward trunk logistics and other longer-distance transportation scenarios. In these scenarios, battery swapping can reduce replenishment downtime and support more continuous fleet operation.

Application of battery-swapping in the private vehicle market

The application of the battery-swapping model in the private vehicle sector focuses on consumer experience and asset flexibility.

- *Improving travel convenience*. For consumers requiring daily commuting, inter-city travel, or long-distance highway driving, the battery-swapping model allows replenishment within minutes, significantly reducing wait times and improving convenience. During peak travel periods such as holidays, the capacity of battery-swapping stations can be enhanced by temporarily deploying additional batteries and optimizing operation and maintenance coordination.

- *Differentiated service and experience*. Certain vehicle operators create differentiated service and experience through self-built battery-swapping networks, establishing battery-swapping as a brand moat.

- *Reducing initial vehicle purchase cost*. In vehicle-battery separation model, such separation helps reduce the initial purchase cost, alleviating consumers' financial burden. Vehicle owners can avoid bearing battery aging costs, instead obtaining energy services through battery leasing or pay-per-use swapping models.

Application of battery-swapping in other markets

The battery-swapping model has also been gradually applied to medium- and light-duty trucks, city buses, and special-purpose municipal vehicles. These vehicles are mostly used in fixed-route, high-frequency operational scenarios and have strong energy replenishment needs and high cost sensitivity. The battery-swapping model can effectively reduce recharging wait times, enhance vehicle utilization, extend battery life, and lower overall operating costs through centralized battery management.

Comparison of Models Adopting Battery-swapping Technology

Current mainstream battery-swapping model include chassis battery-swapping, modular battery-swapping, side battery-swapping, and ceiling-mounted battery-swapping. Each has distinct characteristics in structural design, applicable vehicle models, operating efficiency, and capital investment. The selection and application of these model depend primarily on vehicle types, operational scenarios, and the degree of standardization of the vehicle and batteries. The following is a comparison of typical battery-swapping model:

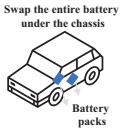
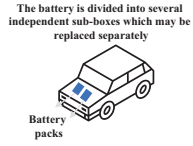
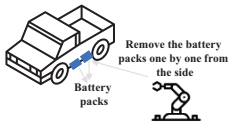
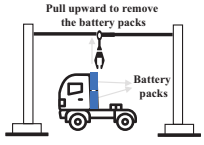
- *Chassis battery-swapping*. Chassis battery-swapping is the mainstream model for passenger vehicles with a relatively high degree of technical maturity. This solution integrates the battery pack into the middle section of the vehicle chassis. Automatic equipment is used to unlock, remove, and install the battery from beneath the vehicle. It is suitable for a wide range of passenger vehicles and offers advantages such as fast swapping speed, a high degree of automation, and suitability for large-scale promotion. In addition, the under-chassis battery layout helps optimize the vehicle's center of gravity and improve driving stability. This model requires high uniformity in chassis structure and battery standardization, involves relatively high upfront investment for equipment and retrofitting, and demands precise construction and maintenance of swapping stations.

- *Modular battery-swapping*. Modular battery-swapping splits a complete battery pack into multiple small, independent standardized modules, replenishing energy by replacing these modules individually. It is mainly used in passenger vehicles. Its advantage is flexibility, allowing power capacity to be allocated according to needs. The light weight of a single module facilitates manual or mechanical operation. However, the mechanical structure is relatively complex, requires multiple connection/disconnection operations.

- *Side battery-swapping*. Side battery-swapping involves removing and replacing the battery through a slide rail or mechanical arm on the vehicle's side. The technical path for side-swapping is relatively simple, involves fewer changes to the vehicle chassis structure, and is more commonly used by commercial vehicles. Its advantages include a relatively compact layout of mechanical equipment, suitability for construction in areas with limited space, and relatively low construction cost. This model has a reasonable degree of automation but takes longer to complete a swap. Battery protection relies more on the vehicle chassis, with higher requirements for sealing and process alignment.

- *Ceiling-mounted battery-swapping*. Ceiling-mounted battery-swapping involves replacing the entire battery from the top or rear side of the vehicle using mechanical lifting. It is mainly suitable for heavy-duty trucks and buses with large-capacity batteries. This method can complete the swap of very large capacity batteries at once, satisfying the range demands of long-haul transportation vehicles. This model has higher requirements for the precision, stability, and safety of the lifting and installation equipment, requires relatively high investment cost for swapping equipment, and has strict requirements for the station site and operating conditions.

Comparison of Battery-Swapping Technology Model for BEVs

Battery-swapping mode	Chassis battery-swapping	Modular battery-swapping	Side battery-swapping	Ceiling-mounted battery-swapping
Applicable vehicle models	Passenger vehicles, commercial vehicles	Mainly passenger vehicles	Mainly commercial vehicles	Mainly commercial vehicles
Battery-swapping illustration				
Battery-swapping time	1-3 minutes	5-10 minutes	5-10 minutes for passenger vehicles, < 5 minutes for commercial vehicles	3-5 minutes
Degree of automation	Fully automatic	Semi-automatic	Semi-automatic	Fully automatic/ Semi-automatic
Application scenarios	Taxis, ride-hailing vehicles, private cars, etc.	Taxis, ride-hailing vehicles, private cars, etc.	Logistics vehicles, heavy-duty trucks, etc.	Buses, heavy-duty trucks, etc.

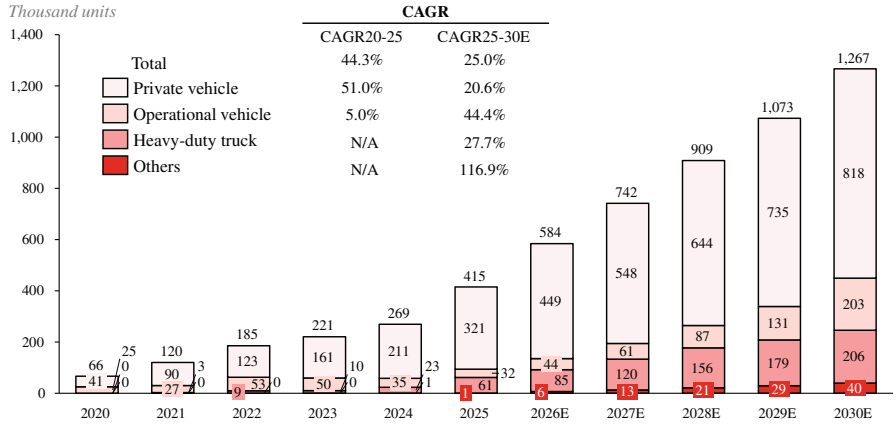
Source: CIC

Sales Volume of Battery-swapping Vehicles in China

Driven by macro policies and market demand, the sales volume of battery-swapping vehicles is expected to continue growing at a relatively high rate. The sales volume of battery-swapping vehicles in China increased from 66 thousand units in 2020 to 415 thousand units in 2025, at a CAGR of 44.3%, and is expected to reach 1,267 thousand units by 2030, at a CAGR of 25.0% from 2025 to 2030. The adoption of battery-swapping vehicles in operational scenarios such as taxis and ride-hailing fleets is expected to continue increasing, as such vehicles have high daily mileage, high utilisation requirements and greater sensitivity to downtime. Battery swapping can shorten replenishment time and improve fleet operating efficiency, while fleet-based procurement and platform-led deployment may support batch adoption. The development of Robotaxi services is also expected to create additional demand, as Robotaxi fleets require rapid, stable and predictable energy replenishment and may integrate battery swapping with automated dispatch, vehicle inspection, billing and metering. Accordingly, the battery-swapping operational vehicle segment is expected to

grow faster than the overall battery-swapping vehicle market. The sales of battery-swapping operational vehicles in China reached 32 thousand units in 2025, and is expected to reach 203 thousand units by 2030, at a CAGR of 44.4% from 2025 to 2030.

Sales Volume[(1)] of Battery-swapping Vehicles in China, by Types of Use, 2020-2030E



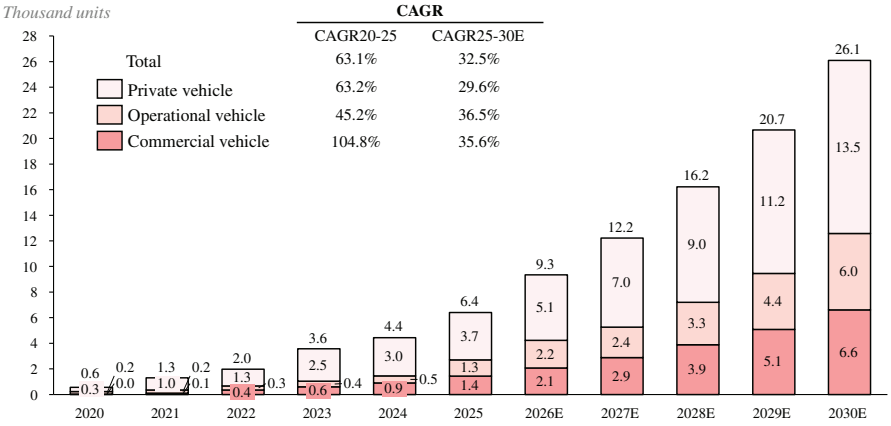
(1) Sales volume refers to the volume of retail sales.

Source: China Passenger Car Association, CIC

Number of Battery-swapping Stations for BEVs in China

With the rapid adoption of BEVs in the domestic market and increasing sales of battery-swapping vehicles, the construction of battery-swapping stations, as the core infrastructure of the BEV battery-swapping industry, has been accelerating. Such stations are set to become key infrastructure within the new energy transportation system. Currently, the domestic battery-swapping network has achieved preliminary coverage in both commercial and passenger vehicle markets. The operational layout is gradually improving, forming a core network structure focused on key cities and transportation trunk routes. With the rapidly growing ownership of battery-swapping vehicles and rising user demand for fast and convenient charging and swapping services, the number of domestic battery-swapping stations is expected to maintain rapid growth, providing solid support for the popularization of battery-swapping vehicles and the improvement of the industry ecosystem, thereby boosting the continuous development of relevant upstream and downstream industry value chains. In China, the number of BEV battery-swapping stations increased from 0.6 thousand in 2020 to 6.4 thousand in 2025, representing a CAGR of 63.1% from 2020 to 2025. The number for 2025 included 3.7 thousand stations for private vehicles, 1.3 thousand stations for operational vehicles and 1.4 thousand stations for commercial vehicles. The number of BEV battery-swapping stations in China is expected to reach 26.1 thousand stations in 2030, at a CAGR of 32.5% from 2025 to 2030. The number of battery-swapping stations for operational vehicles is expected to reach 6.0 thousand in 2030, with a CAGR of 36.5% from 2025 to 2030.

Number of Battery-swapping Stations for BEVs in China, by Types of Use, 2020-2030E

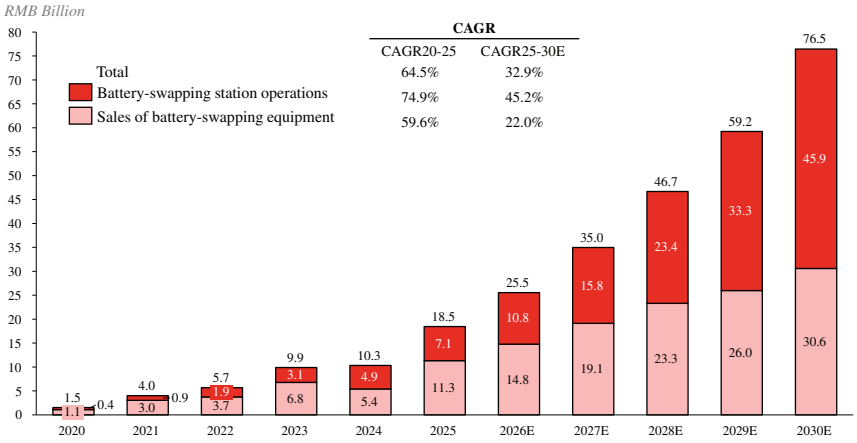


Source: Ministry of Industry and Information Technology, CIC

Market Size of the Battery-swapping Industry in China

The battery-swapping market in China has experienced rapid growth in recent years. The market size of the battery-swapping industry in China increased from RMB1.5 billion in 2020 to RMB18.5 billion in 2025, at a CAGR of 64.5%, and is expected to reach RMB76.5 billion in 2030, at a CAGR of 32.9% from 2025 to 2030.

Market Size of the BEV Battery-swapping Market in China, by Constituents, 2020-2030E



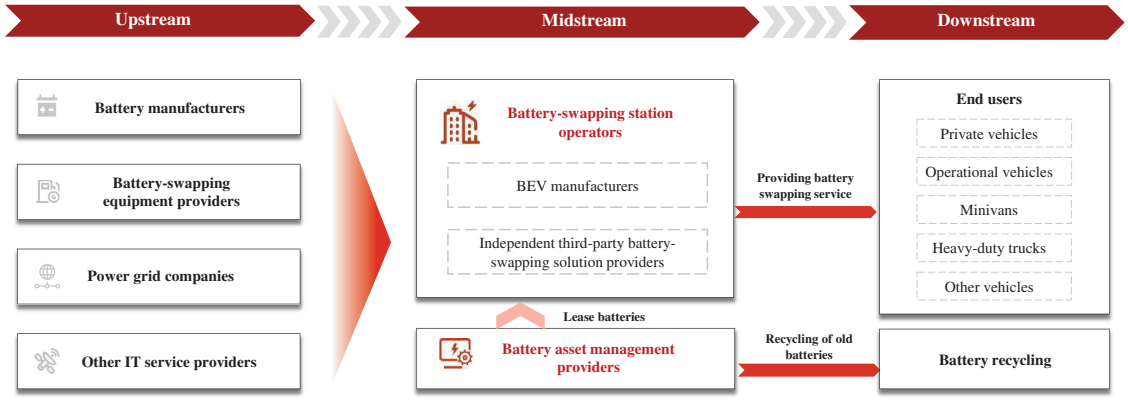
Source: CIC

The battery-swapping markets outside China are still in preliminary development stages with relatively small market sizes. China has established the world's most comprehensive and largest battery-swapping network, leading globally in both the number of stations and the scale of application. Against the backdrop of continuously increasing global BEV sales and less stable power grids in regions such as the United States, Europe, and Southeast Asia, demand for the battery-swapping model is high, indicating significant market potential.

Value Chain of Battery-swapping Industry

The upstream segment of the battery-swapping industry value chain includes battery manufacturers, battery-swapping equipment providers, power grid companies, and other IT service providers. The midstream mainly comprises battery-swapping station operators and battery asset management providers. The downstream includes end-users and the battery recycling sector. Battery-swapping station operators in the midstream can be further divided into BEV manufacturers and independent third-party battery-swapping solution providers. Independent third-party battery-swapping solution providers are core industry participants, providing services to various upstream and downstream stakeholders.

Value Chain of Battery-swapping Industry



Source: CIC

Notes: An independent third-party battery-swapping solution provider refers to a battery-swapping station operator that is independent from BEV manufacturers andprovides open, cross-brand battery-swapping solutions and services, including but not limited to battery-swapping station operation, battery-swapping equipment,vehicle-station adaptation and operating platforms.

Growth Drivers for China's Battery-swapping Industry

The rapid growth of China's battery-swapping industry is mainly driven by the following factors:

- *Policy support*. Since 2020, authorities including the National Development and Reform Commission and the Ministry of Industry and Information Technology have introduced policies supporting the battery-swapping industry. These policies support growth by promoting battery-swapping applications in public-sector and high-frequency operational scenarios, improving charging and swapping infrastructure networks, and encouraging compatible vehicle models and technical standards. In 2025, relevant authorities further promoted charging and swapping infrastructure deployment and introduced national safety requirements for commercial vehicle battery swapping, supporting wider application of the model.

- *Rapid market demand growth and improved user acceptance*. With the rapid increase in BEV numbers, demand for more convenient and efficient replenishment methods is rising. The battery-swapping model is widely recognized for its advantages of quick replenishment and reduced vehicle downtime, especially in high-frequency scenarios including taxis and ride-hailing. It alleviates issues of insufficient charging stations and grid load pressure while providing a faster user experience.

- *Continuous improvement of battery-swapping infrastructure*. The development of battery-swapping infrastructure is key to advancing the model. With increasing numbers of stations in major cities and regions, network coverage is expanding. The construction of various station types enhances accessibility and convenience, shortens user wait times, improves market acceptance, and provides solid infrastructure support for the entire industry.

- *Diverse battery-swapping compatible vehicle models*. BEV manufacturers in China have intensified efforts to develop and launch vehicle models supporting battery swaps, providing the market with a wider range of product choices. This diversification satisfies different consumer needs and enhances the competitiveness of the battery-swapping model.

- *Declining battery costs and enhanced economics*. Power battery costs have steadily decreased in recent years, driven by technological advances and economies of scale in manufacturing. Coupled with ongoing improvements in battery-swapping system design and operations, these developments are strengthening the overall economics and competitiveness of the battery-swapping model.

- *Advancement of autonomous driving technologies*. As autonomous driving technologies mature and pilot deployments expand, the demand for efficient, low-intervention energy replenishment is increasing. Battery-swapping provides a fast, standardized and largely human-free replenishment process, making it well suited to future driverless fleets and broadening the potential application space of the battery-swapping model.

Development Trend of China's Battery-swapping Industry

The development trends of China's BEV battery-swapping industry are as follows:

- *Technological development*. Battery-swapping technology is constantly evolving, leading to continuously shortened swapping times. Simultaneously, the technology is becoming increasingly intelligent and automated. The new generation of battery-swapping stations integrates automated robotic arms, visual recognition, and smart management systems, greatly enhancing process efficiency, accuracy, stability, and user experience. Intelligent and automated battery-swapping technology is gradually becoming the industry standard, laying a foundation for wider application.

- *Expansion into autonomous and driverless fleet applications*. As autonomous-driving technologies continue to advance, battery swapping is expected to become increasingly relevant to autonomous mobility and commercial transportation scenarios, including Robotaxi fleets, autonomous heavy-duty trucks and other driverless commercial vehicle applications. The battery-swapping industry is expected to evolve from serving conventional operational vehicles toward supporting more automated, fleet-based and high-frequency vehicle opetation models, further broadening the long-term application scope of battery swapping.

- *Energy storage + networking capability and grid synergy*. Battery-swapping stations, with their centralized battery reserves, are inherent energy storage units. As they become networked, their grid auxiliary function becomes increasingly prominent. Through intelligent scheduling, they can achieve peak shaving and valley filling, smoothing the load curve and easing supply-demand pressure. As flexible energy storage nodes, they can operate synergistically with renewables such as wind and solar, improving clean energy utilization. They also serve as a key bridge between vehicles and the grid.

Competitive Landscape of China's Battery-swapping Industry

Major participants

China's battery-swapping industry is mainly composed of BEV manufacturers and independent third-party battery-swapping solution providers. BEV manufacturers design, construct, and operate battery-swapping stations predominantly based on their own vehicle designs, standard systems, and customer base development. This approach allows them to closely align battery packs with vehicle specifications and maintain a closed-loop system that ensures safety, reliability, and a consistent service experience. It also enhances the overall vehicle value and user experience through exclusive energy replenishment services, thereby strengthening consumer loyalty and brand value. However, BEV manufacturers primarily serve their own brands, leading to limited compatibility across different vehicle models and challenges in establishing a widespread battery-swapping ecosystem. This model typically focuses on the private vehicle segment.

Independent third-party battery-swapping solution providers offer greater openness and cross-brand compatibility. In technology integration and equipment supply, they collaborate closely with BEV manufacturers on standardized equipment such as battery boxes and connectors, reducing development costs and R&D cycles for vehicle makers and accelerating the launch of battery-swapping models. On the operating system side, these providers deliver end-to-end solutions: front-end R&D and manufacturing of swapping equipment, and back-end big data-driven platforms that integrate intelligent scheduling, battery health monitoring, and user management. Advanced algorithms optimise battery cycling efficiency and station load, and analyse peak/valley electricity prices to enable sophisticated power scheduling and intelligent pricing, improving economic efficiency and helping to balance grid load. Professional local operation teams handle daily station operations and provide rapid incident response to protect the user experience. Many providers also pursue full battery lifecycle value and risk management, with dedicated teams for battery maintenance, performance testing, and cascade utilisation to ensure battery safety and availability.

In large-scale operation scenarios, a core competitive factor is the large-scale construction and efficient operation of battery-swapping stations. Independent third-party providers, by serving multiple brands and models, can share construction and operation costs and accumulate vast operational data to optimize station deployment, improve operating efficiency and energy utilization, thereby consolidating technological and operational advantages. Their accumulated experience across different regions and models also enhances standardization and project execution capabilities, enabling quick responses to evolving market demands.

As the market develops, industry entry barriers are rising. Through large-scale deployment and cooperation with multiple BEV manufacturers, existing players have significantly strengthened their technological and commercial advantages. High capital investment, the complexity of achieving bilateral technology adaptation with numerous manufacturers, and lengthy product verification cycles create high capital and technical barriers for potential new entrants.

Competitive Landscape

In 2025, the Company ranked third in China in terms of revenue generated from battery-swapping station operation services. The following table sets forth the ranking of the top five players in the battery-swapping industry in China in 2025. In China's battery-swapping industry, independent third-party solution providers operating over 50 battery-swapping stations as of the end of 2025 are generally regarded as leading market participants.

Ranking	Company	Type of Industry Participant	Product Positioning	Price of Battery-Swapping Service[5] (RMB/kWh or RMB/km)	Fastest Battery-Swapping Time	Revenue generated from Battery-Swapping Station Operation Services in 2025 (RMB million)
1	Company A[1]	BEV manufacturer	Private vehicle	kWh based: ~0.79~1.66	2 minutes and 24 seconds	~3,100
2	Company B[2]	Independent Third-Party Battery-Swapping Solution Provider	Operational vehicle & Private vehicle	kWh based: ~0.76~1.37	1 minute and 39 seconds	~1,500
3	**The Company**	**Independent Third-Party Battery-Swapping Solution Provider**	**Operational vehicle**	**Mileage based: ~0.14~0.45 kWh based: ~0.69~1.85**	**20 seconds**	**~502[6]**
4	Company C[3]	Independent Third-Party Battery-Swapping Solution Provider	Commercial vehicle	kWh based: ~0.60~1.35	Less than 4 minutes	~470
5	Company D[4]	BEV manufacturer	Operational vehicle	kWh based: ~0.53~1.40	40 seconds	~190

Source: CIC

(1) Company A is a listed company founded in 2014 and headquartered in Shanghai, China. It focuses on premium electric vehicles, and provides Battery-as-a-Service (BaaS), including battery subscription plans, swap-on-demand energy replenishment, and integrated power solutions covering charging, swapping, and upgradeable battery packs.

(2) Company B is a subsidiary of a listed company, established in 2022 and headquartered in Fujian Province, China. It focuses on passenger vehicle battery-swapping business and mainly provides battery-swapping system solutions, construction and operation of passenger vehicle battery swapping stations, and supporting digital-platform services.

(3) Company C is a state-controlled company, established in 2020 and headquartered in Shanghai, China. It focuses on new-energy commercial vehicles such as electric heavy-duty trucks and electric construction machinery, and mainly provides battery-swapping system solutions, construction and operation of charging and swapping stations, and power-battery asset and full life-cycle management services.

(4) Company D is a subsidiary of a listed BEV manufacturer, established in 2017 and headquartered in Hangzhou, China. It focuses on building a battery-swapping ecosystem and centers on battery sharing and full-lifecycle vehicle operations, and provides cost-effective, efficient and green solutions for the operational market.

(5) The price of The Company's battery-swapping service is based on data from 2023 to April 2026, and the prices of battery-swapping service from Company A to Company D are based on data as of May 29, 2026.

(6) Includes revenue generated from battery-swapping operational services and battery-swapping services through self-owned stations.

China's battery-swapping equipment sales market is relatively fragmented, with most participants — primarily equipment manufacturers and integrators — focusing on equipment provision rather than engaging in battery-swapping station operations. By contrast, the Company is one of the few providers with full battery-swapping station operating capabilities. The Company designs, develops, and sells battery-swapping stations to customers already in — or planning to enter — the energy replenishment industry, and integrates those stations into the Company's proprietary battery-swapping network. After installation, the majority of customers engage the Company to manage ongoing battery-swapping operations. In terms of revenue generated from sales of battery-swapping equipment, the Company achieved a market share of 1.3% in China's battery-swapping equipment sales market in 2025.

Outlook for China's Battery-swapping Products and Technology

After undergoing large-scale verification and technological iterations in the domestic market, China's battery-swapping industry has gradually developed replicable, systematic solutions and mature business models. It is equipped to export innovative energy service models globally, moving from local verification towards international implementation. The concept of highly efficient and intensive energy replenishment represented by the battery-swapping model aligns with global needs for transportation electrification and energy infrastructure upgrading. This creates conditions for market players in China to expand their output from products and projects to standards, platforms, and services, to accelerate their participation in formulating international standards, and to expand overseas markets through diversified cooperation models such as joint ventures, licensing, co-construction, and sharing. This, in turn, promotes the transformation from Chinese solutions to global solutions.

- *Modular technological output and local adaptation*. Chinese battery-swapping companies are shifting from solely exporting equipment to delivering modular, platform-based technical solutions. By encapsulating core hardware (battery-swapping robots, standardized battery bays) and software systems (cloud-based battery management, intelligent scheduling platforms), such solutions can flexibly adapt to various vehicle standards, grid structures, and policy environments in different countries, enabling rapid localized deployment.

- *Participation in international standards formulation*. Leveraging their first-mover advantage, Chinese battery-swapping companies are actively leading or participating in developing international battery-swapping standards and systems, promoting mutual recognition of battery pack physical dimensions, communication protocols, and safety specifications. This aims to establish leadership in the technology sector at the source, reduce overseas expansion compliance costs, and lay the foundation for global battery swap interconnectivity and interoperability.

- *Green transformation empowered by integrated solutions*. Overseas expansion is evolving beyond equipment supply to encompass comprehensive cooperation integrating infrastructure construction, operation and maintenance service training, and financial model innovation. Especially in emerging electrification markets along the Belt and Road Initiative, Southeast Asia, and Latin America, Chinese battery-swapping companies can provide full value-chain services — from power station investment/construction, integrated design for solar/storage/charging/swapping, to battery bank financial solutions — facilitating the low-carbon transformation of local transportation and energy systems.

- *Cooperation with overseas partners*. The path for overseas expansion is shifting from self-construction to strategic cooperation with international vehicle manufacturers, energy giants, and logistics leaders. Through technology licensing and joint ventures,

Chinese battery-swapping companies can integrate proven domestic operation models into partners' existing networks, achieving complementary resource advantages and jointly cultivating regional markets, thereby forming a global battery-swapping ecosystem.

Analysis of Raw Material Costs

The major raw materials and components used in battery-swapping industry include charging cabinets, charging systems, containers, sheet metal parts, connectors and wiring harnesses. These components are generally customized equipment or structural and electrical parts, and their procurement prices are affected by the prices of upstream materials and components.

Cold-rolled steel is an important upstream material for containers, sheet metal parts, cabinet structures and certain mechanical structural parts used in battery-swapping stations. Therefore, cold-rolled steel prices can be used as a reference indicator for the cost trend of such structural parts. The average price of cold-rolled steel in China changed from approximately RMB4,500 per tonne in 2020 to approximately RMB4,000 per tonne in 2025.

Copper is an important upstream material for connectors, wiring harnesses and electrical connection components used in charging systems and charging cabinets. Therefore,copper prices can be used as a reference indicator for the cost trend of such electrical components. The average spot price of copper in China increased from approximately RMB49,000 per tonne in 2020 to approximately RMB79,500 per tonne in 2025, reflecting increased cost pressure on copper-based electrical connection components.

SOURCES OF INFORMATION

CIC was commissioned to conduct research, analyze and prepare the CIC Report on the battery-swapping industry, along with other related economic data. The commissioned report has been independently prepared by CIC without influence from us and other interested parties. We have agreed to pay a fee of RMB1,250,000 to CIC in connection with the preparation of the CIC Report.

During the preparation of the CIC Report, CIC conducted both primary and secondary research through a variety of resources to obtain in-depth knowledge, statistical data and industry insights regarding market trends in the target sector. Primary research involved interviews with key industry experts and leading market participants, while secondary research collected publicly available sources such as publications issued by the Chinese government, annual reports released by relevant industry players, information from industry associations and CIC's proprietary database.

The findings and projections presented in the CIC Report are based on the following key assumptions: (i) the overall global social, economic and political environment is expected to remain stable over the next decade; (ii) major industry drivers will continue to support the growth of the battery-swapping industry throughout the forecast period; and (iii) there will be no force majeure event or regulatory transition that could significantly disrupt or fundamentally alter current market dynamics.

We are subject to a variety of PRC laws, rules and regulations affecting many aspects of our business. This section summarizes the principal PRC laws, regulations and rules that we believe are relevant to our business and operations.

REGULATIONS ON COMPANY ESTABLISHMENT AND FOREIGN INVESTMENT

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

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

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

Investment activities in the PRC by foreign investors were principally governed by the Special Administrative Measures (Negative List) for Access of Foreign Investment (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**"), and the Catalog of Encouraged Industries for Foreign Investment (2022 Edition) (《鼓勵外商投資產業目錄(2022年版)》) (the "**Encouraging List**"). The Negative List, which has came into effect on November 1, 2024, sets out special administrative measures (restricted or prohibited) in respect of the access of foreign investments in a centralized manner, and it covers 11 industries, and any field not falling in the Negative List shall be administered under the principle of equal treatment for domestic and foreign investment. The Encouraging List, which came into effect on January 1, 2023, sets out the encouraged industries for foreign investment. The Encouraging List consists of two parts, i.e. the Catalogue of Encouraged Industries for Foreign Investment in China, and the Catalogue of Priority Industries for Foreign Investment in the Central and Western Regions, in order to encourage and guide foreign investors to invest in specific industries, fields and regions.

The Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》) was released by the Ministry of Commerce (the "**MOFCOM**") and the State Administration for Market Regulation (the "**SAMR**") on December 30, 2019, and became effective on January 1, 2020. Foreign investors directly or indirectly conducting investment activities within the territory of China shall submit the investment information through submission of initial reports, change reports, deregistration reports, annual reports etc. to the competent commerce authorities in accordance with The Measures on Reporting of Foreign Investment Information. When submitting an annual report, a foreign-invested enterprise shall submit the basic information on the enterprise, the information on the investors and their actual controlling party, the enterprise's operation and asset and liabilities information etc., and where the foreign investment admission special administrative measures are involved, the foreign investment enterprise shall also submit the relevant industry licensing information.

REGULATIONS AND POLICIES ON ELECTRIC VEHICLES CHARGING INFRASTRUCTURE

According to the Guiding Opinions of the General Office of the State Council on Further Establishing a High-Quality Charging Infrastructure System (《國務院辦公廳關於進一步構建高質量充電基礎設施體系的指導意見》), which was promulgated and became effective on June 08, 2023, local governments at all levels are expected to provide financial support such as the implementation of time-of-use power price policies and operational subsidies to ensure the further development of charging infrastructure, and build a higher-quality charging infrastructure system.

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

The Implementation Opinions on Further Enhancing the Service Guarantee Capacity of Electric Vehicle Charging Infrastructure (《關於進一步提升電動汽車充電基礎設施服務保障能力的實施意見》) was promulgated by the NDRC, the National Energy Administration, the Ministry of Industry and Information Technology of the PRC, the Ministry of finance of the PRC, the Ministry of Natural Resources of the PRC, the Ministry of Housing and Urban-Rural Development of the PRC, the Ministry of Transport of the PRC, the Ministry of Agriculture and Rural Affairs of the PRC, the Ministry of Emergency Management of the PRC, and the SAMR on January 10, 2022. According to the Implementation Opinions, relevant departments suggest to strengthen quality and safety supervision, through a system of national-provincial-municipal and a industry internal supervision system, explore the integration between the NEVs and Charging Infrastructure, in order to further improve the charging service guarantee capacity.

REGULATIONS ON ELECTRIC VEHICLE FAVORABLE MARKET POLICIES

Notice of the State Council on Issuing the Catalog of Investment Projects Subject to Government Confirmation (2016) (《國務院關於發佈政府核准的投資項目目錄(2016年本)的通知》) was promulgated by the State Council and came into effect on December 12, 2016, provides that the healthy and orderly development of NEVs is expected to be actively guided, and newly built NEV production enterprises must have key technologies such as power systems and vehicle research and development capabilities.

The Ministry of Transport of the PRC promulgated the Green transportation "14th Five-Year Plan" development plan (《綠色交通"十四五"發展規劃》) on October 29, 2021 and the Development Plan of the "14th Five-Year Plan" Modern Comprehensive Transportation System (《"十四五"現代綜合交通運輸體系發展規劃》) was promulgated by the State Council on December 09, 2021.

The Green transportation "14th Five-Year Plan" development plan provides that the promotion and application of new energy vehicles in urban public transportation, rental, logistics distribution and other fields should be accelerated. The proportion of new or updated buses, rental, logistics distribution and other vehicles in the national ecological civilization pilot zone and key areas for the prevention and control of air pollution shall not be less than 80%. And the Development Plan planned to build a convenient, efficient, moderately advanced charging and battery-swapping network, focusing on promoting the construction of regional charging facilities and equipment such as transportation hub stations, parking facilities, and highway service areas.

The Implementation Plan to Boost the Operation of the Industrial Economy and Promote the High-quality Development of Industry (《關於振作工業經濟運行推動工業高質量發展的實施方案的通知》) was promulgated by the NDRC and the Ministry of Industry and Information Technology in order accelerate the promotion and application of new energy vehicles, as well as the construction of supporting facilities such as charging piles and battery swapping stations.

Notice by the Ministry of Finance, the Ministry of Industry and Information Technology, the Ministry of Science and Technology, and the National Development and Reform Commission of Further Improving the Fiscal Subsidy Policies for the Promotion and Application of New Energy Vehicles (《財政部、工業和信息化部、科技部、發展改革委關於進一步完善新能源汽車推廣應用財政補貼政策的通知》) was issued on December 31, 2020 and came into effect on January 01, 2021. This Subsidy Policies support the development of new business models such as "separation of vehicles and electricity". The price of new energy passenger vehicles must be less than 300,000 yuan (including 300,000 yuan) before the subsidy. In order to encourage the development of a new business model of "Battery Swap" and accelerate the promotion of new energy vehicles, "Battery-Swapping mode" vehicles are not subject to this provision.

REGULATIONS ON VALUE-ADDED TELECOMMUNICATIONS SERVICES

The PRC Telecommunications Regulations (《中華人民共和國電信條例》), promulgated by the State Council on September 25, 2000 and last revised on February 6, 2016, provides the regulatory framework for telecommunications service providers in China. The PRC Telecommunications Regulations classify telecommunications services into basic telecommunications services and value-added telecommunications services. Providers of value-added telecommunications services are required to obtain a license for value-added telecommunications services, and violators of this rule may be ordered to make rectifications, have their illegal gains confiscated and be imposed upon a fine, or, under severe circumstances, be ordered to suspend the business operations. According to the Catalog of Telecommunications Services (《電信業務分類目錄》), attached to the PRC Telecommunications Regulations and recently amended by the MIIT on June 6, 2019, information services provided via public communication networks or the internet are value-added telecommunications services.

As a subcategory of the value-added telecommunications services, internet information services are regulated by the Administrative Measures on Internet Information Services, or the ICP Measures (《互聯網信息服務管理辦法》), which was promulgated by the State Council on September 25, 2000 and last revised on December 6, 2024. Internet information services are defined as "services that provide information to online users through the internet". The ICP Measures classify internet information services into non-commercial internet information services and commercial internet information services. Commercial internet information service providers must obtain an ICP License, or VAT License, from appropriate telecommunications authorities. A ICP License has a term of five years and can be renewed within 90 days prior to its expiration, according

to the Administrative Measures for Telecommunications Businesses Operating Licensing (《電信業務經營許可管理辦法》), which was promulgated by the MIIT on March 1, 2009, recently amended on July 3, 2017, and became effective on September 1, 2017. Furthermore, the MIIT Circular on Regulating the Use of Domain Names in Internet Information Services (《工業和信息化部關於規範互聯網信息服務使用域名的通知》), issued on November 27, 2017 and came into effect on January 1, 2018, requires internet information service providers to register and own the domain names they use in providing internet information services.

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

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

REGULATIONS ON LAND GRANTS

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

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

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

REGULATIONS ON PLANNING OF A CONSTRUCTION PROJECT

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

After obtaining a construction work planning permit, subject to certain exceptions, a construction enterprise must apply for a construction work commencement permit from the construction authority under the local people's government at the county level or above in accordance with the Administrative Provisions on Construction Permit of Construction Projects (《建築工程施工許可管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development (the "**MOHURD**"), on June 25, 2014 and implemented on October 25, 2014 and latest amended on March 30, 2021.

REGULATIONS ON ENVIRONMENTAL PROTECTION

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), or the Environmental Protection Law, was promulgated by the "SCNPC" and effective on December 26, 1989, and most recently amended on April 24, 2014. This Environmental Protection Law has been formulated for the purpose of protecting and improving both the living environment and the ecological environment, preventing and controlling pollution, other public hazards and safeguarding people's health.

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

Pursuant to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) promulgated by the SCNPC on October 28, 2002 and amended on July 2, 2016 and December 29, 2018 respectively, for any construction projects have an impact on the environment, the construction entity is required to produce either a report, or a form, or a registration form on such environmental impact depending on the seriousness of the impact that may be exerted on the environment.

Pursuant to the Environmental Protection Law, the environmental impact statement on any construction project must assess the pollution that the project is likely to produce and its impact on the environment, and stipulate preventive and curative measures; the statement shall be submitted to the competent administrative department of environmental protection for approval. Installations for the prevention and control of pollution in construction projects must be designed, built and commissioned together with the principal part of the project.

Permission to commence production at or utilize any construction project shall not be granted until its installations for the prevention and control of pollution have been examined and confirmed to meet applicable standards by the appropriate administrative department of environmental protection that examined and approved the environmental impact statement. Installations for the prevention and control of pollution shall not be dismantled or left idle without authorization. Where it is absolutely necessary to dismantle any such installation or leave it idle, prior approval shall be obtained from the competent local administrative department of environmental protection.

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

REGULATIONS ON WORK SAFETY

Our business is subject to a variety of work safety laws, including the Regulation on the Quality Management of Construction Projects (《建設工程品質管理條例》) which was promulgated by State Council, further amended in January 2000, October 2017 and latest amended and came into effect on April 23, 2019 and the Safety requirements of battery swap for electric vehicles (《電動汽車換電安全要求》) which was promulgated by the Ministry of Industry and Information Technology on April 2021, and came into effect on November 11, 2021.

The Regulation on the Quality Management of Construction Projects is formulated for the purposes of strengthening the management of construction project quality, ensuring the quality of construction projects and protecting the safety of people's lives and property. All those engaging in activities of the new construction, expansion, change of construction projects as well as supervision and management of the quality of construction projects shall abide by this Regulation. Meanwhile, the Safety requirements of battery swap for electric vehicles provides the unique safety requirements, test methods and inspection rules for M1 pure electric vehicles that can be recharged.

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

REGULATIONS ON FIRE CONTROL

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

REGULATIONS ON CONSUMER RIGHTS PROTECTION

Our business is subject to a variety of consumer protection laws, including the PRC Consumer Rights and Interests Protection Law (《中華人民共和國消費者權益保護法》), as amended in 2013 and became effective on March 15, 2014, which imposes stringent requirements and obligations on business operators. Failure to comply with these consumer protection laws could subject us to administrative sanctions, such as the issuance of a warning, confiscation of illegal income, imposition of fines, an order to cease business operations, revocation of business licenses, as well as potential civil or criminal liabilities.

REGULATIONS ON PRODUCT LIABILITY

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

REGULATIONS ON DATA SECURITY, CYBER SECURITY AND DATA PRIVACY PROTECTION

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

The Data Security Law of the PRC (《中華人民共和國數據安全法》), which was promulgated by the SCNPC on June 10, 2021 and took effect on September 1, 2021, provides that entities carrying out data activities shall establish a data classification and grading protection system and important data catalogs to enhance the protection of important data. Processors of important data shall specify the person and the management agencies responsible for data security to implement data security protection responsibilities. Relevant authorities will establish the measures for the cross-border transfer of important data. If any company violates the Data Security Law of the PRC to provide important data outside China, such company may be punished by administration sanctions, including orders to rectify, warnings, fines, and/or suspension of relevant business or revocation of the business license. In addition, the Data Security Law of the PRC provides a national security review procedure for those data activities which affect or may affect national security and imposes export restrictions on certain data and information.

The PRC Cybersecurity Law (《中華人民共和國網絡安全法》), which was promulgated on November 7, 2016 by the SCNPC and came into effect on June 1, 2017, provides that network operators shall meet their cyber security obligations and shall take technical measures and other necessary measures to protect the safety and stability of their networks. Under the PRC Cybersecurity Law, network operators are subject to various security protection-related obligations, including: (i) network operators shall comply with certain obligations regarding maintenance of the security of internet systems; (ii) network operators shall verify users' identities before signing agreements or providing certain services such as information publishing or real-time communication services; (iii) when collecting or using personal information, network operators shall clearly indicate the purposes, methods and scope of the information collection, and obtain the consent of those from whom the information is collected; (iv) network operators shall strictly keep the user information they collect confidential, and establish and maintain systems to protect user

information; (v) network operators shall strengthen management of information published by users, and when they discover information prohibited by laws and regulations from publication or dissemination, they shall immediately stop dissemination of that information, including taking measures such as deleting the information, preventing the information from spreading, saving relevant records, and reporting to the relevant governmental agencies. In addition, the PRC Cybersecurity Law requires that critical information infrastructure operators (the "CIIO") store the personal information and important data, which is collected and produced during their operations in the PRC, within the territory of the PRC. Furthermore, purchase of network products and service by such operators that affects or may affect national security shall be subject to national cybersecurity review.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), effective from November 1, 2021. The Personal Information Protection Law of the PRC requires, among others, that (i) the processing of personal information should have a clear and reasonable purpose which should be directly related to the processing purpose, in a method that has the least impact on personal rights and interests, and (ii) the collection of personal information should be limited to the minimum scope necessary to achieve the processing purpose to avoid the excessive collection of personal information. Different types of personal information and personal information processing will be subject to various rules on consent, transfer, and security. Entities handling personal information shall bear responsibilities for their personal information handling activities, and adopt necessary measures to safeguard the security of the personal information they handle. Otherwise, the entities handling personal information could be ordered to correct, or suspend or terminate the provision of services, and face confiscation of illegal income, fines or other penalties.

On June 22, 2007, the Ministry of Public Security of PRC, National Administration of State Secrets Protection and other governmental authorities issued the Administrative Measures for the Hierarchical Protection of Information Security (《信息安全等級保護管理辦法》), which regulates that the security protection of an information system may be graded into five. As for an information system of Grade II or above which has been put into operation, its operator or user shall, within 30 days since the date when its security protection grade is determined, complete the record-filing procedures at the local public security organ at the prefecture-level city or higher. For an information system of Grade II or above newly built, its operator or user shall, within 30 days after it is put into operation, complete the record-filing procedures at the local public security organ at the prefecture-level city or higher.

On May 8, 2017, the Supreme People's Court and the Supreme People's Procuratorate jointly released the Interpretations of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving Infringement of Citizens' Personal Information (《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》) (the "**Interpretations**"), which came into effect on June 1, 2017, clarifies several concepts regarding the crime of "infringement of citizens' personal information" stipulated by Article 253A of the Criminal Law of the PRC (《中華人民共和國刑法》), including the "provision of citizens' personal information" and "illegally obtaining any citizen's personal information by other methods". In addition, the Interpretations specify the standards for determining "serious circumstances" and "particularly serious circumstances" of this crime.

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

On December 28, 2021, the CAC and other twelve PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review (2021) (《網絡安全審查辦法(2021)》) (the "**Cybersecurity Review Measures**"), which came into effect on February 15, 2022, provides that, among others, (i) a CIIO, purchasing network products and services or a network platform operator that engages in data processing activities that affect or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office, the department which is responsible for the implementation of cybersecurity review under the CAC, (ii) a network platform operator handling personal information of more than one million users which seeks listing in a foreign country is obliged to apply for a cybersecurity review by the Cybersecurity Review Office, and (iii) when numbers of the cybersecurity review mechanism identify network products, services, or data processing activities that affect or may affect national security, the Cybersecurity Review Office shall submit them to the Central Cyberspace Affairs Commission for approval, and then conduct the review in accordance with the provisions of these measures.

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

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

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

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

On February 12, 2025, the CAC published the Administrative Measures for the Compliance Audit of Personal Information Protection (《個人信息保護合規審計管理辦法》), which took effect on May 1, 2025, According to the Administrative Measures for the Compliance Audit of Personal Information Protection, the term "compliance audit of personal information protection" refers to the supervision activities that review and evaluate whether the personal information processing activities by personal information processors comply with laws and administrative regulations. And personal information processors that process the personal information of more than 10 million individuals shall carry out the compliance audit of personal information protection at least once every two years. Personal information processors, in any of the following circumstances, may be required by Cyberspace Administration and other departments performing personal information protection duties (hereinafter collectively referred to as the "Protection Departments") to entrust a professional agency to conduct a compliance audit of their personal information processing activities: (i) where significant risks are identified in the personal information processing activities that severely impact individual rights or lack adequate security measures; (ii) where the personal information processing activities may infringe upon the rights and interests of a large number of individuals; and (iii) in the event of a personal information security incident resulting in the leakage, tampering, loss, or destruction of personal information of more than 1 million individuals or sensitive personal information of more than 100,000 individuals.

REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Patents

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

Trademarks

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

Domain Names

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

Copyright Registration

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

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

Trade Secrets

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

REGULATIONS ON FOREIGN EXCHANGE

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

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

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

According to the Notice on Relevant Issue Concerning the Administration of Foreign Exchange for Overseas Listing (《關於境外上市外匯管理有關問題的通知》) issued by the SAFE on December 26, 2014, the domestic companies shall register the overseas listed with the foreign exchange control bureau located at its registered address in 15 working days after completion of the overseas listing and issuance. The funds raised by the domestic companies through overseas listing may be repatriated to China or deposited overseas, provided that the intended use of the fund shall be consistent with the contents of the document and other public disclosure documents.

According to the Notice of the State Administration of Foreign Exchange on Reforming the Management Mode of Foreign Exchange Capital Settlement of Foreign Investment Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the "**SAFE Circular 19**") promulgated on March 30, 2015, coming effective on June 1, 2015 partially abolished on December 30, 2019 and revised on March 23, 2023, foreign-invested enterprises could settle their foreign exchange capital on a discretionary basis according to the actual needs of their

business operations. Whilst, foreign-invested enterprises are prohibited to use the foreign exchange capital settled in RMB (a) for any expenditures beyond the business scope of the foreign- invested enterprises or forbidden by laws and regulations; (b) for direct or indirect securities investment; (c) to provide entrusted loans (unless permitted in the business scope), repay loans between enterprises (including advances by third parties) or repay RMB bank loans that have been on-lent to a third party; and (d) to purchase real estates not for self-use purposes (save for real estate enterprises).

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

Labor Protection, Social Security and Housing Provident Funds

According to the PRC Labor Law (《中華人民共和國勞動法》), which was promulgated by the SCNPC on July 5, 1994 and effective from January 1, 1995, and amended on August 27, 2009 and December 29, 2018 respectively, the PRC Labor Contract Law (《中華人民共和國勞動合同法》), which was promulgated by the SCNPC on June 29, 2007 and effective from January 1, 2008, and amended on December 28, 2012 and effective from July 1, 2013, and the Implementing Regulations of the Employment Contracts Law of the PRC (《中華人民共和國勞動合同法實施條例》), which was promulgated by the State Council on September 18, 2008, labor contracts in written form shall be executed to establish labor relationships between employers and employees. In addition, wages cannot be lower than the local minimum wage. The employers must establish a system for labor safety and sanitation, strictly abide by State rules and standards, provide education regarding labor safety and sanitation to its employees, provide employees with labor safety and sanitation conditions and necessary protection materials in compliance with State rules, and carry out regular health examinations for employees engaged in work involving occupational hazards.

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

According to the Interpretation II by the Supreme People's Court of the PRC on Legal Issues in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which took effect on September 1, 2025, any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be deemed invalid by the people's court. If an employer fails to

pay social insurance premiums in accordance with the law, and the employee requests to terminate the labor contract and claims economic compensation pursuant to Article 38(3) of the Labor Contract Law of the PRC, the people's court shall support such claims in accordance with the law. In the circumstances described in the preceding paragraph, if the employer subsequently pays the social insurance premiums in accordance with the law and requests the employee to return the compensation already paid for the social insurance premiums, the people's court shall support such requests in accordance with the law.

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

The Notice Regarding the Tentative Measures for the Administration of the Scope of Basic Medical Insurance Coverage for Pharmaceutical Products for Urban Employee (《關於印發城鎮職工基本醫療保險用藥範圍管理暫行辦法的通知》) (the "**Medical Insurance Coverage Notice**") jointly issued on May 12, 1999 by several authorities including, among others, the Ministry of Labour and Social Security and the Ministry of Finance, provides that a pharmaceutical product listed in the medical insurance catalog must be clinically necessary, safe, effective, reasonably priced, easy to use, available in sufficient quantity, and must meet the following requirements: (1) be set forth in the pharmacopeia of the PRC, (2) satisfy the standards promulgated by the NMPA, and (3) be approved by the NMPA for imported pharmaceutical products.

REGULATIONS ON TAXATION

Enterprise Income Tax ("EIT")

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) (the "**EIT Law**"), promulgated by the NPC on March 16, 2007, which became effective on January 1, 2008 and was amended on February 24, 2017 and December 29, 2018, and the Implementation Rules of the EIT Law (《中華人民共和國企業所得税法實施條例》), promulgated by the State Council on December 6, 2007, which became effective on January 1, 2008, and amended on April 23, 2019, a domestic enterprise which is established within the PRC in accordance with the laws or established in accordance with any laws of foreign country (region) but with an actual management entity within the PRC shall be regarded as a resident enterprise. A resident enterprise shall be subject to an EIT of 25% of any income generated within or outside the PRC. A preferential EIT rate shall be applicable to any key industry or project which is supported or encouraged by the State. High and new technology enterprises which are supported by the State may enjoy a reduced EIT rate of 15%.

Value-Added Tax ("VAT")

Pursuant to the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例》), promulgated by the State Council on December 13, 1993 and newly amended on November 19, 2017, and the Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》), promulgated by the Ministry of Finance (the "**MOF**") and the SAT on December 25, 1993 and latest amended on October 28, 2011 and came into effect on November 1, 2011 (collectively, the "**VAT Law**"), all enterprises and individuals engaged in the sale of goods, the provision of processing, repairing and replacement of services, and the importation of goods within the territory of the PRC must pay value-added tax. On November 19, 2017, the State Council promulgated the Decisions on Abolition of the Provisional Regulations of the PRC on Business Tax and Revision of the Provisional Regulations of the PRC on Value-added Tax (《關於廢止<中華人民共和國營業稅暫行條例>和修改<中華人民共和國增值稅暫行條例>的決定》) (the "**Order 691**"). According to the VAT Law and Order 691, all enterprises and individuals engaged in the sale of goods, the provision of processing, repairing and replacement of services, sales of services, intangible assets, real property, and the importation of goods within the territory of the PRC are taxpayers of VAT and shall pay the VAT in accordance with the law and regulation. The VAT tax rates generally applicable are simplified as 17%, 11%, 6% and 0%, and the VAT tax rate applicable to the small-scale taxpayers is 3%. The Notice of the Ministry of Finance and the State Administration of Taxation on Adjusting Value-added Tax Rates (《財政部、税務總局關於調整增值税税率的通知》), was promulgated on April 4, 2018 and came into effect on May 1, 2018. The VAT tax rates of 17% and 11% are changed to 16% and 10%, respectively. On March 20, 2019, the MOF, SAT and General Administration of Customs jointly promulgated the Announcement on Policies for Deeping the VAT Reform (《關於深化增值税改革有關政策的公告》) (the "**Notice 39**"), which came into effect on April 1, 2019. Pursuant to Notice 39, the tax rate of 16% applicable to the VAT taxable sale or import of goods shall be adjusted to 13%, and the tax rate of 10% applicable thereto shall be adjusted to 9%.

Regulations on the H Share Full Circulation

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

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

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

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

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

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

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

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

REGULATIONS RELATING TO OVERSEAS SECURITIES OFFERING AND LISTING

The CSRC promulgated the Trial Administrative Measures on the Overseas Securities Offering and Listing of Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") and six relevant guidelines on February 17, 2023, which took effect on March 31, 2023. On May 26, 2023, the CSRC further promulgated the sixth guideline, which come into effect on the same date. The Overseas Listing Trial Measures comprehensively reformed the regulatory regime for overseas offering and listing of PRC domestic companies' securities, either directly or indirectly, into a filing-based system.

According to the Overseas Listing Trial Measures, the PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information. The Overseas Listing Trial Measures provide that an overseas listing or offering is explicitly prohibited, if any of the following applies: (i) such securities offering or listing is explicitly prohibited by provisions in PRC laws, administrative regulations or relevant state rules; (ii) the proposed securities offering or listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with laws; (iii) the domestic company intending to be listed or offer securities in overseas markets, or its controlling shareholder(s) and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to be listed or offer securities in overseas markets is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

Where an issuer submits an application for initial public offering to competent overseas regulators, filing application with the CSRC shall be submitted within three business days thereafter. Subsequent securities offering of an issuer in the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three business days after the offering is completed. Subsequent securities offering and listing of an issuer in other overseas markets shall be filed as initial public offering.

Moreover, upon the occurrence of any of the material events specified below after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report thereof to CSRC within three working days after the occurrence and public disclosure of the event: (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other relevant competent authorities; (iii) change of listing status or transfer of listing segment; and (iv) voluntary or mandatory delisting. Where an issuer's main business undergoes material changes after overseas offering and listing, and is therefore beyond the scope of business stated in the filing documents, such issuer shall submit to the CSRC an ad hoc report and a relevant legal opinion issued by a domestic law firm within three working days after occurrence of the changes.

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "**Provision on Confidentiality**"), which became effective on March 31, 2023. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listing subjects, documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing. Domestic enterprises providing accounting archives or copies thereof to entities and individuals concerned such as securities companies, securities service institutions and overseas regulatory authorities shall perform the corresponding procedures pursuant to the relevant provisions of the State. The working papers formed within the territory of the PRC by the securities companies and securities service institutions that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and those that need to leave the PRC shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

OVERVIEW

We are an established participant in China's battery-swapping industry, committed to building a comprehensive suite of products and services across the battery-swapping ecosystem.

Our Company was founded in June 2016 by Mr. Cai and Mr. Zhang with the mission of solving the charging bottleneck in the development of electric vehicles through battery swapping. From 2018 to 2022, we have underwent a few rounds of [**REDACTED**] Investments. For details, see "— [**REDACTED**] Investments" in this section. On March 19, 2025, in preparation for the [**REDACTED**], our Company was converted into a joint stock company with limited liability.

BUSINESS MILESTONES

The following table sets forth the key business development milestones of our Group:

Year	Milestone achieved
2016	Launched the "Aulton" brand and initiated the "100 Battery-swapping Station Plan" in Beijing
2018	Introduced strategic investment funded by NIO Capital
2019	Partnered with major domestic OEMs to develop battery-swapping EV models
	Introduced our battery-swapping services to the Kunming market
2020	Shortened the battery-swapping speed for passenger vehicles to 20 seconds
2021	Introduced our battery-swapping services to the Changchun market
	Introduced strategic investment funded by Guangjin Kaide controlled and managed by Guangzhou Jinkong Fund Management Co., Ltd. (廣州金控基金管理有限公司)
2022	Established the battery-swapping energy ecosystem and initiated expansion on asset-light business model
2023	Introduced the first battery-swapping station for heavy trucks in China, achieving a record-fast 40-second battery swap for heavy vehicles
	EVs registered on our battery-swapping platform surpassed 100,000
2024	Secured over 2,100 patents and completed the intellectual property layout for battery-swapping technologies and products system

OUR PRINCIPAL SUBSIDIARIES

As of the Latest Practicable Date, Our Company has 32 subsidiaries. We regard the following subsidiaries as our principal subsidiaries in terms of contribution to our business and financial performance during the Track Record Period:

Name of subsidiary	Date and place of incorporation	Registered capital	Principal business activities
Shanghai Dianba[(1)] . . .	September 16, 2009; PRC	RMB61,100,000	Manufacturing of battery-swapping stations and modules
Beijing Aulton[(2)]	February 22, 2016; PRC	RMB700,000,000	Provision of battery-swapping services and battery-swapping operational services
Guangzhou Aulton[(3)] . .	May 19, 2016; PRC	RMB204,000,000	Provision of battery-swapping services and battery-swapping operational services
Chongqing Aulton	October 22, 2020; PRC	RMB100,000,000	Provision of battery-swapping services and battery-swapping operational services
Changchun Aulton	January 15, 2021; PRC	RMB10,000,000	Provision of battery-swapping services and battery-swapping operational services
Yunnan Aulton	January 21, 2019; PRC	RMB60,000,000	Provision of battery-swapping services and battery-swapping operational services

Notes:

(1) Shanghai Dianba was founded by Mr. Zhang in September 2009 and became our Company's subsidiary in February 2018.

(2) Beijing Aulton was founded by Mr. Cai and Mr. Zhang in February 2016 and became our Company's subsidiary in January 2017.

(3) Guangzhou Aulton was founded by Mr. Cai in May 2016 and became our Company's subsidiary in July 2017.

OUR CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING MOVEMENT DURING THE TRACK RECORD PERIOD

The following sets forth the summary of our corporate history before the Track Record Period and major shareholding movements of our Company during the Track Record Period.

Early History and Establishment of Our Company

Our Company was established under the laws of the PRC on June 16, 2016 with an initial registered capital of RMB130,000,000. Upon establishment, it was owned as to 75% and 25% by Mr. Cai and Mr. Zhang, respectively. In November 2016 and February 2018, Mr. Cai and Mr. Zhang resolved to further increase registered share capital from RMB130,000,000 to RMB200,000,000 and then to RMB580,000,000. The increased registered was subscribed by Mr. Cai and Mr. Zhang on a pro rata basis.

[**REDACTED**] Investments from 2018 to 2022

Throughout 2018 to 2022, with confidence in our business development and management, several external investors invested in our Company in different series as [**REDACTED**] investors to facilitate the business development of our Company. See "— [**REDACTED**] Investments" for more information.

Upon the completion of the [**REDACTED**] Investments and before the conversion into joint stock company with limited liability, the shareholding structure of our Company was as follows:

Name of Shareholder	Registered capital subscribed	Shareholding percentage
		(%)
Mr. Cai	RMB372,035,637	39.11%
Mr. Zhang	RMB125,900,000	13.24%
NIO Capital	RMB52,556,128	5.53%
Guangjin Kaide	RMB49,415,130	5.20%
Fujian Aoying	RMB45,838,064	4.82%
Zhuhai Aoning	RMB40,586,605	4.27%
Chen Shaoxiong	RMB40,456,684	4.25%
Guangzhou Jinxian	RMB38,725,864	4.07%
Zhuhai Aoli	RMB29,388,934	3.09%
Enze Haihe	RMB20,589,637	2.16%
Fujian Aoxin	RMB17,563,883	1.85%
Guangzhou Chuangdongke	RMB16,471,710	1.73%
Zhuhai Aoyue	RMB16,200,000	1.70%
VAUCLUSE	RMB13,521,553	1.42%
Zhuhai Aoli No. 2	RMB10,000,000	1.05%
Shanghai Shine-Link	RMB8,235,855	0.87%
Ruihong No. 3	RMB8,235,855	0.87%
Li Xiaobin	RMB7,150,000	0.75%
Zhuhai Aoli No. 1	RMB6,876,066	0.72%
Shenzhen Chunyang	RMB4,117,927	0.43%
Guangzhou Yaoying	RMB4,117,927	0.43%
TERRAS	RMB3,995,004	0.42%
Nanjing Meiao	RMB3,294,342	0.35%
Zibo No. 1	RMB3,096,257	0.33%
Xiamen Aoyi	RMB2,793,172	0.29%
Jingde Guangzhou	RMB2,470,756	0.26%
Guangxi Yesheng	RMB2,058,964	0.22%

Name of Shareholder	Registered capital subscribed	Shareholding percentage
		(%)
Xiamen Aoli	RMB1,974,508	0.21%
Guangzhou Yimi	RMB1,647,171	0.17%
SVIC 38	RMB1,070,661	0.11%
Foshan Yimi	RMB823,585	0.09%
Total	**RMB951,207,879**	**100%**

Conversion into Joint Stock Company with Limited Liability

For the purpose of our proposed initial [**REDACTED**], on November 20, 2024, all of the then shareholders of our Company resolved at a shareholders' general meeting to approve the conversion of our Company into a joint stock company with limited liability. According to the capital verification report prepared by an Independent Third Party auditor, the total net asset value of our Company as of May 31, 2024 was approximately RMB1,967.9 million, of which (i) RMB951.2 million was converted to Shares with par value of RMB1 per Share; and (ii) the remaining amount of approximately RMB969.0 million was converted into capital reserve. The conversion was completed on March 19, 2025 and we were renamed as Aulton New Energy Co., Ltd. (奥動新能源股份有限公司). Immediately upon completion of the said conversion, the registered capital of our Company was RMB951,207,879 divided into 951,207,879 Shares with par value of RMB1.00 per Share, which were subscribed by all our then Shareholders in proportion to their respective equity interests in our Company before the conversion, details of which as follows:

Name of Shareholder	Number of Shares held	Shareholding percentage
		(%)
Mr. Cai	372,035,637	39.11%
Mr. Zhang	125,900,000	13.24%
NIO Capital	52,556,128	5.53%
Guangjin Kaide	49,415,130	5.20%
Fujian Aoying	45,838,064	4.82%
Zhuhai Aoning	40,586,605	4.27%
Chen Shaoxiong	40,456,684	4.25%
Guangzhou Jinxian	38,725,864	4.07%
Zhuhai Aoli	29,388,934	3.09%
Enze Haihe	20,589,637	2.16%
Fujian Aoxin	17,563,883	1.85%
Guangzhou Chuangdongke	16,471,710	1.73%
Zhuhai Aoyue	16,200,000	1.70%
VAUCLUSE	13,521,553	1.42%
Zhuhai Aoli No. 2	10,000,000	1.05%
Shanghai Shine-Link	8,235,855	0.87%
Ruihong No. 3	8,235,855	0.87%
Li Xiaobin	7,150,000	0.75%
Zhuhai Aoli No. 1	6,876,066	0.72%
Shenzhen Chunyang	4,117,927	0.43%
Guangzhou Yaoying	4,117,927	0.43%
TERRAS	3,995,004	0.42%
Nanjing Meiao	3,294,342	0.35%
Zibo No. 1	3,096,257	0.33%
Xiamen Aoyi	2,793,172	0.29%
Jingde Guangzhou	2,470,756	0.26%
Guangxi Yesheng	2,058,964	0.22%

Name of Shareholder	Number of Shares held	Shareholding percentage
		(%)
Xiamen Aoli	1,974,508	0.21%
Guangzhou Yimi	1,647,171	0.17%
SVIC 38	1,070,661	0.11%
Foshan Yimi	823,585	0.09%
Total	**951,207,879**	**100%**

EMPLOYEE SHAREHOLDING PLATFORMS

In recognition of the contributions of our key management members and employees, Zhuhai Aoli, Zhuhai Aoli No. 1, Zhuhai Aoli No. 2, Zhuhai Aoli No. 3, Zhuhai Aoli No. 4 and Xiamen Aoli were established in the PRC as our Company's employee shareholding platforms. As of the Latest Practicable Date, 74 existing employees of our Group (including certain Directors and senior management) and 39 former employees of our Group hold partnership interests in one or more than one Employee Shareholding Platforms or have been granted awards to hold partnership interests on certain Employee Shareholding Platforms according to the Employee Incentive Scheme.

(1) Zhuhai Aoli

Zhuhai Aoli was established as a limited partnership under the laws of the PRC on March 23, 2018. Mr. Cai is the executive partner and general partner of Zhuhai Aoli and is responsible for the management of Zhuhai Aoli. As of the Latest Practicable Date, Zhuhai Aoli had three limited partners, being Mr. Zhang (our executive Director), Mr. Lan Zhibo (former director of Shanghai Dianba) and Mr. Chen Min, and directly held approximately 0.99% equity interests in our Company. The voting rights attaching to the Shares held by Zhuhai Aoli are exercised by the executive partner of Zhuhai Aoli in accordance with the partnership agreement entered into among the general and limited partners of Zhuhai Aoli. As of the Latest Practicable Date, Mr. Cai is the executive Director and general manager of our Company and one of our Controlling Shareholders.

(2) Zhuhai Aoli No. 1

Zhuhai Aoli No. 1 was established as a limited partnership under the laws of the PRC on December 21, 2021. Mr. Cai Zhaozhan is the executive partner and general partner of Zhuhai Aoli No. 1 and is responsible for the management of Zhuhai Aoli No. 1. As of the Latest Practicable Date, Zhuhai Aoli No. 1 had 26 limited partners, including certain directors, supervisors, senior management and existing employees of our subsidiaries, and directly held approximately 0.72% equity interests in our Company. The voting rights attaching to the Shares held by Zhuhai Aoli No. 1 are exercised by the executive partner of Zhuhai Aoli No. 1 in accordance with the partnership agreement entered into among the general and limited partners of Zhuhai Aoli No. 1. As of the Latest Practicable Date, Mr. Cai Zhaozhan was an Independent Third Parties.

(3) Zhuhai Aoli No. 2

Zhuhai Aoli No. 2 was established as a limited partnership under the laws of the PRC on September 7, 2022. Mr. Cai Zhaozhan is the executive partner and general partner of Zhuhai Aoli No. 2 and is responsible for the management of Zhuhai Aoli No. 2. As of the Latest Practicable Date, Zhuhai Aoli No. 2 had 23 limited partners, including certain directors, supervisors, senior management and existing employees of our subsidiaries, and directly held approximately 1.05% equity interests in our Company. The voting rights attaching to the Shares held by Zhuhai Aoli No. 2 are exercised by the executive partner of Zhuhai Aoli No. 2 in accordance with the partnership agreement entered into among the general and limited partners of Zhuhai Aoli No. 2. As of the Latest Practicable Date, Mr. Cai Zhaozhan was an Independent Third Parties.

(4) Zhuhai Aoli No. 3

Zhuhai Aoli No. 3 was established as a limited partnership under the laws of the PRC on October 11, 2025. Mr. Cai Zhaozhan is the executive partner and general partner of Zhuhai Aoli No. 3 and is responsible for the management of Zhuhai Aoli No. 3. As of the Latest Practicable Date, the limited partners of Zhuhai Aoli No. 3 are Mr. Cai and Mr. Zhang, and Zhuhai Aoli No. 3 directly held approximately 1.05% equity interests in our Company. The voting rights attaching to the Shares held by Zhuhai Aoli No. 3 are exercised by the executive partner of Zhuhai Aoli No. 3 in accordance with the partnership agreement entered into among the general and limited partners of Zhuhai Aoli No. 3. As of the Latest Practicable Date, Mr. Cai Zhaozhan was an Independent Third Parties.

(5) Zhuhai Aoli No. 4

Zhuhai Aoli No. 4 was established as a limited partnership under the laws of the PRC on October 11, 2025. Mr. Cai Zhaozhan is the executive partner and general partner of Zhuhai Aoli No. 4 and is responsible for the management of Zhuhai Aoli No. 4. As of the Latest Practicable Date, the limited partners of Zhuhai Aoli No. 4 are Mr. Cai and Mr. Zhang, and Zhuhai Aoli No. 4 directly held approximately 1.05% equity interests in our Company. The voting rights attaching to the Shares held by Zhuhai Aoli No. 4 are exercised by the executive partner of Zhuhai Aoli No. 4 in accordance with the partnership agreement entered into among the general and limited partners of Zhuhai Aoli No. 4. As of the Latest Practicable Date, Mr. Cai Zhaozhan was an Independent Third Parties.

(6) Xiamen Aoli

Xiamen Aoli is a limited partnership established in the PRC. As of the Latest Practicable Date, Xiamen Aoli was owned as to (i) approximately 0.51% by WANG Lan (王蘭) (a supervisor of our subsidiary) as its general partner, and (ii) approximately 99.49% by other 47 limited partners. Among limited partners, CHEN Yumin (陳鈺敏) (a family member of CHEN Shaowen (陳紹文)) held approximately 33.4% equity interest, YANG Jifan (楊濟帆) (an associate of YANG Ye) held approximately 4.68% equity interest, QU Wengeng (屈文庚) (a director of our subsidiary) held approximately 3.50% equity interest, YAN Ming (閆銘) (a director and general manager of our subsidiary) held approximately 1.52% equity interest, and LU Yi (盧毅) (a general manager of our subsidiary) held approximately 1.32% equity interest. As of the Latest Practicable Date, save as disclosed above, each of other limited partners of Xiamen Aoli was Independent Third Parties.

EMPLOYEE INCENTIVE SCHEME

We have adopted our employee incentive scheme on October 25, 2025 (the "**Employee Incentive Scheme**") with a view to attract and retain talents for our Group, and foster shared interests between Shareholders and our management and key employees.

As of the Latest Practicable Date, our Company has granted 12,532,674 awards under the Employee Incentive Scheme to subscribe for certain limited partnership interest in Zhuhai Aoli No. 3 and Zhuhai Aoli No. 4. The vesting of awards under the Employee Incentive Scheme will not have any dilutive effect to the Shareholders of our Company. As of the Latest Practicable Date, none of the awards granted under the Employee Incentive Scheme had vested and been beneficially owned by the relevant grantees. See "Appendix VI — Statutory and General Information — D. Employee Incentive Scheme" for details of the terms and conditions of the scheme.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and until the Latest Practicable Date, we did not conduct any other acquisitions, disposals or mergers that we consider to be material to us.

[REDACTED] INVESTMENTS

Throughout 2018 to 2022, with confidence in our business development and management, several external investors invested in our Company in different series as [**REDACTED**] Investors to facilitate the business development of our Company, details of which are set forth below:

Particulars and Principal Terms of the [REDACTED] Investments

Particulars and principal terms of the [**REDACTED**] investments are set forth below:

Name of [REDACTED] Investors	Date of initial share purchase agreement	Settlement Date	% of equity interests of our Company subscribed by the investor	Amount of consideration paid	Cost per registered capital	Discount to the [REDACTED][(1)]
				(in RMB million)		
Series Pre-A						
NIO Capital (湖北嘉湖股權投資合夥企業(有限合夥))	April 2, 2018	April 9, 2018	5.56%	250.0	RMB7.33	[REDACTED]
Series A						
NIO Capital (湖北嘉湖股權投資合夥企業(有限合夥))	April 2, 2018	March 5, 2019	2.66%	150.0	RMB8.14	[REDACTED]
Series A+						
Guangzhou Jinxian (廣州金賢投資合夥企業(有限合夥))[(2)]	April 30, 2020 (date of the agreement for purchasing equity interests from the Company), July 31, 2020 (date of the agreement purchasing equity interests from Mr. Zhang)	March 1, 2021, July 31, 2020	4.60%	222.0; 55.0	RMB8.14	[REDACTED]
Fujian Aoxing (福建奧興股權投資合夥企業(有限合夥))	April 30, 2020	December 16, 2020	2.12%	130.4	RMB8.14	[REDACTED]
TERRAS	July 31, 2020	December 18, 2020	0.53%	32.5	RMB8.14	[REDACTED]
Series A++						
VAUCLUSE (華克斯投資(香港)有限公司)	April 8, 2021	May 25, 2021	1.64%	110.0	RMB8.14	[REDACTED]
Guangzhou Jinxian (廣州金賢投資合夥企業(有限合夥))	April 8, 2021	March 1, 2021	0.48%	32.0	RMB8.14	[REDACTED]
Fujian Aoxing (福建奧興股權投資合夥企業(有限合夥))	April 8, 2021	February 3, 2021	0.17%	11.4	RMB8.14	[REDACTED]
Xiamen Aoyi (廈門奧奕企業管理合夥企業(有限合夥))	April 8, 2021	July 13, 2021	0.34%	22.7	RMB8.14	[REDACTED]
Fujian Aoying (福建奧盈股權投資合夥企業(有限合夥))	April 8, 2021	May 19, 2021	5.57%	372.9	RMB8.14	[REDACTED]

Name of [REDACTED] Investors	Date of initial share purchase agreement	Settlement Date	% of equity interests of our Company subscribed by the investor	Amount of consideration paid	Cost per registered capital	Discount to the [REDACTED][(1)]
				(in RMB million)		
Series B						
Guangjin Kaide (廣州廣金凱得睿馳股權投資合夥企業(有限合夥)) . .	July 23, 2021	September 2, 2021	5.48%	600.0	RMB12.14	[REDACTED]
Ruihong Sanhao (共青城瑞宏三號投資合夥企業(有限合夥))	July 23, 2021	July 25, 2022	0.91%	100.0	RMB12.14	[REDACTED]
Series B+						
Enze Haihe (恩澤海河(天津)股權投資基金合夥企業(有限合夥)). . . .	August 26, 2021	August 27, 2021	2.28%	250.0	RMB12.14	[REDACTED]
Series B++						
Guangzhou Chuangdongke (廣州創動客創業投資合夥企業(有限合夥))	October 25, 2021	November 1, 2021	1.77%	200.0	RMB12.14	[REDACTED]
Shenzhen Chunyang (深圳春陽匯盈創業投資合夥企業(有限合夥)) . .	October 25, 2021	November 24, 2021	0.44%	50.0	RMB12.14	[REDACTED]
Jingde Guangzhou (景得(廣州)股權投資合夥企業(有限合夥)).	October 25, 2021	November 5, 2021	0.26%	30.0	RMB12.14	[REDACTED]
Guangxi Yesheng (廣西業盛實業投資有限公司)	October 25, 2021	November 3, 2021	0.22%	25.0	RMB12.14	[REDACTED]
Zhuhai Aoning (珠海奧寧投資中心合夥企業（有限合夥）)	October 25, 2021	November 22, 2021	0.21%	24.0	RMB12.14	[REDACTED]
Guangzhou Yimi (廣州蟻米凱得產業投資基金合夥企業(有限合夥)) . .	October 25, 2021	November 4, 2021	0.18%	20.0	RMB12.14	[REDACTED]
SVIC 38	October 25, 2021	January 29, 2022	0.11%	13.0	RMB12.14	[REDACTED]
Foshan Yimi (佛山蟻米金信股權投資合夥企業(有限合夥))	October 25, 2021	November 4, 2021	0.09%	10.0	RMB12.14	[REDACTED]
Series B+++						
Shanghai Shine-Link (上海暢聯國際物流股份有限公司).	January 27, 2022	January 24, 2022	0.87%	103.3	RMB12.55	[REDACTED]
Guangzhou Yaoying (廣州市曜盈投資有限公司)	January 27, 2022	February 7, 2022	0.43%	51.7	RMB12.55	[REDACTED]
Nanjing Meiao (南京美奧創投合夥企業(普通合夥)).	January 27, 2022	February 23, 2022	0.35%	41.3	RMB12.55	[REDACTED]
Zibo Yihao (淄博深厚一號股權投資合夥企業(有限合夥))	January 27, 2022	January 24, 2022	0.33%	38.9	RMB12.55	[REDACTED]

(1) The discount to the [**REDACTED**] is calculated based on the [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the [**REDACTED**] range.

(2) The investment was partially made by such investor by way of acquisition of the relevant equity interests owned by Mr. Zhang.

Basis for Determination of Consideration

The consideration of the [**REDACTED**] investments was determined based on arm length negotiation between the Company or the selling existing shareholder and the [**REDACTED**] Investors with reference to the business performance of the Company in the previous year, estimated business performance of the Company, the previous round of valuation and/or the valuation report of the Company.

Use of [REDACTED] from the [REDACTED] Investments

The [**REDACTED**] from the [**REDACTED**] Investments for the Company have been fully utilized for, among others, the development and operation of our business, including but not limited to new business development, technology development and marketing and administrative expenses, etc.

Special Rights of the [REDACTED] Investors

The [**REDACTED**] Investors were granted certain customary special rights by our Company, including but not limited to repurchase right, tag-along right, liquidation preference, anti-dilution right, drag-along right and other special rights which may result in our Company undertaking any repurchase, compensation or payment obligations. Among such special rights, those which may result in our Company undertaking any repurchase, compensation or payment obligations were terminated with effect from, and were automatically terminated and deemed void ab initio and non-reinstatable as of, May 28, 2024 pursuant to the termination agreement entered into by the relevant parties. Other special rights granted to the [**REDACTED**] Investors, including, among others, board-related rights, protective rights, pre-emptive rights, right of first refusal, market price right, information rights and other rights which may otherwise constitute legal impediments to the [**REDACTED**], were automatically terminated and became ineffective upon submission of the [**REDACTED**] application materials by our Company to the Stock Exchange.

Lock-up Period

Pursuant to applicable PRC laws, all of the Shares in issue prior to the [**REDACTED**] (including Shares held by our [**REDACTED**] Investors) are subject to a lock-up period of 12 months from the [**REDACTED**]. Therefore, immediately following the [**REDACTED**], none of our existing Shareholders may transfer any H Shares held by them.

Information about the existing [REDACTED] Investors

The following sets forth background information of our existing [**REDACTED**] Investors:

(1) NIO Capital

Hubei Jiahu Equity Investment Partnership (Limited Partnership) (湖北嘉湖股權投資合夥企業(有限合夥)) ("**Hubei Jiahu**") is a limited partnership established under the laws of the People's Republic of China, and is an affiliated company of its limited partner, Hubei Yangtze NIO New Energy Industry Development Fund Partnership (Limited Partnership) (湖北長江蔚來新能源產業發展基金合夥企業(有限合夥)) ("**NIO Capital Fund**"), a market-oriented and leading private equity investment firm that focuses on investments in transportation, energy, materials, and other related fields, and adheres to sustainable investment with a focus on decarbonization and digital innovation. The general partner of Hubei Jiahu is Hubei Yangtze NIO New Energy Investment Management Co., Ltd. (湖北長江蔚來新能源投資管理有限公司) ("**Hubei Yangtze NIO Fund Manager**"), which also

controls the NIO Capital Fund. Hubei Yangtze NIO Fund Manager is a private fund manager, owned (i) 56.2275% by Ningbo Free Trade Zone Weixu Enterprise Management Co., Ltd. (寧波保税區蔚旭企業管理有限公司) ("**Ningbo Weixu**"), which is a limited liability company with its interests held 33.35%, 33.32%, and 33.32% respectively by Li Bin (李斌), Zhu Qian (朱茜), and Shanghai Weixu Enterprise Management Partnership (Limited Partnership) (上海蔚續企業管理合夥企業(有限合夥)), and (ii) 43.7725% by Weiran (Nanjing) Power Technology Co., Ltd. (蔚然(南京)動力科技有限公司), which is ultimately owned by NIO Group (a company listed on The Stock Exchange of Hong Kong (stock code: 9866.HK), the New York Stock Exchange (stock code: NIO.NYSE), and the Singapore Stock Exchange (stock code: SGX: NIO)).

(2) Guangzhou Jinxian

Guangzhou Jinxian is a limited partnership established in the PRC, and is a limited partnership principally engaged in investments. The general partner of Guangzhou Jinxian is Guangzhou Zexian Asset Management (廣州澤賢資產管理有限公司) ("**Guangzhou Zexian**"), holding 2% of the equity interest, and CAI Xiaodong (蔡曉東) (the brother of Mr. Cai), a limited partner, holding 98% of the equity interest. Guangzhou Zexian is wholly owned by LI Na (李娜) (the spouse of CAI Xiaodong).

(3) Fujian Aoxing

Fujian Aoxing is a limited partnership established in the PRC. As of the Latest Practicable Date, Fujian Aoxing was owned as to (i) approximately 7.0% by CAI Cixiong (蔡慈雄) as its general partner, and (ii) approximately 93% by 25 limited partners, of which CHEN Guangming (陳廣明) held approximately 31.49% equity interest in Fujian Aoxing. Among limited partners, CHEN Shaowen (陳紹文) (our Director) held approximately 16.80% equity interest, CHEN Shaoqiang (陳紹強) (the brother of CHEN Shaowen) held approximately 1.40% equity interest, CAI Jinshun (蔡金順) (a family member of a director of our subsidiary) held approximately 0.21% equity interest and LIANG Yan (梁彥) (an associate of a director of our subsidiary during past 12 months) held approximately 0.14% equity interest. As of the Latest Practicable Date, save as disclosed above, each of CAI Cixiong and other limited partners of Fujian Aoxing were Independent Third Parties.

(4) TERRAS

TERRAS is a limited company established in Singapore, and is principally engaged in investment management. As of the Latest Practicable Date, TERRAS was controlled by Toyota Tsusho Corporation. As of he Latest Practicable Date, Toyota Tsusho Corporation was an Independent Third Party.

(5) VAUCLUSE

VAUCLUSE is a limited company established in Hong Kong, and is principally engaged in investments. As of the Latest Practicable Date, VAUCLUSE was owned by CHEN Jianzhong. As of the Latest Practicable Date, CHEN Jianzhong was an Independent Third Party.

(6) Xiamen Aoyi

Xiamen Aoyi is a limited partnership established in the PRC. As of the Latest Practicable Date, Xiamen Aoyi was owned as to (i) approximately 7.70% by CHEN Shaowen (陳紹文) (our Director) as its general partner, and (ii) approximately 92.30% by other 26 limited partners, none of which holds more than 30% equity interest therein. As of the Latest Practicable Date, save for CHEN Shaowen each of 26 limited partners of Xiamen Aoyi were Independent Third Parties.

(7) Fujian Aoying

Fujian Aoying is a limited partnership established in the PRC. As of the Latest Practicable Date, Fujian Aoying was owned as to (i) approximately 26.82% by CHEN Guangming (陳廣明) as its general partner, and (ii) approximately 73.18% by other 20 limited partners, none of which holds more than 30% equity interest therein. Among limited partners, YANG Yusheng (楊毓生) (a family member of Mr. Cai) held approximately 1.88% equity interest and CHEN Shaowen (陳紹文) (our Director) held approximately 0.70% equity interest. As of the Latest Practicable Date, save as disclosed above, each other limited partners of Fujian Aoying were Independent Third Parties.

(8) Guangjin Kaide

Guangjin Kaide is a limited liability partnership established in the PRC. As of the latest practicable date, Guangzhou Guangjin Kaide was owned as to (i) approximately 0.17% by Guangzhou Jinkong Fund Management Co., Ltd. (廣州金控基金管理有限公司) as its general partner, which was ultimately controlled by The People' Government of Guangzhou City (廣州市人民政府), (ii) approximately 49.92% by Guangzhou GET Investment Holdings Co., Ltd. (廣州凱得投資控股有限公司), and (iii) approximately 49.92% by Guangdong Green Investment and Operation Co., Ltd. (廣東省綠色投資運營有限公司). As of the latest practicable date, each of Guangzhou Jinkong Fund Management Co., Ltd., Guangzhou GET Investment Holdings Co., Ltd. and Guangdong Green Investment and Operation Co., Ltd. were independent third parties.

(9) Ruihong Sanhao

Ruihong Sanhao is a limited partnership established in the PRC, and is a private equity investment fund principally engaged in investments. As of the Latest Practicable Date, Ruihong Sanhao was owned as to (i) approximately 0.10% by Shenzhen Huatuo Private Equity Investment Fund Management Co., Ltd. (深圳市華拓私募股權投資基金管理有限公司), as its general partner, which was in turn owned as to 60% by CHEN Yunxing (陳運興) and (ii) approximately 99.9% by other 10 limited partners, of which CHEN Weijian (陳偉健) held approximately 44.00% of the partnership interest in Ruihong Sanhao. As of the Latest Practicable Date, each of CHEN Yunxing and 10 limited partners of Ruihong Sanhao were Independent Third Parties.

(10) Enze Haihe

Enze Haihe is a limited partnership established in the PRC, and is a private equity investment fund principally engaged in investments. As of the Latest Practicable Date, Enze Haihe was owned as to (i) approximately 0.57% by Sinopec Haihe (Tianjin) Equity Investment Fund Management Co., Ltd. (石化海河(天津)股權投資基金管理有限公司) as its general partner, and (ii) approximately 99.43% by other 4 limited partners, of which China Petrochemical Corporation Capital Co., Ltd. (中國石化集團資本有限公司) and China Manufacturing Transformation and Upgrading Fund Co., Ltd. (國家製造業轉型升級基金股份有限公司) held approximately 45.71% and 34.28% of the partnership interest in Enze Haihe, respectively. As of the Latest Practicable Date, each of Sinopec Haihe (Tianjin) Equity Investment Fund Management Co., Ltd. and 4 limited partners of Enze Haihe were Independent Third Parties.

(11) Guangzhou Chuangdongke

Guangzhou Chuangdongke is a limited partnership established in the PRC, and is a private venture capital fund principally engaged in investments. As of the Latest Practicable Date, Guangzhou Chuangdongke was owned as to (i) approximately 0.10% by Guangdong Merchant Venture Capital Limited (廣東粵商創業投資有限公司) as its general partner, which was ultimately controlled by SHEN Hanbiao (瀋漢標), and (ii) approximately 99.9% by other 5 limited partner, of which Guangzhou Chuangaoke Venture Capital Partnership (Limited Partnership) (廣州創奧客創業投資合夥企業(有限合夥)) held approximately 74.92% of the partnership interest in Guangzhou Chuangdongke. As of the Latest Practicable Date, each of SHEN Hanbiao and 5 limited partners of Guangzhou Chuangdongke were Independent Third Parties.

(12) Shenzhen Chunyang

Shenzhen Chunyang is a limited partnership established in the PRC, and is a private equity investment fund principally engaged in investments. As of the Latest Practicable Date, Shenzhen Chunyang was owned as to (i) approximately 1.89% by Shenzhen Qianhai Chunyang Venture Capital Partnership Enterprise (Limited Partnership) (深圳前海春陽創業投資合夥企業(有限合夥)) as its general partner, which was ultimately controlled by FU Junru (傅軍如), and (ii) approximately 98.11% by other 4 limited partners, of which FU Junru held approximately 98.00% of the partnership interest in Shenzhen Chunyang. As of the Latest Practicable Date, each of FU Junru and 4 limited partners of Shenzhen Chunyang were Independent Third Parties.

(13) Jingde Guangzhou

Jingde Guangzhou is a limited partnership established in the PRC and is investment arms of KIP.The general partner of Jingde Guangzhou is KOREA INVESTMENT PARTNERS (SHANGHAI) Co., Ltd. (韓投夥伴 (上海)創業投資管理有限責任公司), which is wholly-owned by KOREA INVESTMENT PARTNERS Co., Ltd. ("**KIP**"). Jingde Guangzhou has five limited partners, with the largest being KIP KIS SEA-CHINA Fund, holding approximately 53.27% of the partnership interest. None of the other four limited partners holds more than 30.00% of the partnership interest. KIP is a limited company established in Korea, which is wholly-owned by KOREA INVESTMENT HOLDINGS Co., Ltd. (a company listed on the KOSDAQ (stock code: 071050)).

(14) Guangxi Yesheng

Guangxi Yesheng is a limited company established in the PRC, and is principally engaged in investments. As of the Latest Practicable Date, Guangxi Yesheng was owned as to (i) 60% by YE Shenghao (葉盛皓) and (ii) 40% by YE Shengnan (葉盛楠). As of the Latest Practicable Date, both of YE Shenghao and YE Shengnan were Independent Third Parties.

(15) Guangzhou Yimi

Guangzhou Yimi is a limited partnership established in the PRC, and is a private equity investment fund principally engaged in investments. As of the Latest Practicable Date, Guangzhou Yimi was owned as to (i) 1% by Guangzhou Yimikaide Equity Investment Management Partnership Enterprise (Limited Partnership) (廣州蟻米凱得股權投資管理合夥企業(有限合夥)) as its general partner, and (ii) 99% by other 3 limited partners, of which Guangzhou Yimi Technology Innovation No. 1 Investment Partnership Enterprise (Limited Partnership) (廣州蟻米科創壹號投資合夥企業(有限合夥)) held 59% of the partnership interest in Guangzhou Yimi. Guangzhou Yimikaide Equity Investment Management Partnership Enterprise (Limited Partnership) was ultimately controlled by ZHANG Jinxi (張錦喜). As of the Latest Practicable Date, each of ZHANG Jinxi and 3 limited partners of Guangzhou Yimi were Independent Third Parties.

(16) SVIC 38

SVIC 38 is a limited liability partnership established in Korea. As of the Latest Practicable Date, SVIC 38 was owned as to (i) approximately 16.5% by Samsung Venture Investment Corporation as its general partner, which is ultimately controlled by JONG HYUK LEE, and (ii) approximately 83.5% by 12 limited partners, none of which holds more than 30% equity interest therein. As of the Latest Practicable Date, each of the above partners is an Independent Third Party.

(17) Foshan Yimi

Foshan Yimi is a limited partnership established in the PRC, and is a private equity investment fund principally engaged in investments. As of the Latest Practicable Date, Foshan Yimi was owned as to (i) 0.05% by Guangdong Yimi Investment Holding Co., Ltd. (廣州蟻米投資管理有限公司) as

its general partner, and (ii) 99.95% by other two limited partners, of which Guangzhou Yimi Huake Investment Partnership (Limited Partnership) (廣州蟻米華科投資合夥企業(有限合夥)) held approximately 79.95% of the partnership interest in Foshan Yimi. Guangdong Yimi Investment Holding Co., Ltd. was ultimately controlled by ZHANG Jinxi (張錦喜). As of the Latest Practicable Date, each of ZHANG Jinxi and 2 limited partners of Foshan Yimi were Independent Third Parties.

(18) Shanghai Shine-Link

Shanghai Shine-Link is a joint stock limited liability company established in the PRC and listed on Shanghai Stock Exchange (stock code: 603648). As of the Latest Practicable Date, Shanghai Pudong New District State-owned Assets Supervision and Administration Commission (上海市浦東新區國有資產監督管理委員會) was the single largest shareholder and owned approximately 25.3% of the equity interest of Shanghai Shine-Link. As of the Latest Practicable Date, Shanghai Shine-Link was an Independent Third Party.

(19) Guangzhou Yaoying

Guangzhou Yaoying is a limited company established in the PRC, and its scope of business is investment holding. As of the Latest Practicable Date, Guangzhou Yaoying was owned as to (i) 80% by Guangzhou Qiyao Trading Co., Ltd. (廣州市啟曜貿易有限公司) and ultimately controlled by YANG Xuehua (楊雪華), and (ii) 20% by Guangzhou Little Partner Trading Co., Ltd. (廣州市小夥伴商行有限公司). As of the Latest Practicable Date, Guangzhou Yaoying was an Independent Third Party.

(20) Nanjing Meiao

Nanjing Meiao is a general partnership established in the PRC, and is principally engaged in investments. As of the Latest Practicable Date, Nanjing Meiao was owned as to 50% by XU Zhuozhang (許卓璋), 30% by DING Zhigang (丁志剛) and 20% by REN Dali (任大力), with REN Dali acting as its general partner. As of the Latest Practicable Date, all partners of Nanjing Meiao were Independent Third Parties.

(21) Zibo Yihao

Zibo Yihao is a limited partnership established in the PRC, and is a private equity investment fund principally engaged in private equity investment in technology industry. As of the Latest Practicable Date, Zibo Yihao was owned as to (i) approximately 0.26% by Guangdong Tyrannosaurus Private Equity Management Co., Ltd. (廣東暴龍私募基金管理有限公司) as its general partner, which was ultimately controlled by LI Feng (李峰) and (ii) approximately 99.74% by other 9 limited partners, none of which holds more than 30% partnership interest therein. As of the Latest Practicable Date, each of LI Feng and 9 limited partners of Zibo Yihao were Independent Third Parties.

(22) Li Xiaobin

Li Xiaobin is an individual investor and an Independent Third Party.

(23) Zhuhai Aoyue

Zhuhai Aoyue is a limited partnership established in the PRC. As of the Latest Practicable Date, Zhuhai Aoyue was owned as to (i) approximately 1.23% by ZHOU Ying (周鷹) as its general partner, and (ii) approximately 98.77% by other 20 limited partners, none of which holds more than 30% partnership interest therein. Among limited partners, YANG Ye (our deputy general manager) held approximately 20.68% equity interest. As of the Latest Practicable Date, save as disclosed above, each of ZHOU Ying and other limited partners of Zhuhai Aoyue were Independent Third Parties.

(24) Zhuhai Aoning

Zhuhai Aoning is a limited partnership established in the PRC. As of the Latest Practicable Date, Zhuhai Aoning was owned as to (i) approximately 29.57% by CAI Wenhang (蔡文航) (a director of our subsidiary) as its general partner, and (ii) approximately 70.43% by other 16 limited partners. Among limited partners, none of which holds more than 30% partnership interest therein, FAN Yanping (樊豔萍) (an associate of a supervisor of our subsidiary) held approximately 4.93% equity interest, LIANG Yan (梁彥) (an associate of a director of our subsidiary during past 12 months) held approximately 3.70% equity interest, LIN Chunying (林純英) (a family member of CAI Wenhang) held approximately 2.44% equity interest, CAI Shuying (蔡淑瑩) (our chief financial officer) held approximately 0.25% equity interest. As of the Latest Practicable Date, save as disclosed above, each of other limited partners of Zhuhai Aoning were Independent Third Parties.

Sole Sponsor's Confirmation

On the bases that (i) the consideration for the [**REDACTED**] Investments was irrevocably settled more than 28 clear days before the date of our first submission of the [**REDACTED**] application to the Stock Exchange; and (ii) all special rights of the [**REDACTED**] Investors have been terminated prior to the date of our first submission of the [**REDACTED**] application to the Stock Exchange, the Sole Sponsor confirms that the [**REDACTED**] Investments are in compliance with the Chapter 4.2 of the Guide for New Listing Applicants.

PUBLIC FLOAT AND FREE FLOAT

Upon [**REDACTED**], the H Shares directly held by Mr. Cai, Mr. Zhang, Zhuhai Aoli, Zhuhai Aoning, Xiamen Aoyi and Xiamen Aoli, being core connected persons of our Company, will not be counted towards the public float. All of the H Shares held by other Shareholders upon [**REDACTED**] will be counted towards the public float for the purposes of Rule 19A.13A of the Listing Rules.

Based on each of the low-end, mid-point and high-end of the indicative [**REDACTED**] range, the expected market capitalization of the Company's Shares will exceed HK$[**REDACTED**] but will not exceed HK$[**REDACTED**] at the time of [**REDACTED**] (without taking into account any H Shares which may be issued pursuant to the exercise of the [**REDACTED**]). Pursuant to Rule 19A.13A(1) of the Listing Rules, the minimum percentage of H Shares to be held by the public at the time of [**REDACTED**] shall be the higher of: (i) such percentage that would result in the expected market value of H Shares held by the public being HK$[**REDACTED**] at the time of [**REDACTED**]; and (ii) [**REDACTED**]%. Accordingly, the minimum prescribed percentage of H Shares required to be held by the public at the time of [**REDACTED**] would be [**REDACTED**]%, [**REDACTED**]% and [**REDACTED**]% at the low-end, mid-point and high-end of the indicative [**REDACTED**] range, respectively.

Immediately following completion of the [**REDACTED**] and the conversion of [**REDACTED**] Unlisted Shares into H Shares, the total number of H Shares of our Company held by the public will represent [**REDACTED**] H Shares or approximately [**REDACTED**]% of the total number of issued Shares of our Company, which is higher than the applicable minimum prescribed percentage of H Shares required to be in the public hands under Rule 19A.13A of the Listing Rules.

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

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

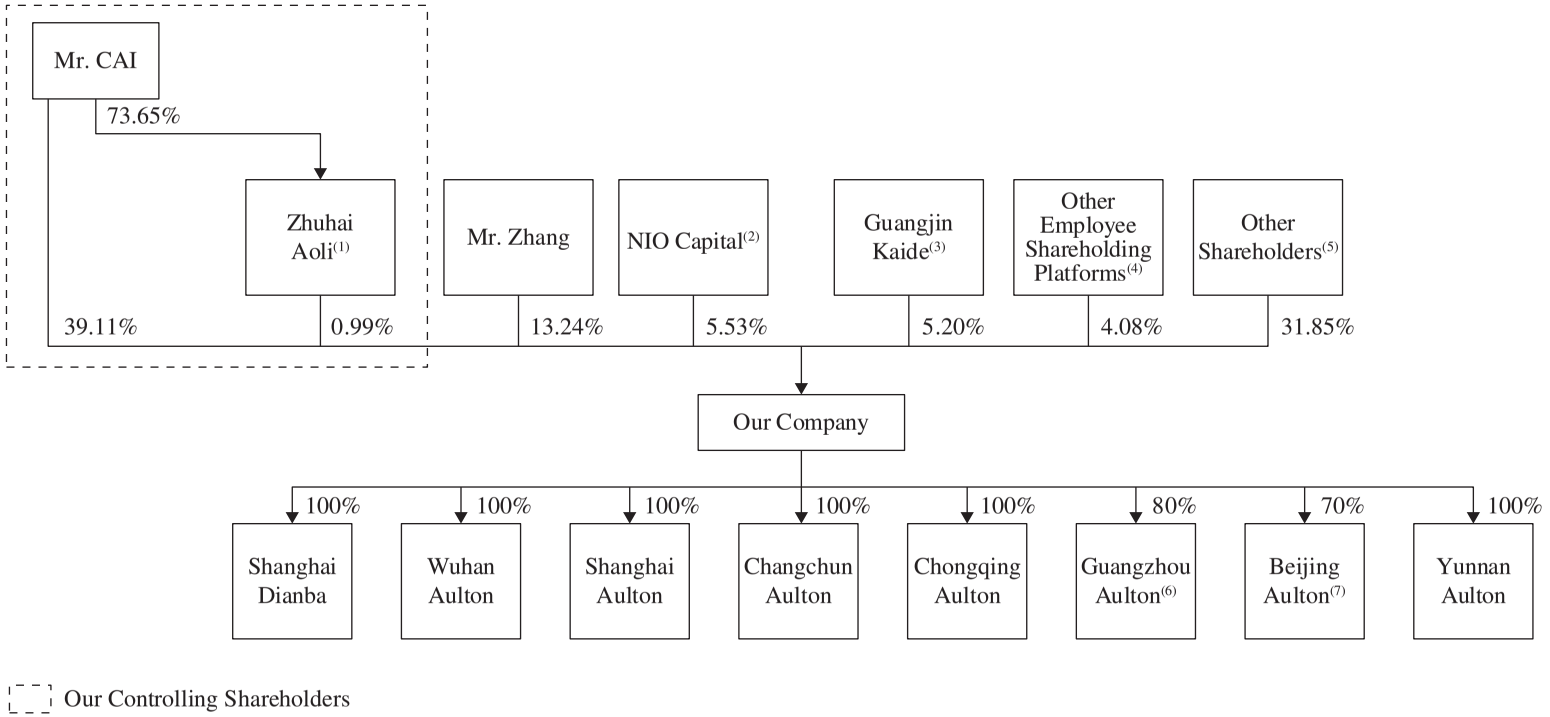
CAPITALIZATION OF OUR COMPANY

Our Company has applied for H-share full circulation to convert certain Unlisted Shares into H Shares after the [**REDACTED**]. The conversion of Unlisted Shares into H Shares will involve an aggregate of [**REDACTED**] Unlisted Shares, representing approximately [**REDACTED**]% of the total issued share capital of our Company as of the Latest Practicable Date. The table below is a summary of the capitalization of our Company as of the Latest Practicable Date and immediately after completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised) and the conversion of Unlisted Shares into H Shares:

	As of the Latest Practicable Date			Immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised)		
Shareholder	**Number of Shares held**	**Description of Shares**	**Approximate percentage of shareholding**	**Number of Shares held**	**Description of Shares**	**Approximate percentage of shareholding**
Mr. Cai	372,035,637	Unlisted Shares	39.11%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Mr. Zhang	125,900,000	Unlisted Shares	13.24%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
				[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
NIO Capital	52,556,128	Unlisted Shares	5.53%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Guangjin Kaide	49,415,130	Unlisted Shares	5.20%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Fujian Aoying	45,838,064	Unlisted Shares	4.82%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Zhuhai Aoning	40,586,605	Unlisted Shares	4.27%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Chen Shaoxiong	40,456,684	Unlisted Shares	4.25%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Guangzhou Jinxian	38,725,864	Unlisted Shares	4.07%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Enze Haihe	20,589,637	Unlisted Shares	2.16%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Fujian Aoxin	17,563,883	Unlisted Shares	1.85%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Guangzhou Chuangdongke	16,471,710	Unlisted Shares	1.73%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Zhuhai Aoyue	16,200,000	Unlisted Shares	1.70%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
VAUCLUSE	13,521,553	Unlisted Shares	1.42%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Zhuhai Aoli No. 2	10,000,000	Unlisted Shares	1.05%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Zhuhai Aoli No. 3	10,000,000	Unlisted Shares	1.05%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Zhuhai Aoli No. 4	10,000,000	Unlisted Shares	1.05%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Zhuhai Aoli	9,388,934	Unlisted Shares	0.99%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Shanghai Shine-Link	8,235,855	Unlisted Shares	0.87%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Ruihong No. 3	8,235,855	Unlisted Shares	0.87%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Li Xiaobin	7,150,000	Unlisted Shares	0.75%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Zhuhai Aoli No. 1	6,876,066	Unlisted Shares	0.72%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Shenzhen Chunyang	4,117,927	Unlisted Shares	0.43%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Guangzhou Yaoying	4,117,927	Unlisted Shares	0.43%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
TERRAS	3,995,004	Unlisted Shares	0.42%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Nanjing Meiao	3,294,342	Unlisted Shares	0.35%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Zibo No. 1	3,096,257	Unlisted Shares	0.33%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Xiamen Aoyi	2,793,172	Unlisted Shares	0.29%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Jingde Guangzhou	2,470,756	Unlisted Shares	0.26%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Guangxi Yesheng	2,058,964	Unlisted Shares	0.22%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Xiamen Aoli	1,974,508	Unlisted Shares	0.21%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Guangzhou Yimi	1,647,171	Unlisted Shares	0.17%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
SVIC 38	1,070,661	Unlisted Shares	0.11%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Foshan Yimi	823,585	Unlisted Shares	0.09%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Other public Shareholders	–	–	–	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
	951,207,879		**100%**	[**REDACTED**]		**100%**

OUR CORPORATE STRUCTURE IMMEDIATELY PRIOR TO THE [REDACTED]

The following diagram illustrates the corporate and shareholding structure of our Company immediately prior to the completion of the [**REDACTED**]:



Notes:

(1) Zhuhai Aoli is a limited partnership established in the PRC. As of the Latest Practicable Date, Zhuhai Aoli was owned as to (i) approximately 73.65% by Mr. Cai as its general partner, and (ii) approximately 24.75% by Mr. ZHANG Jianping (張建平), 1.07% by Mr. LAN Zhibo (蘭志波) and 0.53% by CHEN Min (陳敏) as its limited partners.

(2) For details of NIO Capital, please refer to "[**REDACTED**] Investments — Information about the existing [**REDACTED**] Investors" of this section.

(3) Guangjin Kaide is a limited liability partnership established in the PRC. As of the latest practicable date, Guangjin Kaide was owned as to (i) approximately 0.17% by Guangzhou Jinkong Fund Management Co., Ltd. (廣州金控基金管理有限公司) as its general partner, which was ultimately controlled by The People' Government of Guangzhou City (廣州市人民政府), (ii) approximately 49.92% by Guangzhou GET Investment Holdings Co., Ltd. (廣州凱得投資控股有限公司), and (iii) approximately 49.92% by Guangdong Green Investment and Operation Co., Ltd. (廣東省綠色投資運營有限公司). As of the latest practicable date, each of Guangzhou Jinkong Fund Management Co., Ltd., Guangzhou GET Investment Holdings Co., Ltd. and Guangdong Green Investment and Operation Co., Ltd. were independent third parties.

(4) Employee Shareholding Platforms refer to Zhuhai Aoli, Zhuhai Aoli No. 1, Zhuhai Aoli No. 2, Zhuhai Aoli No. 3, Zhuhai Aoli No. 4 and Xiamen Aoli. As of the Latest Practicable Date, the Employee Shareholder Platforms (excluding Zhuhai Aoli) directly holds approximately 4.08% of the equity interest in our Company. Please refer to "— Employee Shareholding Platforms" for details of Zhuhai Aoli, Zhuhai Aoli No. 1, Zhuhai Aoli No. 2, Zhuhai Aoli No. 3, Zhuhai Aoli No. 4 and Xiamen Aoli.

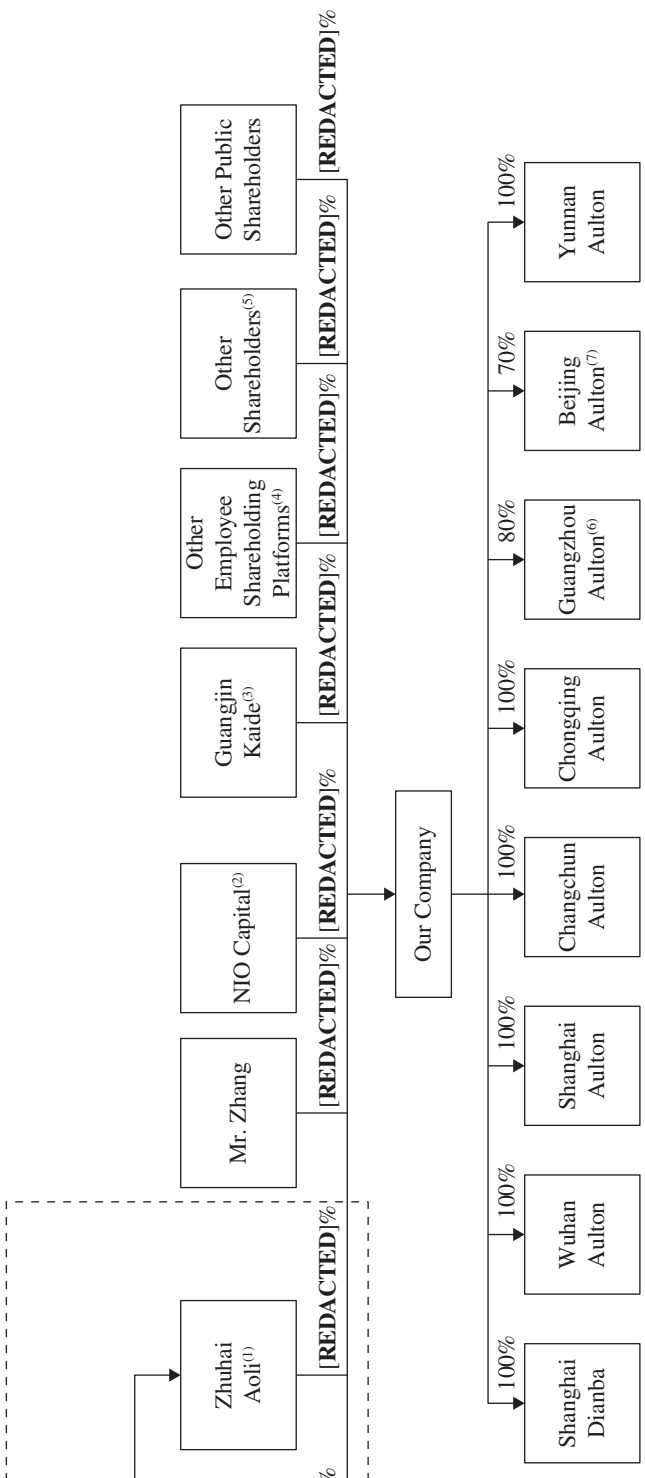
(5) As of the Latest Practicable Date, there were 23 other individual or institutional Shareholders, who were Fujian Aoying, holding 4.82% of the equity interest, Zhuhai Aoning, holding 4.27% of the equity interest, CHEN Shaoxiong (陳紹雄), holding 4.25% of the equity interest, Guangzhou Jinxian, holding 4.07% of the equity interest, Enze Haihe, holding 2.16% of the equity interest, Fujian Aoxing, holding 1.85% of the equity interest, Guangzhou Chuangduoke, holding 1.73% of the equity interest, Zhuhai Aoyue, holding 1.70% of the equity interest, VAUCLUSE, holding 1.42% of the equity interest, Ruihong Sanhao, holding 0.87% of the equity interest, Shanghai Shine-Link, holding 0.87% of the equity interest, LI Xiaobin (李曉斌), holding 0.75% of the equity interest, Guangzhou Yaoying, holding 0.43% of the equity interest, Shenzhen Chunyang, holding 0.43% of the equity interest, TERRAS, holding 0.42% of the equity interest, Nanjing Meiao, holding 0.35% of the equity interest, Zibo Yihao, holding 0.33% of the equity interest, Xiamen Aoyi, holding 0.29% of the equity interest, Jingde Guangzhou, holding 0.26% of the equity interest, Guangxi Yesheng, holding 0.22% of the equity interest, Guangzhou Yimi, holding 0.17% of the equity interest, SVIC 38, holding 0.11% of the equity interest, and Foshan Yimi, holding 0.09% of the equity interest. Save as disclosed under "[**REDACTED**] Investments — Information about the existing [**REDACTED**] Investors", each of the aforementioned shareholders were Independent Third Parties.

(6) The remaining 20% of the equity interest of Guangzhou Aulton is held by BP ADVANCED MOBILITY LIMITED., which is owned by BP p.l.c., an Independent Third Party.

(7) The remaining 30% of the equity interest of Beijing Aulton is held by Beijing Electric VEHICLE Co., Ltd. (北京新能源汽車股份有限公司), which is ultimately owned by Beijing State Owned Capital Operation and Management Co., Ltd. (北京國有資本運營管理有限公司).

OUR CORPORATE STRUCTURE IMMEDIATELY FOLLOWING THE [REDACTED]

The following diagram illustrates the corporate and shareholding structure of our Company immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised):

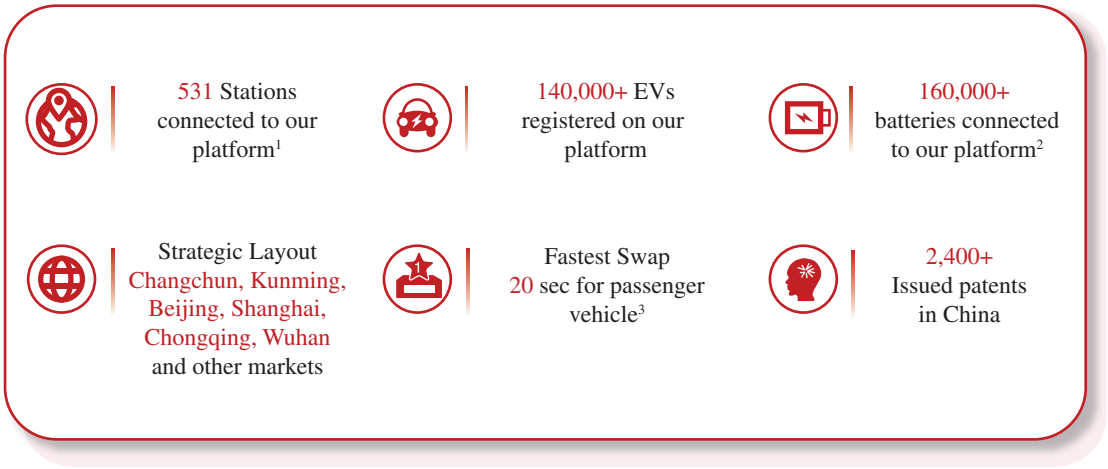


Note: see the notes to "— Our Corporate Structure Immediately Prior to the [**REDACTED**]" in this section.

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.

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 (底盘卡扣式) 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.

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.

- ***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.

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.

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,

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.

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

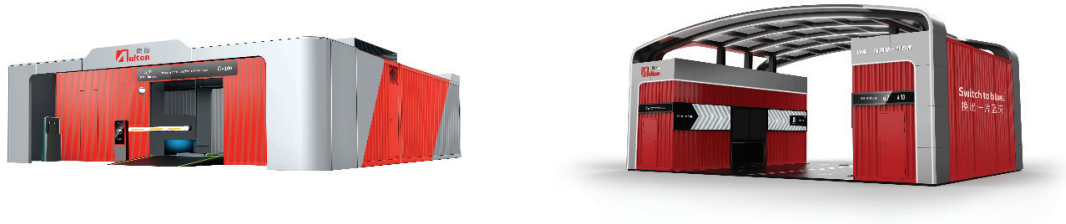
We believe that the rapid development of China's new energy infrastructure presents sufficient opportunities for battery-swapping to develop into one of the mainstream energy replenishment solutions. As an established third-party battery-swapping solution provider in China, we are committed to promoting 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.

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



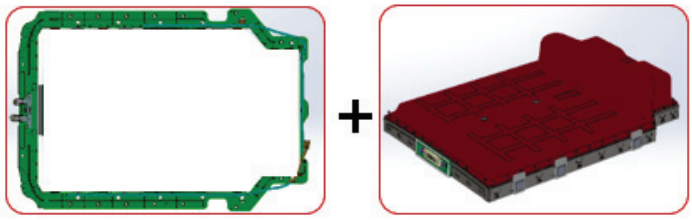
Battery-swapping stations for light trucks and heavy trucks

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.

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

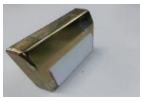


Battery frame embedded in the vehicle chassis | **Battery box that fits the battery frame**

Core Components of Battery-Swapping Modules

Buckle locking mechanism

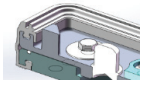
Spring ring connection



Guiding mechanism

Planar connector

Sensor



Adaptive docking system

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.

- ***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.

- ***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.

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.

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.

- ***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.

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.

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.

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

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.

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

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,

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

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.

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.

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.

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.

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

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.

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

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 repairability, 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.

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.

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.

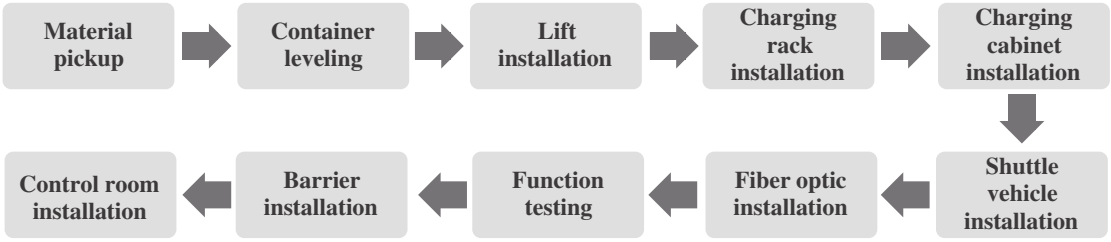
(2) The utilization rate equals actual production volume divided by the production capacity.

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."

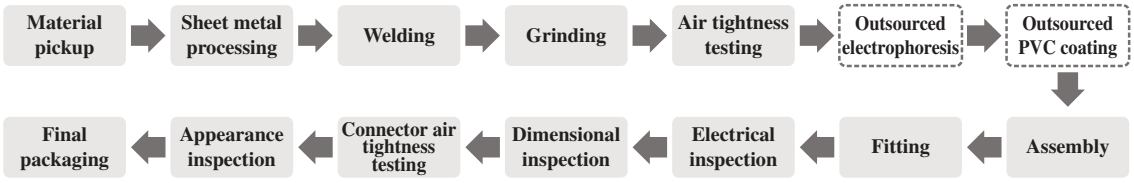
Such adjustment also reflects our ongoing refinement of market strategy, where we apply accumulated operational experience to guide selective and demand-aligned deployment. We remain focused on sustainable growth and will continue to adjust our production planning dynamically based on business needs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

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.

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	Percentage of total purchase
					RMB'000	*%*
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

Supplier	Background	Type of products provided	Relationship since	Credit term	Purchase amount	Percentage of total purchase
					RMB'000	*%*
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**

For the year ended December 31, 2024

Supplier	Background	Type of products provided	Relationship since	Credit term	Purchase amount	Percentage of total purchase
					RMB'000	*%*
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**

For the year ended December 31, 2025

Supplier	Background	Type of products provided	Relationship since	Credit term	Purchase amount	Percentage of total purchase
					RMB'000	*%*
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**

For the four months ended April 30, 2026

Supplier	Background	Type of products provided	Relationship since	Credit term	Purchase amount	Percentage of total purchase
					RMB'000	*%*
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**

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.

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	Percentage of revenue
					RMB'000	*%*
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

Customer	Background	Type of products purchased	Relationship since	Credit term	Revenue	Percentage of revenue
					RMB'000	*%*
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**

For the year ended December 31, 2024

Customer	Background	Type of products purchased	Relationship since	Credit term	Revenue	Percentage of revenue
					RMB'000	*%*
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**

For the year ended December 31, 2025

Customer	Background	Type of products purchased	Relationship since	Credit term	Revenue	Percentage of revenue
					RMB'000	*%*
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**

For the four months ended April 30, 2026

Customer	Background	Type of products purchased	Relationship since	Credit term	Revenue	Percentage of revenue
					RMB'000	*%*
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

Customer	Background	Type of products purchased	Relationship since	Credit term	Revenue	Percentage of revenue
					RMB'000	*%*
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.

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.

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.

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.

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_2e)#	440.15	782.76	566.68	85.45
Scope 2 (Indirect emissions) (tCO_2e)*	261,485.60	312,433.56	282,527.86	86,804.50
Scope 3 (Indirect emissions) (tCO_2e)	62.80	41.20	39.99	12.84
Total GHG emissions (Scopes 1 and 2) (tCO_2e)	261,925.75	313,216.32	283,094.54	86,889.95
Total GHG emissions (Scopes 1,2 & 3) (tCO_2e)	261,988.55	313,257.52	283,134.53	86,902.79

	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_2e/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.

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.

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.

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.

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.

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

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.

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. 91310115694210853100 1X) (《固定污染源排污登記回執》(登記編號: 91310115694210853100 1X))	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.

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.

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.

(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

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.

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.

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.

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.

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.

OUR CONTROLLING SHAREHOLDERS

Immediately prior to the [**REDACTED**], our Company is owned directly as to (i) approximately 39.11% by Mr. Cai and (ii) approximately 0.99% by Zhuhai Aoli, one of our Employee Shareholding Platforms, which is controlled by Mr. Cai as its sole general partner.

Immediately following the completion the [**REDACTED**], Mr. Cai and Zhuhai Aoli will be, in aggregate entitled to control the exercise of approximately [**REDACTED**]% of the voting rights (assuming the [**REDACTED**] is not exercised) or approximately [**REDACTED**]% of the voting rights (assuming the [**REDACTED**] is exercised in full). Accordingly, Mr. Cai and Zhuhai Aoli will be our Controlling Shareholders after the [**REDACTED**].

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

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

Management Independence

We are able to carry on our business independently from the Controlling Shareholders from a management perspective. Our Board consists of seven Directors, including three executive Directors, one non-executive Director and three independent non-executive Directors.

Our executive Directors and senior management team are responsible for the day-to-day management of our operations. Notwithstanding the roles of Mr. Cai in our Board, our Directors are of the view that our Company is able to function independently from Mr. Cai for the following reasons:

(a) all of the independent non-executive Directors are independent from Mr. Cai, and decisions of our Board require the approval of a majority vote from members of our Board;

(b) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;

(c) our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group;

(d) we have three independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review;

(e) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting; and

(f) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and the Controlling Shareholders which would support our independent management.

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Group independently from the Controlling Shareholders and their close associates after the [**REDACTED**].

Operational Independence

We do not rely on the Controlling Shareholders and their close associates for our business development, staffing, administration, finance, internal audit, information technology, sales and marketing, or company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from the Controlling Shareholders and their close associates. In addition, we have our own headcount of employees for our operations and management for human resources.

In 2024, our Group entered into a lease agreement (the "**Office Lease Agreement**") with Guangzhou Aofei Silicon Valley Culture Development Co., Ltd. (廣州奧飛硅谷文化發展有限公司) ("**Aofei Silicon Valley**" or the "**Lessor**"), pursuant to which the Lessor agreed to lease to our Group certain premises with a total gross area of approximately 1,787.25 sq.m. in Guangzhou, Guangdong (the "**Premises**"), primarily for our use as offices. Aofei Silicon Valley is owned by Guangzhou Aofei Culture Communication Co., Ltd. (廣州奧飛文化傳播有限公司) ("**Aofei Culture**"), Guangzhou Aochen Real Estate Co., Ltd.* (廣州奧晨置業有限公司) ("**Guangzhou Aochen**") and Guangzhou Zhongxiang Investment Development Co., Ltd. (廣州中翔投資開發有限公司) as to 35.0%, 33.0% and 32.0%, respectively. As of the Latest Practicable Date, Aofei Culture is wholly owned by Aofei Entertainment Co., Ltd.* (奧飛娛樂股份有限公司), where Mr. Cai holds 34.15% of the equity interests; Guangzhou Aochen is wholly-owned by Guangzhou Aochen Real Estate Group Co., Ltd.* (廣州奧晨房地產集團有限公司), which in turn wholly-owned by Shantou Donghuang Investment Co., Ltd. (汕頭市東煌投資有限公司), where Mr. Cai holds 52.50% of the equity interests. Therefore, Aofei Silicon Valley is an associate of Mr. Cai and constitutes a connected person of the Company under the Listing Rules. For more details in relation to the balance of the right-of-use assets recognized in respect of the Premises, see Note 35 to the Accountants' Report in Appendix I to this document.

The Office Lease Agreement has a fixed term of five years effective from October 1, 2024, and the Group entitles to the priority to renew the lease under the same circumstances before the expiration of the Office Lease Agreement. The Office Lease Agreement was entered into (i) in the ordinary and usual course of business of our Group, (ii) on arm's length basis, and (iii) on normal commercial terms with the rental being determined with reference to, among others, the prevailing market rental prices of comparable premises in the locality and the acreage of the Premises and the square meters rented.

In accordance with IFRS 16 "Leases," our Company recognized a right-of-use asset on its balance sheet in connection with the lease of each of the Premises. Therefore, the transactions under the Office Lease Agreement was recorded as an acquisition of a capital assets and one-off connected transactions of our Company for the purpose of the Listing Rules. Accordingly, the reporting, announcement, annual review and independent shareholders' approval requirements with respect to continuing connected transactions in Chapter 14A of the Listing Rules will not be applicable to the Office Lease Agreements and the transactions thereunder.

Given that (i) the Office Lease Agreement is on normal commercial terms after arm's-length negotiations in the ordinary and usual course of our business, and (ii) even if the counterparty in the transaction terminates such agreements, the interruption to our business would be limited as we would be able to find an alternative lease in the market, our Directors believe that the lease of offices from Lessors would not cast doubts on our operational independence.

During the Track Record Period, there were certain transactions between our Group and certain associates of our Controlling Shareholders. See "Financial Information — Related Party Transactions" and Note 35 of the Accountants' Report as set out in Appendix I to this document for more details.

Based on the above, our Directors believe that we are able to operate independently from the Controlling Shareholders and their close associates

Financial Independence

Our Group has its own internal control, accounting, funding, reporting and financial management system as well as accounting and finance department. Moreover, our Group opens and manages bank accounts independently and has never shared any bank account with Controlling Shareholders. Our Group has independent taxation registration according to the relevant laws and makes tax payments independently according to the applicable PRC taxation laws and regulations. Our Group has never made any tax payment jointly with Controlling Shareholders or any other entities controlled by them.

As of the Latest Practicable Date, our Group did not rely on the Controlling Shareholders and/or their close associates for any provision of financial assistance. Our Directors confirm that as of the Latest Practicable Date, none of the Controlling Shareholders or their close associates had provided any loans, guarantees or pledges to our Group and our Group did not provide any loans, guarantees or pledges to our Controlling Shareholders.

Based on the above, our Directors are of the view that we are able to maintain financial independence from our Controlling Shareholders and their close associate.

INTERESTS OF THE CONTROLLING SHAREHOLDER IN OTHER BUSINESSES

The Controlling Shareholders and the Directors confirm that as of the Latest Practicable Date, they did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"), which sets out principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and the Controlling Shareholders:

(a) where a Shareholders' meeting is to be held for considering proposed transactions in which the Controlling Shareholders or any of their respective associates has a material interest, the Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

(b) our Company has established internal control mechanisms to identify connected transactions. Upon the [**REDACTED**], if our Company enters into connected transactions with a Controlling Shareholder or any of his/its associates, our Company will comply with the applicable Listing Rules;

(c) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between the Group and the Controlling Shareholders (the "**Annual Review**") and provide impartial and professional advice to protect the interests of our minority Shareholders;

(d) the Controlling Shareholders will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the Annual Review;

(e) our Company will disclose decisions (with basis) on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements;

(f) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expenses; and

(g) we have appointed Octal Capital Limited as our Compliance Adviser to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

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

You should read the following discussion and analysis in conjunction with consolidated financial information included in "Appendix I — Accountants' Report" to this document, together with the accompanying notes. Our consolidated financial information has been prepared in accordance with IFRSs, which may differ in material aspects from generally accepted accounting principles in other jurisdictions. You should read the entire Accountants' Report and not merely rely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect the current views with respect to future events and financial performance. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate under the circumstances. However, whether the actual outcome and developments will meet our expectations and predictions depends on a number of risks and uncertainties over which we do not have control. For details, see "Forward-looking Statements" and "Risk Factors" in this document.

OVERVIEW

We are an established participant in China's battery-swapping industry, committed to building a comprehensive suite of products and services across the battery-swapping ecosystem. Through our self-developed smart energy service platform, we manage battery-swapping equipment, vehicles and batteries, which enables us to better serve the user needs. 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 of battery-swapping stations and battery-swapping modules. We sell battery-swapping stations 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 sales of equipment 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 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 of the respective periods.

Our revenue declined by 19.8% from RMB1,155.4 million in 2023 to RMB926.3 million in 2024, and further declined by 26.9% to RMB677.1 million in 2025. For the four months ended April 30, 2026, our revenue increased by 1.9% to RMB235.1 million as compared to RMB230.8 million for the same period of 2025. In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, our net loss was RMB655.5 million, RMB418.9 million, RMB307.4 million, RMB103.3 million and RMB91.4 million, respectively.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

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

Growth and Competitive Landscape of Energy Replenishment Industry

Our business is closely tied to the growth and development of China's energy replenishment industry, in particular, the battery-swapping industry. The increasing acceptance of battery-swapping among private vehicles and operational vehicles, such as ride-hailing and taxi operators, as well as the gradual adoption of battery-swapping in commercial vehicles such as heavy-duty trucks, significantly expanded the addressable market for battery-swapping infrastructure. According to CIC, the number of battery-swapping vehicles in China grew from 66 thousand in 2020 to 415 thousand units in 2025, at a CAGR of 44.3%, and is expected to reach 1,267 thousand by 2030, at a CAGR of 25.0% from 2025 to 2030. Over the same period, the number of battery-swapping stations grew from 0.6 thousand in 2020 to 6.4 thousand in 2025, representing a CAGR of 63.1% from 2020 to 2025 , and is expected to reach 26.1 thousand stations in 2030, at a CAGR of 32.5% from 2025 to 2030.

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

Our Ability to Attract Business Partners and Promote the Battery-Swapping Services

We expect to shift from a self-owned, asset-heavy model to a scalable, service-based model. Instead of relying primarily on the operation of self-owned battery-swapping stations, which entail substantial upfront capital expenditure and high depreciation, we expect to expand our revenue base by selling battery-swapping stations and providing value-added operational services, such as daily operation management, station maintenance, customer service support and/or platform services. This transformation will allow us to unlock recurring service revenue, enhance capital efficiency and reduce fixed-cost burden, all of which are critical for improving margins and supporting future expansion.

In addition, we continue to collaborate with EV OEMs to develop battery-swapping-compatible models across passenger vehicles and commercial vehicles. By expanding the number and type of compatible EV models, we expect to provide stronger assurance to third-party station investors and help accelerate market adoption. Our performance will therefore depend on our ability to maintain robust OEM relationships, ensure efficient vehicle-station integration, and deliver reliable operational services across a growing station footprint.

Our Ability to Maintain Cost-effective Manufacturing Capacity and Increase Operational Efficiency

Our results are affected by our ability to maintain stable and cost-effective production capacity, particularly for battery-swapping cabinets, mechanical systems and energy storage modules, as well as our operational capability. During the Track Record Period, we scaled up equipment supply through a mix of in-house manufacturing and qualified third-party partners to meet our station deployment needs, incurring cost of revenue of RMB1,195.2 million, RMB960.4 million, RMB711.0 million and RMB231.0 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively.

Going forward, as we expand our customer base and continue to upgrade our product offerings, our ability to control the construction and maintenance cost per station will be essential to improving profitability. We expect to achieve further cost savings through modular design, standardization of components, and digitalized production and quality control system, which will allow us to reduce per-unit production costs and enhance gross margin performance.

Fluctuation in Electricity Prices

Electricity costs constitute a significant portion of our cost of revenue, particularly in connection with the operations of our self-owned battery-swapping stations. During the Track Record Period, we procured electricity primarily from local utility providers and benefitted from off-peak pricing schemes or preferential rates in certain regions. Any electricity shortage, reductions in preferential pricing, or regional disparity in electricity supply or grid stability could adversely affect our operating costs and station profitability. Moreover, as we explore the application of V2S2G systems to reduce energy costs and enhance grid compatibility, the cost and timing of such deployments may also affect our margin profile.

Our Ability to Operate the Battery-swapping Footprint

Our battery-swapping footprint consists of self-owned battery-swapping stations as well as stations for which we provide operational services. 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. When operating our self-owned stations, we have full control over such stations. In a service-based model, we provide our technology and support to battery-swapping station owners for maintaining their daily service.

As we transition toward a service-oriented business model, our ability to support a broader battery-swapping footprint has become a key performance driver. To meet this challenge, we are focused on strengthening back-end infrastructure, ensuring operational reliability and enhancing system-wide integration. To support this shift, we have continued to enhance our smart energy service platform and station control system to provide real-time, data-driven support to both self-owned and third-party stations. We have also invested in our service teams and automation technologies to improve operating efficiency and reduce marginal service costs. Our future results of operations will therefore increasingly depend on our ability to provide comprehensive battery-swapping operational services, manage our resources across battery-swapping stations in our footprint efficiently and continue to expand our service network.

Government Grants and Preferential Tax Scheme

Our financial results are also affected by government subsidies, grants, and applicable tax incentives. The government grants we received in cash amounted to RMB71.0 million, RMB49.8 million, RMB13.5 million and RMB4.3 million, respectively, in 2023, 2024, 2025 and the four months ended April 30, 2026. The availability and amount of such support depend on prevailing government policies, our qualification status, and local fiscal conditions. Any reduction, delay or cancellation of government subsidies, or any failure to meet the criteria for tax preferential treatment, could adversely affect our profitability and cash flow.

BASIS OF PREPARATION

Our historical financial information has been prepared in accordance with applicable IFRSs issued by the IASB. The measurement basis used in the preparation of the historical financial information is the historical cost basis, except for certain financial instruments which have been measured at fair value at the end of each year during the Track Record Period.

MATERIAL ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

We have identified certain accounting policies that are significant to the preparation of our financial statements. Material accounting policies that are significant for understanding our financial condition and results of operations are set forth in detail in Note 2 of the Accountants' Report in Appendix I to this document. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. Actual results could differ from those estimates. We continually evaluate these estimates and assumptions based on the most recently available information, our own historical experience and other factors that we believe to be relevant under the circumstances. Our management has discussed the development, selection and disclosure of these estimates with our Board of Directors. Since our financial reporting process inherently relies on the use of estimates and assumptions, actual results may differ from these estimates under different assumptions or conditions. When reviewing our financial statements, you should consider (i) our selection of key accounting policies, (ii) the judgment and other uncertainties affecting the application of such policies, and (iii) the sensitivity of reported results to changes in conditions and assumptions. We believe that the material accounting policy information, estimates and judgments as detailed in Note 2 and Note 3 of the Accountants' Report in Appendix I to this document are critical and involve the most important estimates and judgments we used in preparing our historical financial information.

DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth our consolidated statements of profit or loss for the periods indicated:

	For the Year ended December 31,						For the Four Months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
							(Unaudited)			
	(RMB in thousands, except for percentages)									
Revenue	1,155,368	100.0	926,292	100.0	677,105	100.0	230,794	100.0	235,134	100.0
Cost of revenue	(1,195,222)	(103.4)	(960,394)	(103.7)	(710,998)	(105.0)	(244,597)	(106.0)	(231,011)	(98.2)
Gross (loss)/profit	**(39,854)**	**(3.4)**	**(34,102)**	**(3.7)**	**(33,893)**	**(5.0)**	**(13,803)**	**(6.0)**	**4,123**	**1.8**
Other net income/(losses)	30,773	2.7	40,717	4.4	18,474	2.7	(4,620)	(2.0)	10,716	4.6
Selling and marketing expenses	(68,702)	(5.9)	(65,789)	(7.1)	(45,840)	(6.8)	(18,045)	(7.8)	(13,226)	(5.6)
Administrative expenses	(133,036)	(11.5)	(122,977)	(13.3)	(101,313)	(15.0)	(30,584)	(13.3)	(35,470)	(15.1)

	For the Year ended December 31,						For the Four Months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
							(Unaudited)			
	(RMB in thousands, except for percentages)									
Research and development expenses	(76,356)	(6.6)	(67,093)	(7.2)	(36,997)	(5.5)	(18,659)	(8.1)	(12,950)	(5.5)
(Impairment losses)/reversal of impairment on trade and other receivables and contract assets	(1,481)	(0.1)	4,411	0.5	(16,424)	(2.4)	(1,549)	(0.7)	(2,434)	(1.0)
Impairment losses on property, plant and equipment	(41,851)	(3.6)	(12,821)	(1.4)	(64,009)	(9.5)	(4,497)	(1.9)	(28,747)	(12.2)
Loss from operations	**(330,507)**	**(28.6)**	**(257,654)**	**(27.8)**	**(280,002)**	**(41.4)**	**(91,757)**	**(39.8)**	**(77,988)**	**(33.2)**
Finance costs	(35,418)	(3.1)	(32,449)	(3.5)	(24,378)	(3.6)	(9,462)	(4.1)	(7,178)	(3.1)
Changes in the carrying amount of redemption liabilities	(281,027)	(24.3)	(121,079)	(13.1)	–	–	–	–	–	–
Share of results of joint ventures and associates	(5,577)	(0.5)	(7,158)	(0.8)	(2,337)	(0.3)	(2,071)	(0.9)	(2,543)	(1.1)
Loss before taxation	**(652,529)**	**(56.5)**	**(418,340)**	**(45.2)**	**(306,717)**	**(45.3)**	**(103,290)**	**(44.8)**	**(87,709)**	**(37.3)**
Income tax	(2,939)	(0.3)	(583)	(0.1)	(707)	(0.1)	(43)	(0.0)	(3,723)	(1.6)
Loss for the year/period	**(655,468)**	**(56.7)**	**(418,923)**	**(45.2)**	**(307,424)**	**(45.4)**	**(103,333)**	**(44.8)**	**(91,432)**	**(38.9)**

Revenue

During the Track Record Period, our principal activities included battery-swapping operational solutions and battery-swapping services through self-owned stations in China. The following table 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

Our battery-swapping operational solutions consist of sales of equipment, battery-swapping operational services and others. We generate revenue from sales of battery-swapping stations and battery-swapping modules. During the Track Record Period, our revenue from sales of equipment 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.

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.

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 battery-swapping stations by ourselves and generate revenue by providing battery-swapping services through self-owned stations for drivers and their vehicles. During the Track Record Period, our revenue from 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 of the respective periods.

Cost of Revenue

Our cost of revenue primarily consisted of inventory costs, utilities, depreciation and amortization and employee costs. The inventory costs primarily included material costs for the sales of equipment, including battery-swapping stations and battery-swapping modules. We incurred utilities, depreciation and amortization, and employee costs primarily for the operations of battery-swapping stations.

In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, our cost of revenue amounted to RMB1,195.2 million, RMB960.4 million, RMB711.0 million, RMB244.6 million and RMB231.0 million, respectively, representing 103.4%, 103.7%, 105.0%, 106.0% and 98.2% of our revenue for each of the corresponding periods, respectively. The following table sets forth a breakdown of our cost of revenue by nature for the periods indicated:

	For the Year ended December 31,						For the Four Months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	*% of total cost of revenue*	*Amount*	*% of total cost of revenue*	*Amount*	*% of total cost of revenue*	*Amount*	*% of total cost of revenue*	*Amount*	*% of total cost of revenue*
	(RMB in thousands, except for percentages)						*(Unaudited)*			
Inventory costs	461,100	38.6	197,296	20.5	111,612	15.7	29,174	11.9	52,112	22.6
Utilities	274,309	23.0	301,286	31.4	252,756	35.5	88,224	36.1	75,765	32.8
Depreciation and amortization	221,094	18.5	240,663	25.1	195,694	27.5	73,427	30	58,489	25.3
Employee costs	190,208	15.9	169,552	17.7	119,999	16.9	44,998	18.4	38,982	16.9
Operation and maintenance costs[(1)]	43,722	3.7	41,370	4.3	21,885	3.1	7,875	3.2	4,913	2.1
Others[(2)]	4,789	0.3	10,227	1.0	9,052	1.3	899	0.4	750	0.3
Total cost of revenue	**1,195,222**	**100.0**	**960,394**	**100.0**	**710,998**	**100.0**	**244,597**	**100.0**	**231,011**	**100.0**

(1) Operation and maintenance costs primarily included miscellaneous expenses for routine maintenance for our self-owned stations and stations that purchased our operational services.

(2) Others included mold sales costs, transportation and handling fees, and production equipment maintenance fees, among others.

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

	For the Year ended December 31,						For the Four Months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	*% of total cost of revenue*	*Amount*	*% of total cost of revenue*	*Amount*	*% of total cost of revenue*	*Amount*	*% of total cost of revenue*	*Amount*	*% of total cost of revenue*
							(Unaudited)			
	(RMB in thousands, except for percentages)									
Battery-swapping operational solutions										
– Sales of equipment	515,584	43.1	239,742	25.0	137,236	19.3	36,179	14.8	67,987	29.4
– Battery-swapping operational services	51,994	4.4	36,392	3.8	25,330	3.6	11,626	4.8	8,420	3.6
– Others	13,482	1.1	27,789	2.8	19,748	2.8	4,760	1.9	3,678	1.6
	581,060	**48.6**	**303,923**	**31.6**	**182,314**	**25.6**	**52,566**	**21.5**	**80,084**	**34.7**
Battery-swapping services through self-owned stations	614,162	51.4	656,471	68.4	528,684	74.4	192,032	78.5	150,926	65.3
Total cost of revenue	**1,195,222**	**100.0**	**960,394**	**100.0**	**710,998**	**100.0**	**244,597**	**100.0**	**231,011**	**100.0**

Gross (Loss)/Profit and Gross Margin

The following table sets forth the breakdown of our gross profit/loss in absolute amounts and gross margin in percentages for the periods indicated:

	For the Year ended December 31,						For the Four Months ended April 30,			
	2023		2024		2025		2025		2026	
	Gross profit/(loss)	*Gross margin*	*Gross profit/(loss)*	*Gross margin*	*Gross profit/(loss)*	*Gross margin*	*Gross profit/(loss)*	*Gross margin*	*Gross profit/(loss)*	*Gross margin*
							(Unaudited)			
	(RMB in thousands, except for percentages)									
Battery-swapping operational solutions										
– Sales of equipment	3,590	0.7	28,257	10.5	12,847	8.6	7,006	16.2	14,831	17.9
– Battery-swapping operational services	34,931	40.2	48,336	57.0	41,372	62.0	14,545	55.6	11,815	58.4
– Others	7,204	34.8	(985)	(3.7)	5,096	20.5	804	14.5	1,180	24.3
	45,725	**7.3**	**75,608**	**19.9**	**59,315**	**24.5**	**22,355**	**29.8**	**27,826**	**25.8**
Battery-swapping services through self-owned stations	(85,579)	(16.2)	(109,710)	(20.1)	(93,208)	(21.4)	(36,158)	(23.2)	(23,703)	(18.6)
Total gross (loss)/profit and overall gross margin	**(39,854)**	**(3.4)**	**(34,102)**	**(3.7)**	**(33,893)**	**(5.0)**	**(13,803)**	**(6.0)**	**4,123**	**1.8**

Our gross loss decreased from RMB39.9 million in 2023 to RMB34.1 million in 2024, and further decreased to RMB33.9 million in 2025. For the four months ended April 30, 2026, we recorded gross profit of RMB4.1 million as compared to gross loss of RMB13.8 million for the same period of 2025. Our gross loss margin was 3.4%, 3.7% and 5.0% in 2023, 2024, 2025, respectively, and our gross profit margin was 1.8% for the four months ended April 30, 2026.

For details of the fluctuations of our gross loss and gross loss margin, see "Business — Business Sustainability."

Other Net Income/Losses

Our other net income/losses primarily consisted of (i) government grants; (ii) interest income and investment income; (iii) loss on disposal of plant, property and equipment, which were primarily related to disposals of our self-owned stations; (iv) gains on disposal of subsidiaries, which reflected gains from liquidation of our loss-making subsidiaries; and (v) net exchange gains or losses. We recorded other net income of RMB30.8 million, RMB40.7 million and RMB18.5 million in 2023, 2024, 2025, respectively. We recorded other net losses of RMB4.6 million for the four months ended April 30, 2025, and other net income of RMB10.7 million for the four months ended April 30, 2026. The following table sets forth a breakdown of our other income/losses for the periods indicated:

	For the Year ended December 31,			For the Four Months ended April 30,	
	2023	2024	2025	2025	2026
				(Unaudited)	
	(RMB in thousands)				
Government grants[(1)]	19,941	37,106	14,347	2,232	4,693
Interest income and investment income	17,403	9,824	5,222	2,447	784
(Losses)/gains on disposal of plant, property and equipment and right-of-use assets, net	(4,882)	(7,336)	(4,992)	(9,702)	5,563
Impairment losses on joint ventures	–	–	(510)	–	(686)
Gain/(loss) disposal or liquidation of subsidiaries	28	735	(1)	–	–
Net foreign exchange (losses)/gains	(124)	8	7	12	–
Others	(1,593)	380	4,401	391	362
Total other net income/losses	**30,773**	**40,717**	**18,474**	**(4,620)**	**10,716**

(1) Government grants included various forms of incentives and subsidies granted by the local government authorities. There were no unfulfilled conditions and other contingencies related to subsidies that had been recognized during the Track Record Period.

Selling and Marketing Expenses

Our selling and marketing expenses primarily consisted of (i) employee costs, (ii) advertising and promotion expenses, (iii) travelling, office and business development expenses, and (iv) service fees including bidding fees and consulting service fees incurred for business expansion. In 2023, 2024 and 2025, our selling and marketing expenses were RMB68.7 million, RMB65.8 million and RMB45.8 million, respectively, representing 5.9%, 7.1% and 6.8% of our total revenue for the corresponding periods. Selling and marketing expenses for the four months ended April 30, 2025

and 2026 were RMB18.0 million and RMB13.2 million, respectively, representing 7.8% and 5.6% of our total revenue for the corresponding periods. The following table sets forth a breakdown of our selling and marketing expenses for the periods indicated:

	For the Year ended December 31,						For the Four Months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	*% of total selling and marketing expenses*	*Amount*	*% of total selling and marketing expenses*	*Amount*	*% of total selling and marketing expenses*	*Amount*	*% of total selling and marketing expenses*	*Amount*	*% of total selling and marketing expenses*
	(RMB in thousands, except for percentages)						*(Unaudited)*			
Employee costs	42,527	61.9	45,300	68.9	34,026	74.2	15,505	85.9	10,699	80.9
Advertising and promotion expenses	11,760	17.1	4,013	6.1	1,961	4.3	838	4.6	134	1.0
Travelling, office and business development expenses	6,569	9.6	6,823	10.4	4,539	9.9	1,070	5.9	1,264	9.6
Service fees	3,911	5.7	4,601	7.0	1,887	4.1	436	2.4	659	5.0
Depreciation and amortization	430	0.6	190	0.3	81	0.2	14	0.1	13	0.1
Others[(1)]	3,505	5.1	4,862	7.3	3,346	7.3	182	1.1	457	3.5
Total selling and marketing expenses	**68,702**	**100.0**	**65,789**	**100.0**	**45,840**	**100.0**	**18,045**	**100.0**	**13,226**	**100.0**

(1) Others included transfer shipping costs and vehicle usage fees, among others.

Administrative Expenses

Our administrative expenses primarily consisted of (i) employee costs, (ii) depreciation and amortization, (iii) service fees, and (iv) travelling, office and business development expenses. We incurred service fees primarily for financing consulting, auditing and intellectual property annual fees. In 2023, 2024 and 2025, our administrative expenses were RMB133.0 million, RMB123.0 million and RMB101.3 million, respectively, representing 11.5%, 13.3% and 15.0% of our revenue for the corresponding periods. Our administrative expenses for the four months ended April 30, 2025 and 2026 were RMB30.6 million and RMB35.5 million, respectively, representing 13.3% and 15.1% of our total revenue for the corresponding periods. The following table sets forth a breakdown of our administrative expenses for the periods indicated:

	For the Year ended December 31,						For the Four Months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	*% of total administrative expenses*	*Amount*	*% of total administrative expenses*	*Amount*	*% of total administrative expenses*	*Amount*	*% of total administrative expenses*	*Amount*	*% of total administrative expenses*
	(RMB in thousands, except for percentages)						*(Unaudited)*			
Employee costs	78,314	58.9	69,130	56.2	61,435	60.6	23,837	77.9	25,119	70.8
Depreciation and amortization	22,549	16.9	21,978	17.9	6,662	6.6	2,384	7.8	1,950	5.5
Service fees	8,396	6.3	6,395	5.2	4,087	4.0	1,084	3.5	632	1.8
Travelling, office and business development expenses	11,895	8.9	6,885	5.6	4,290	4.2	1,429	4.7	1,495	4.2
[**REDACTED**] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others[(1)]	11,882	9.0	12,857	10.4	13,001	12.8	505	1.7	4,078	11.5
Total administrative expenses	**133,036**	**100.0**	**122,977**	**100.0**	**101,313**	**100.0**	**30,584**	**100.0**	**35,470**	**100.0**

(1) Others included conference expenses, vehicle usage fees, electricity charges, and safety expenses, among others.

Research and Development Expenses

Our research and development expenses primarily consisted of (i) employee costs and (ii) intellectual property application, maintenance and consulting fees. We also recorded material costs for our R&D projects. In 2023, 2024 and 2025, our research and development expenses were RMB76.4 million, RMB67.1 million and RMB37.0 million, respectively, representing 6.6%, 7.2% and 5.5% of our revenue for the corresponding periods. Our research and development expenses for the four months ended April 30, 2025 and 2026 were RMB18.7 million and RMB13.0 million, respectively, representing 8.1% and 5.5% of our revenue for the corresponding periods. The following table sets forth a breakdown of our research and development expenses for the periods indicated:

	For the Year ended December 31,						For the Four Months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	*% of total research and development expenses*	*Amount*	*% of total research and development expenses*	*Amount*	*% of total research and development expenses*	*Amount*	*% of total research and development expenses*	*Amount*	*% of total research and development expenses*
	(RMB in thousands, except for percentages)						*(Unaudited)*			
Employee costs	53,666	70.3	47,871	71.4	24,880	67.3	14,671	78.6	7,888	60.9
Intellectual property application, maintenance and consulting fees	13,943	18.3	7,586	11.3	2,681	7.2	898	4.8	601	4.6
R&D material costs	2,570	3.4	2,891	4.3	2,318	6.3	648	3.5	916	7.1
Depreciation and amortization	1,655	2.2	2,139	3.2	2,080	5.6	688	3.7	612	4.7
Others[1]	4,522	5.8	6,606	9.8	5,038	13.6	1,754	9.4	2,933	22.6
Total research and development expenses	**76,356**	**100.0**	**67,093**	**100.0**	**36,997**	**100.0**	**18,659**	**100.0**	**12,950**	**100.0**

(1) Others included office expenses, travel expenses and design fees, among others.

Impairment Losses/Reversal of Impairment on Trade and Other Receivables and Contract Assets

We recorded impairment losses/reversal of impairment on trade and other receivables and contracts assets primarily due to changes in the expected recoverability of trade and other receivables and contract assets arising from the sale of goods and provision of services. We recorded impairment losses on trade and other receivables and contract assets of RMB1.5 million in 2023, a reversal of impairment of RMB4.4 million in 2024 and impairment losses of RMB16.4 million in 2025. For the four months ended April 30, 2025 and 2026, we recorded a reversal of impairment of RMB1.5 million and impairment losses of RMB2.4 million, respectively.

Impairment Losses on Property, Plant and Equipment

At the end of each year/period during the Track Record Period, we assessed whether there was any impairment indication of the non-financial assets of our battery-swapping business in each city ("CGU") that include property, plant and equipment and right-of-use assets. In view of the unfavorable future prospects of battery-swapping business in certain cities, our Group's management estimated the recoverable amount of each such CGU based on fair value less cost of disposal or the value-in-use calculations, which is higher, with the assistance of Jones Lang LaSalle Corporate Appraisal and Advisory Limited. For those CGUs with carrying amounts exceed their recoverable amounts, we recognized impairment losses of RMB41.9 million, RMB12.8 million,

RMB64.0 million, RMB4.5 million and RMB28.7 million for the year ended December 31, 2023, 2024, 2025 and for the four months ended April 30, 2025 and 2026, respectively, in the consolidated statements of profit or loss in the respective year/period. Details of the impairment assessment have been disclosed in Note 11 of the Accountants' Report in Appendix I to this document.

Finance Costs

Our finance costs primarily consisted of (i) interest on lease liabilities primarily for self-owned stations; (ii) interest on loans and borrowings; (iii) interest on trade payables; and (iv) interest on provisions for restoration costs. In 2023, 2024 and 2025, our finance costs were RMB35.4 million, RMB32.4 million and RMB24.4 million, respectively, representing 3.1%, 3.5% and 3.6% of our revenue for the corresponding periods. Our finance costs for the four months ended April 30, 2025 and 2026 were RMB9.5 million and RMB7.2 million, respectively, representing 4.1% and 3.1% of our revenue for the corresponding periods. The following table sets forth a breakdown of our finance costs for the periods indicated:

	For the Year Ended December 31,			For the Four Months ended April 30,	
	2023	2024	2025	2025	2026
				(Unaudited)	
			(RMB in thousands)		
Interest on lease liabilities	18,639	17,777	13,853	5,185	2,769
Interest on loans and borrowings	8,887	6,806	2,619	1,642	1,818
Interest on trade payables	7,412	7,412	7,412	2,470	2,470
Interest on provisions for restoration costs[(1)]	480	454	494	165	121
	35,418	**32,449**	**24,378**	**9,462**	**7,178**

(1) Pursuant to the terms of certain tenancy agreements, we are required to restore the leased land and buildings to the conditions as stipulated in the tenancy agreements at the expiration of the corresponding lease term. The provision for restoration costs was estimated based on certain assumptions and estimates made by our management with reference to historical restoration costs and/ or other available market information. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

Changes in the Carrying Amount of Redemption Liabilities

The financial instruments were primarily the redemptions rights that we granted to our investors, for which we recorded redemption liabilities. Losses from changes in the carrying amount of redemption liabilities decreased from RMB281.0 million in 2023 to RMB121.1 million in 2024, primarily because we entered into a termination agreement for the redemptions rights in May 2024. We did not record losses from changes in the carrying amount of redemption liabilities in the four months ended April 30, 2025 and 2026.

Share of Results of Joint Ventures and Associates

In 2023, 2024 and 2025, we recorded share of losses of RMB5.6 million, RMB7.2 million and RMB2.3 million, respectively. For the four months ended April 30, 2025 and 2026, we recorded share of losses of RMB2.1 million and RMB2.5 million, respectively. Such share of losses fluctuated during the Track Record Period, primarily due to the fluctuation in losses of our joint ventures and associates.

Income Tax

We recorded income tax expenses of RMB2.9 million, RMB0.6 million and RMB0.7 million in 2023, 2024 and 2025, respectively. For the four months ended April 30, 2025 and 2026, we recorded income tax benefits of RMB43.0 thousand and income tax expenses of RMB3.7 million, respectively.

The provision for current income tax in China is based on a statutory tax rate of 25% of the assessable profits of our PRC subsidiaries as determined in accordance with the Corporate Income Tax Law of China and the respective regulations except for our Company and Shanghai Dianba New Energy Technology Co., Ltd. ("**Shanghai Dianba**"). Our Company and Shanghai Dianba were certified as "High and New Technology Enterprises" and entitled to a preferential enterprise income tax rate of 15% for three calendar years, commencing on November 12, 2020 and November 18, 2020, respectively, and were certified for another three calendar years since December 28, 2023 and December 12, 2023, respectively.

Certain of our subsidiaries have been qualified as Small and Low-profit Enterprises and were entitled to a preferential effective tax rate of 5% in 2023, 2024 and 2025 and the four months ended April 30, 2025 and 2026.

An additional 100% of the qualified research and development expenses incurred was allowed to be deducted from taxable income under the PRC Income Tax Law and relevant regulations.

We did not make any provision for Hong Kong profits tax as we did not generate any assessable profits in Hong Kong during the Track Record Period.

During the Track Record Period and as of the Latest Practicable Date, we had fulfilled all our tax obligations and did not have any unresolved tax disputes.

NON-IFRS MEASURE

To supplement our historical financial information which are presented in accordance with IFRS, we also use adjusted loss (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe that this measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of items. We believe that this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

We define adjusted loss for the period (non-IFRS measure) by excluding changes in the carrying amount of redemption liabilities, share-based payment expenses and [**REDACTED**] expenses. We recorded changes in the carrying amount of redemption liabilities, which primarily represent the redemptions rights that we granted to our investors. Share-based payment expenses are non-cash expenses arising from share awards granted to certain general management personnel and employees and do not result in cash outflow. [**REDACTED**] expenses are expenses in relation to the [**REDACTED**] and the [**REDACTED**].

The following table sets forth a reconciliation of our adjusted loss (non-IFRS measure) for the periods indicated from the most directly comparable financial measure calculated and presented under IFRS and our adjusted loss margin (as a percentage of our revenue) (non-IFRS measure) for the respective periods:

	For the Year ended December 31,			For the Four Months ended April 30,	
	2023	2024	2025	2025	2026
				(Unaudited)	
	(RMB in thousands)				
Loss for the year/period	**(655,468)**	**(418,923)**	**(307,424)**	**(103,333)**	**(91,432)**
Add:					
Changes in the carrying amount of redemption liabilities	281,027	121,079	–	–	–
Share-based payment expenses	4,494	2,478	15,014	2,798	16,171
[**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Adjusted loss for the period (non-IFRS measure)	**(369,947)**	**(289,634)**	**(280,572)**	**(99,190)**	**(73,065)**
Adjusted loss margin (non-IFRS measure) (%)	(32.0)	(31.3)	(41.4)	(43.0)	(31.1)

Notes:

(1) Changes in the carrying amount of redemption liabilities represent the changes in carrying amount of our shares with redemption rights. Following the termination of the redemption rights pursuant to the relevant termination agreements entered into in May 2024, no redemption liabilities were recognized thereafter. This item is adjusted as it is non-cash in nature and is not expected to result in future cash outflows.

(2) Share-based payment expenses represent non-cash expenses arising from equity incentive arrangements, measured based on the fair value of the equity interests granted at the grant date, taking into account the consideration paid by the grantees for the subscription of such equity interests. This item is adjusted as it is non-cash in nature and is not expected to result in future cash outflows.

(3) [**REDACTED**] expenses represent expenses incurred in connection with the [**REDACTED**]. This item is adjusted as it relates to non-recurring expenses associated with the [**REDACTED**] and is not indicative of our ongoing operating performance.

RESULTS OF OPERATIONS

Four Months Ended April 30, 2026 Compared with Four Months Ended April 30, 2025

Revenue

Our revenue increased by 1.9% from RMB230.8 million for the four months ended April 30, 2025 to RMB235.1 million for the four months ended April 30, 2026, primarily due to the increase in the revenue generated from sales of equipment as a result of the increase in sales of battery-swapping stations as we continued to implement our business transition toward serving third-party station owners and expand sales to external customers; partially offset by the decrease in revenue generated from battery-swapping services through self-owned stations as we made strategic adjustments to the deployment of our self-owned battery-swapping stations in certain cities.

Cost of Revenue

Our cost of revenue decreased by 5.6% from RMB244.6 million for the four months ended April 30, 2025 to RMB231.0 million for the four months ended April 30, 2026. The decrease was primarily due to the decrease in cost of revenue in connection with battery-swapping services through self-owned stations, primarily as a result of our continued optimization of self-owned battery-swapping stations and the corresponding decrease in electricity usage, depreciation and amortization and relevant employee costs; partially offset by the increase in cost of revenue in connection with sales of equipment, which was generally in line with the increase in sales of battery-swapping stations.

Gross Profit/Loss and Gross Margin

As a result of the changes in our revenue and cost of revenue described above, we recorded gross profit of RMB4.1 million for the four months ended April 30, 2026, compared with gross loss of RMB13.8 million for the four months ended April 30, 2025. Our gross loss margin was 6.0% for the four months ended April 30, 2025, while we recorded a gross profit margin of 1.8% for the four months ended April 30, 2026.

Other Net Income/Losses

We recorded other net income of RMB10.7 million for the four months ended April 30, 2026, compared with other net losses of RMB4.6 million for the four months ended April 30, 2025, primarily due to the increase in government grants and the turnaround from net loss to net gain on disposal of plant, property and equipment and right-of-use assets. The increase in government grants was primarily due to the recognition of certain operating incentives for taxi battery-swapping stations during the four months ended April 30, 2026. The turnaround in disposal gain or loss was primarily because we incurred disposal losses in connection with station closures during the four months ended April 30, 2025, whereas in the four months ended April 30, 2026 we recognized a net gain primarily from the disposal of aged batteries.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 26.7% from RMB18.0 million for the four months ended April 30, 2025 to RMB13.2 million for the four months ended April 30, 2026, primarily due to the decrease in employee costs as a result of our continued optimization of sales personnel structure and remuneration structure.

Administrative Expenses

Our administrative expenses increased by 16.0% from RMB30.6 million for the four months ended April 30, 2025 to RMB35.5 million for the four months ended April 30, 2026, primarily due to the increase in employee costs, mainly attributable to higher share-based payment expenses resulting from additional option grants made in late 2025.

Research and Development Expenses

Our research and development expenses decreased by 30.5% from RMB18.7 million for the four months ended April 30, 2025 to RMB13.0 million for the four months ended April 30, 2026, primarily attributable to the decrease in employee costs as a result of our continued optimization of R&D personnel structure and remuneration structure, and, to a lesser extent, the decrease in intellectual property application, maintenance and consulting fees.

Impairment Losses/Reversal of Impairment on Trade and Other Receivables and Contract Assets

We recorded Impairment Losses on trade and other receivables and contract assets of RMB1.5 million for the four months ended April 30, 2025, compared with impairment losses of RMB2.4 million for the four months ended April 30, 2026, primarily due to the recognition of impairment losses on certain other receivables as a result of the increased credit risk of a third party.

Impairment Losses on Property, Plant and Equipment

Our impairment losses on property, plant and equipment significantly increased from RMB4.5 million for the four months ended April 30, 2025 to RMB28.7 million for the four months ended April 30, 2026, primarily because certain assets relating to our self-owned battery-swapping stations had lower expected recoverable amounts as a result of our strategic optimization of the deployment of such stations.

Finance Costs

Our finance costs decreased by 24.2% from RMB9.5 million for the four months ended April 30, 2025 to RMB7.2 million for the four months ended April 30, 2026, primarily because the interest on lease liabilities decreased as a result of the reduction in lease liabilities following our station portfolio optimization.

Share of Results of Joint Ventures and Associates

Our share of results of joint ventures and associates increased from a loss of RMB2.1 million for the four months ended April 30, 2025 to a loss of RMB2.5 million for the four months ended April 30, 2026, primarily due to the increase in losses recorded by certain joint ventures and associates.

Income Tax

We recorded income tax benefits of RMB43.0 thousand for the four months ended April 30, 2025 and income tax expenses of RMB3.7 million the four months ended April 30, 2026.

Loss for the Period

As a result of the above, our loss for the period decreased by 11.5% from RMB103.3 million for the four months ended April 30, 2025 to RMB91.4 million for the four months ended April 30, 2026.

Year Ended December 31, 2025 Compared with Year Ended December 31, 2024

Revenue

Our revenue decreased by 26.9% from RMB926.3 million in 2024 to RMB677.1 million in 2025, mainly due to the decrease in revenue generated from sales of equipment and the decrease in revenue generated from battery-swapping services through self-owned stations. Such decreases were primarily attributable to our strategic adjustments to the deployment of self-owned battery-swapping stations in certain cities as part of our transition toward a more asset-light operating model, together with the decrease in customer demand for battery-swapping stations and battery-swapping modules as customers adopted a more cautious approach toward capital expenditure and procurement amid a more competitive market environment.

Cost of Revenue

Our cost of revenue decreased by 26.0% from RMB960.4 million in 2024 to RMB711.0 million in 2025, primarily due to the decreases in cost of revenue for sales of equipment and battery-swapping services through self-owned stations. The decrease in cost of revenue for sales of equipment was primarily due to the decrease in relevant sales. The decrease in cost of revenue for battery-swapping services through self-owned stations was primarily due to our strategic adjustments to the deployment of self-owned battery-swapping stations in certain cities as part of our transition toward a more asset-light operating model, which resulted in decreased electricity usage, depreciation and amortization and relevant employee costs.

Gross Loss and Gross Loss Margin

As a result of the changes in our revenue and cost of revenue described above, our gross loss decreased by 0.6% from RMB34.1 million in 2024 to RMB33.9 million in 2025. Our gross loss margin widened from 3.7% in 2024 to 5.0% in 2025.

Other Net Income

Our other net income decreased by 54.5% from RMB40.7 million in 2024 to RMB18.5 million in 2025, primarily due to the decrease in government grants and interest income and investment income, partially offset by a decrease in the net loss on disposal of plant, property and equipment and right-of-use assets. The decrease in government grants was primarily because certain one-off government subsidies and operating incentives recognized in 2024 did not recur in 2025, while the decrease in net loss on disposal was primarily because the increase in gains from the early termination of leases exceeded the increase in losses arising from the disposal of property, plant and equipment in 2025 compared with 2024.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 30.4% from RMB65.8 million in 2024 to RMB45.8 million in 2025, primarily because we continued to optimize our sales personnel structure and control sales-related expenditures, resulting in decreases in employee costs, service fees, advertising and promotion expenses, and travelling, office and business development expenses.

Administrative Expenses

Our administrative expenses decreased by 17.6% from RMB123.0 million in 2024 to RMB101.3 million in 2025, primarily due to the decrease in depreciation and amortization following the reduction in the relevant asset base, and the decrease in employee costs as we continued to streamline our administrative personnel and optimize our management structure, partially offset by the increases in [**REDACTED**] expenses as the [**REDACTED**] progressed and share-based payment expenses included in employee costs following additional grants under our equity incentive scheme.

Research and Development Expenses

Our research and development expenses decreased by 44.9% from RMB67.1 million in 2024 to RMB37.0 million in 2025, primarily attributable to the decrease in employee costs as a result of our continued optimization of R&D personnel structure and remuneration structure, and the decrease in intellectual property application, maintenance and consulting fees as our core patents and foundational patents had been substantially established in earlier periods.

Impairment Losses/Reversal of Impairment on Trade and Other Receivables and Contract Assets

We recorded a reversal of impairment on trade and other receivables and contract assets of RMB4.4 million in 2024, compared with impairment losses of RMB16.4 million in 2025, primarily due to impairment losses recognized on certain other receivables in 2025 as a result of the increased credit risk of a third party.

Impairment Losses on Property, Plant and Equipment

Our impairment losses on property, plant and equipment significantly increased from RMB12.8 million in 2024 to RMB64.0 million in 2025, primarily because certain assets relating to our self-owned battery-swapping stations had lower expected recoverable amounts as a result of our strategic optimization of the deployment of such stations.

Finance Costs

Our finance costs decreased by 24.7% from RMB32.4 million in 2024 to RMB24.4 million in 2025, primarily due to the decrease in the interest on lease liabilities as a result of the reduction in lease liabilities following our station portfolio optimization and the decrease in interest on loans and borrowings as a result of the reduction in the principal amount of our short-term borrowings.

Changes in the Carrying Amount of Redemption Liabilities

Changes in the carrying amount of redemption liabilities decreased by 100% from RMB121.1 million in 2024 to nil in 2025, primarily because the relevant redemption rights under the equity financing arrangements were terminated pursuant to termination agreements entered into with the relevant investors in May 2024, and no redemption liabilities were recognized thereafter.

Share of Results of Joint Ventures and Associates

Our share of results of joint ventures and associates narrowed from a loss of RMB7.2 million in 2024 to a loss of RMB2.3 million in 2025, primarily due to the improved operating results of certain joint ventures and associates.

Income Tax

We recorded income tax benefits of RMB0.6 million in 2024 and income tax expenses of RMB0.7 million in 2025.

Loss for the Year

As a result of the above, our loss for the year decreased by 26.6% from RMB418.9 million in 2024 to RMB307.4 million in 2025.

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue

Our revenue decreased by 19.8% from RMB1,155.4 million in 2023 to RMB926.3 million in 2024, mainly due to the decrease in the revenue generated from sales of equipment. Such decrease was primarily attributable to a more cautious purchasing decision-making process for customers, partially offset by the increase in the revenue generated from battery-swapping services through self-owned stations as a result of the increase in the number of self-owned stations and registered EVs in Chongqing and Wuhan.

Cost of Revenue

Our cost of revenue decreased by 19.6% from RMB1,195.2 million in 2023 to RMB960.4 million in 2024, primarily due to the decrease in cost of revenue for sales of equipment, partially offset by the increase in cost of revenue for battery-swapping services through self-owned stations. The decrease in cost of revenue for sales of equipment was primarily due to the decrease in relevant sales. The decrease in cost of revenue for battery-swapping services through self-owned stations was primarily due to increased electricity usage and increased depreciation of our new self-owned stations.

Gross Loss and Gross Loss Margin

As a result of the changes in our revenue and cost of revenue described above, our gross loss decreased by 14.5% from RMB39.9 million in 2023 to RMB34.1 million in 2024. Our gross loss margin remained stable at 3.4% and 3.7% in 2023 and 2024, respectively.

Other Net Income

Our other net income increased by 32.1% from RMB30.8 million in 2023 to RMB40.7 million in 2024, primarily due to the increase in government grants, partially offset by a decrease in interest income and investment income and an increase in the loss on disposal of plant, property and equipment and right-of-use assets. The increase in government grants was primarily because we received increased grants due to our improved operational scales and standards. The increase in the loss on disposal of plant, property and equipment and right-of-use assets was primarily because we made strategic adjustments to the deployment of our self-owned battery-swapping stations in certain cities.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 4.2% from RMB68.7 million in 2023 to RMB65.8 million in 2024, remaining stable from 2023 to 2024.

Administrative Expenses

Our administrative expenses decreased by 7.5% from RMB133.0 million in 2023 to RMB123.0 million in 2024, primarily due to our implementation of various cost-reduction measures to reduce employee costs and travelling, office and business development expenses.

Research and Development Expenses

Our research and development expenses decreased by 12.2% from RMB76.4 million in 2023 to RMB67.1 million in 2024, primarily attributable to our implementation of various cost-reduction measures to reduce employee costs, and our streamlined intellectual property application strategy to reduce intellectual property application, maintenance and consulting fees.

Impairment Losses/Reversal of Impairment on Trade and Other Receivables and Contract Assets

Our impairment losses/reversal of impairment on trade and other receivables and contract assets turned from a loss of RMB1.5 million in 2023 to a reversal of RMB4.4 million in 2024, primarily because long-aged trade receivable balance at the end of 2024 decreased compared to the end of 2023, resulting in the reversal of previously accrued credit impairment provisions in 2024.

Impairment Losses on Property, Plant and Equipment

Our impairment losses on property, plant and equipment decreased by 69.5% from RMB41.9 million in 2023 to RMB12.8 million in 2024, primarily because the number of our self-owned stations decreased from 322 as of December 31, 2023 to 291 as of December 31, 2024.

Finance Costs

Our finance costs remained stable at RMB35.4 million in 2023 and RMB32.4 million in 2024.

Changes in the Carrying Amount of Redemption Liabilities

Changes in the carrying amount of redemption liabilities decreased by 56.9% from RMB281.0 million in 2023 to RMB121.1 million in 2024, primarily because we entered into a termination agreement for the redemptions rights in May 2024.

Share of Results of Joint Ventures and Associates

Our share of results of joint ventures and associates widened from a loss of RMB5.6 million in 2023 to a loss of RMB7.2 million in 2024, primarily due to the increase in losses of our joint ventures and associates.

Income Tax

We recorded income tax expenses of RMB2.9 million and RMB0.6 million in 2023 and 2024, respectively.

Loss for the Year

As a result of the above, our loss for the year decreased by 36.1% from RMB655.5 million in 2023 to RMB418.9 million in 2024.

DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Non-current assets				
Property, plant and equipment	1,170,057	968,789	804,316	755,801
Right-of-use assets	406,999	349,232	256,537	237,887
Intangible assets	6,037	5,646	4,218	3,716
Interests in joint ventures and associates	19,259	31,833	28,097	25,163
Other non-current financial assets	24,732	25,444	45,958	51,261
Other non-current assets	22,324	16,249	112,156	58,643
Deferred tax assets	67	83	44	35
Total non-current assets	**1,649,475**	**1,397,276**	**1,251,326**	**1,132,506**
Current assets				
Inventories	220,246	204,325	138,896	125,916
Contract assets	20,520	1,296	2,690	2,608
Trade and other receivables	363,083	214,753	223,571	264,236
Prepayments	9,377	10,090	12,948	14,943
Other financial assets	27,581	5,955	2,339	1,908
Financial assets measured at fair value through profit or loss ("FVPL")	–	200,000	–	–
Restricted bank deposits	66,697	91,185	62,125	19,112
Cash and cash equivalents	586,718	391,378	268,555	298,107
Total current assets	**1,294,222**	**1,118,982**	**711,124**	**726,830**
Current liabilities				
Contract liabilities	45,369	17,080	14,472	10,763
Trade and other payables	580,007	584,524	497,510	452,927
Loans and other borrowings	378,617	312,943	232,500	262,249
Redemption liabilities	3,793,869	–	–	–
Lease liabilities	72,514	65,071	65,988	61,482
Provisions	20,419	24,461	20,600	21,050
Current taxation	1,854	209	1,492	6,480
Total current liabilities	**4,892,649**	**1,004,288**	**832,562**	**814,951**
Net current (liabilities)/ assets	**(3,598,427)**	**114,694**	**(121,438)**	**(88,121)**
Total assets less current liabilities	**(1,948,952)**	**1,511,970**	**1,129,888**	**1,044,385**
Non-current liabilities				
Lease liabilities	318,715	279,957	198,080	184,577
Provisions	11,224	10,791	7,642	7,574
Deferred income	4,000	4,000	–	–
Deferred tax liabilities	5,620	5,078	3,918	1,944
Total non-current liabilities	**339,559**	**299,826**	**209,640**	**194,095**

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
NET (LIABILITIES)/ ASSETS	**(2,288,511)**	**1,212,144**	**920,248**	**850,290**
CAPITAL AND RESERVES				
Paid-in capital/share capital	951,208	951,208	951,208	951,208
Reserves	(3,182,595)	353,923	105,645	46,854
Total equity attributable to equity shareholders	**(2,231,387)**	**1,305,131**	**1,056,853**	**998,062**
Non-controlling interests	(57,124)	(92,987)	(136,605)	(147,772)
TOTAL (DEFICIT)/ EQUITY	**(2,288,511)**	**1,212,144**	**920,248**	**850,290**

Property, Plant and Equipment

Our property, plant and equipment primarily consisted of (i) plants and buildings, (ii) machineries for battery-swapping stations, including battery-swapping equipment and electrical power facilities, (iii) batteries, (iv) other machineries, and (v) construction in progress primarily for our self-owned stations. The table below sets forth a breakdown of the net carrying amount of our property, plant and equipment as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Plants and buildings	69,541	67,464	65,387	64,695
Machineries for battery-swapping stations	476,152	425,724	376,291	352,638
Batteries[(1)]	364,199	257,238	179,396	199,119
Other machineries	62,650	42,526	34,502	32,438
Vehicles	1,223	1,266	3,195	2,622
Office equipment and others	16,654	12,659	7,389	6,634
Construction in progress	179,638	161,912	138,156	97,655
	1,170,057	968,789	804,316	755,801

(1) Batteries primarily included spare EV batteries at our self-owned battery-swapping stations.

Our property, plant and equipment decreased from RMB1,170.1 million as of December 31, 2023 to RMB968.8 million as of December 31, 2024, RMB804.3 million as of December 31, 2025, and further to RMB755.8 million as of April 30, 2026, primarily due to ongoing depreciation and limited new capital expenditure during the periods.

Right-of-use Assets

Our right-of-use assets primarily represented the carrying amounts of plants, buildings and land use rights for office space and battery-swapping stations. Our right-of-use assets decreased from RMB407.0 million as of December 31, 2023 to RMB349.2 million as of December 31, 2024, RMB256.5 million as of December 31, 2025, and further to RMB237.9 million as of April 30, 2026, primarily due to the lease amortization and the expiration or termination of certain lease agreements.

Intangible Assets

Our intangible assets primarily included software. Our intangible assets were RMB6.0 million as of December 31, 2023, and our intangible assets remained relatively stable at RMB5.6 million as of December 31, 2024. Our intangible assets decreased from RMB4.2 million as of December 31, 2025 to RMB3.7 million as of April 30, 2026, primarily due to amortization.

Other Non-current Financial Assets

Our other non-current financial assets primarily consisted of investments in unlisted equity securities and long-term certificates of deposit. We held unlisted equity investment in an entity. This entity is incorporated in China. We designated our investment in unlisted equity securities at non-recycling FVOCI, as the investment is held for strategic purposes.

Our other non-current financial assets increased from RMB24.7 million as of December 31, 2023 to RMB25.4 million as of December 31, 2024, and further to RMB46.0 million as of December 31, 2025 and RMB51.3 million as of April 30, 2026, primarily due to the placement and subsequent increase in long-term certificates of deposit, as well as changes in the fair value of our unlisted equity securities based on valuation reports issued by an independent valuer, Guangdong Zhongqi Huazhengcheng Asset Real Estate Land Appraisal and Cost Consulting Co., Ltd. (廣東中企華正誠資產房地產土地評估造價諮詢有限公司).

Other Non-current Assets

Our other non-current assets primarily included (i) prepayment for long-term assets, which primarily included prepayment for EV batteries; (ii) non-current portion of rental deposits; and (iii) other long-term prepayments, which represent refundable funds used for joint development for battery-swapping EVs with EV OEMs and battery manufacturers. The table below sets forth a breakdown of the other non-current assets as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Prepayment for long-term assets	8,560	7,823	90,528	33,506
Rental deposits – non-current	7,764	8,426	7,142	6,579
Other long-term prepayments	6,000	–	14,486	18,558
	22,324	16,249	112,156	58,643

Our other non-current assets decreased from RMB22.3 million as of December 31, 2023 to RMB16.2 million as of December 31, 2024, primarily because we did not recognize any other long-term prepayments as of December 31, 2024. Our other non-current assets then increased to RMB112.2 million as of December 31, 2025, primarily due to the increase in prepayments for long-term assets in connection with spare battery purchases and station construction projects, as well as the increase in other long-term prepayments for the joint development of new battery-swapping EVs with an EV OEM. Our other non-current assets then decreased to RMB58.6 million as of April 30, 2026, primarily due to the decrease in prepayments for long-term assets following the completion of certain spare battery purchase projects.

Inventories

Our inventories primarily comprised of (i) raw materials, including containers, charging systems, shuttles, speed reducers, connectors, container bodies and covers, sensors, cables, among others; (ii) work in progress, including enclosures and chassis being processed, as well as modular

assemblies, such as unlocking mechanisms, charging connector assemblies, and lift assemblies; (iii) finished goods, such as battery swapping stations and battery packs; and (iv) goods in transit, which represented equipment that had been shipped but were awaiting customers' acceptance after equipment commissioning. The following table sets forth our inventories (net of impairment) as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Raw materials	116,125	104,417	82,975	84,883
Work in progress	8,064	7,993	10,459	8,957
Finished goods	48,280	58,953	27,675	23,464
Goods in transit	47,777	32,962	17,787	8,612
	220,246	204,325	138,896	125,916

Our inventories decreased from RMB220.2 million as of December 31, 2023 to RMB204.3 million as of December 31, 2024, primarily due to the optimization of our internal production and sales coordination mechanisms. Our inventories further decreased to RMB138.9 million as of December 31, 2025 and RMB125.9 million as of April 30, 2026, primarily due to our continued enhancement of inventory management and reduced stocking of raw materials to improve inventory turnover and reduce working capital occupation.

The following table sets forth the number of our inventory turnover days for the periods indicated:

	For the Year ended December 31,			For the Four Months ended April 30,
	2023	2024	2025	2026
Inventory turnover days*	80	81	88	69

* Inventory turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of inventories (net of impairment) in that period by relevant cost of revenue for the corresponding period and then multiplying by the number of days in the year/period, which were 365 days for the years ended December 31, 2023 and 2025, 366 days for the year ended December 31, 2024, and 120 days for the four months ended April 30, 2026.

Our inventory turnover days remained relatively stable at 80 days in 2023 and 81 days in 2024. Our inventory turnover days increased from 81 days for 2024 to 88 days in 2025, primarily due to the decrease in cost of revenue as a result of lower sales in 2025. Our inventory turnover days decreased from 88 days in 2025 to 69 days for the four months ended April 30, 2026, primarily because we maintained a lower average inventory balance through enhanced inventory management and better alignment of procurement and production arrangements with customer demand and delivery schedules.

The following table sets forth our aged inventories (net of impairment) for the periods indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Within 1 year	161,191	139,899	68,062	54,628
1 to 2 years	45,104	17,413	13,752	15,668
2 to 3 years	13,403	43,027	16,236	1,896
Over 3 years	548	3,986	40,846	53,724
	220,246	204,325	138,896	125,916

As of May 31, 2026, approximately RMB14.4 million, or 11.0%, of our inventories as of April 30, 2026, had been subsequently used or sold. The relatively low subsequent utilization or sales ratio was primarily attributable to the nature of our business and inventory composition, as a significant portion of our inventories consisted of battery-swapping station equipment, components and related materials held for future station deployment, project installation and operational needs, which generally involve relatively longer deployment and utilization cycles.

During the Track Record Period, we regularly reviewed the aging, condition and expected usage or sale of our inventories and assessed whether any inventories were carried in excess of their net realizable value. Based on such assessment and taking into account, among others, subsequent utilization and sales, expected project deployment schedules and operational needs, our Directors are of the view that no material impairment indicators were identified in respect of our inventories during the Track Record Period, and the provisions made for inventory write-down were sufficient and adequate.

Trade and Other Receivables

Our trade and other receivables primarily consisted of trade receivables, other receivables and deposits, and value-added tax recoverable. The following table sets forth the details of our trade and other receivables as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Trade receivables, net of loss allowance	302,912	166,037	154,187	194,970
Bills receivable	–	100	10	10
Other receivables and deposits, net of loss allowance	36,595	21,991	50,646	46,270
Value-added tax recoverable	23,576	20,625	18,728	22,986
Other current assets	–	6,000	–	–
	363,083	214,753	223,571	264,236

Our trade and other receivables decreased from RMB363.1 million as of December 31, 2023 to RMB214.8 million as of December 31, 2024, primarily due to the decrease in trade receivables as a result of lower sales of equipment and our enhanced efforts to collect receivables. Our trade and other receivables increased to RMB223.6 million as of December 31, 2025, primarily due to the increase in other receivables and deposits relating to a collaboration project with a third-party ride-hailing company to promote battery-swapping EVs, partially offset by the decrease in trade receivables as a result of lower revenue in 2025 and our continued collection efforts. Our trade and other receivables further increased to RMB264.2 million as of April 30, 2026, primarily due to the increase in trade receivables arising from new equipment sales during the four months ended April 30, 2026.

Customers generally prepay for our battery-swapping services through self-owned stations. For our battery-swapping operational services, customers generally pay relevant fees on a monthly basis. Customers for our battery-swapping stations generally make payments to us in installments, and we generally grant a credit period of 30 to 90 days to customers for our battery-swapping modules. We maintain strict control over outstanding receivables and operate a dedicated financial department tasked with minimizing credit risk. Senior management regularly reviews overdue balances to ensure timely follow-up and resolution.

The following table sets forth the number of our trade receivables turnover days for the periods indicated:

	For the Year ended December 31,			For the Four Months ended April 30,
	2023	2024	2025	2026
Trade receivables turnover days*	97	93	86	89

* Trade receivables turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of trade receivables (net of loss allowance) in that period by revenue for the corresponding period and then multiplying by the number of days in the relevant year/period, which were 365 days for the years ended December 31, 2023 and 2025, 366 days for the year ended December 31, 2024, and 120 days for the four months ended April 30, 2026.

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

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Within 1 year	299,755	128,448	113,696	161,418
Over 1 year but within 2 years	261	35,782	38,364	28,404
Over 2 years but within 3 years	2,627	171	1,921	5,148
Over 3 years but within 4 years	269	1,636	206	–
	302,912	166,037	154,187	194,970

As of May 31, 2026, approximately RMB28.4 million, or 14.0%, of our trade receivables as of April 30, 2026, had been settled.

Prepayments

During the Track Record Period, we made prepayments primarily to suppliers for raw materials. As of December 31, 2023, 2024 and 2025 and April 30, 2026, our prepayments were RMB9.4 million, RMB10.1 million, RMB12.9 million and RMB14.9 million, respectively.

Trade and Other Payables

Our trade and other payables included trade payables and bills payables related to raw material and asset purchases, staff cost payables, other tax payables, amounts received on behalf of battery-swapping station operators, accrued interest of trade payables, advances from government authorities, and other payables and accrued charges.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Trade payables – Third parties	387,675	322,058	272,035	241,488

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
– Related parties	1,636	1,827	2,929	2,780
	389,311	323,885	274,964	244,268
Staff cost payables	42,193	30,506	18,762	14,820
Other tax payables	22,201	7,910	10,344	7,150
Amounts received on behalf of battery-swapping station operators	79,783	68,824	35,369	25,450
Accrued interest of trade payables	25,638	32,814	39,989	42,381
Advances from government authorities	–	97,000	97,000	97,000
Other payables and accrued charges	20,881	23,585	21,082	21,858
	580,007	584,524	497,510	452,927

The following table sets forth the number of our trade payables turnover days for the periods indicated:

	For the Year ended December 31,			For the Four Months ended April 30,
	2023	2024	2025	2026
Trade payables turnover days*	143	136	154	135

* Trade payables turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of trade payables in that period by cost of revenue for the corresponding period and then multiplying by the number of days in the relevant year/period, which were 365 days for the years ended December 31, 2023 and 2025, 366 days for the year ended December 31, 2024, and 120 days for the four months ended April 30, 2026.

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

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Within 1 year	215,126	138,983	93,777	57,187
1 to 2 years	47,373	23,145	28,333	19,002
2 to 3 years	49,315	38,315	7,072	15,669
Over 3 years	77,497	123,442	145,782	152,410
	389,311	323,885	274,964	244,268

As of May 31, 2026, approximately RMB26.2 million, or 10.2%, of our trade payables as of April 30, 2026, had been settled.

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of cash are to fund the daily operations of our business. During the Track Record Period, we financed our capital expenditures and working capital requirements principally with cash generated from our operations, bank borrowings and financing activities. Going forward, we believe that our liquidity requirements will be satisfied with a combination of cash flows generated from our operating activities, bank loans and other borrowings, net proceeds from the [**REDACTED**] and other funds raised from the capital markets from time to time. Any significant decrease in the demand or market prices of our battery-swapping solutions, or a significant decrease in the availability of bank loans or other financing may adversely impact our liquidity. As of December 31, 2023, 2024, 2025 and April 30, 2026, we had cash and cash equivalents of RMB586.7 million, RMB391.4 million, RMB268.6 million and RMB298.1 million, respectively.

Net Current Liabilities/Assets

	As of December 31,			As of April 30, 2026	As of May 31, 2026
	2023	2024	2025		
					(Unaudited)
			(RMB in thousands)		
Current assets					
Inventories	220,246	204,325	138,896	125,916	118,951
Contract assets	20,520	1,296	2,690	2,608	2,854
Trade and other receivables	363,083	214,753	223,571	264,236	267,996
Prepayments	9,377	10,090	12,948	14,943	18,998
Other financial assets	27,581	5,955	2,339	1,908	741
Financial assets measured at FVPL	–	200,000	–	–	–
Restricted bank deposits	66,697	91,185	62,125	19,112	19,112
Cash and cash equivalents	586,718	391,378	268,555	298,107	290,253
Total current assets	**1,294,222**	**1,118,982**	**711,124**	**726,830**	**718,905**
Current liabilities					
Contract liabilities	45,369	17,080	14,472	10,763	14,187
Trade and other payables	580,007	584,524	497,510	452,927	459,333
Loans and other borrowings	378,617	312,943	232,500	262,249	262,496
Redemption liabilities	3,793,869	–	–	–	–
Lease liabilities	72,514	65,071	65,988	61,482	58,152
Provisions	20,419	24,461	20,600	21,050	21,164
Current taxation	1,854	209	1,492	6,480	3,748
Total current liabilities	**4,892,649**	**1,004,288**	**832,562**	**814,951**	**819,080**
Net current (liabilities)/ assets	**(3,598,427)**	**114,694**	**(121,438)**	**(88,121)**	**(100,175)**

Our net current liabilities of RMB3,598.4 million as of December 31, 2023 turned into net current assets of RMB114.7 million as of December 31, 2024, primarily due to (i) the derecognition of RMB3,793.9 million in redemption liabilities, (ii) a decrease of RMB65.7 million in loans and other borrowings, and (iii) a decrease of RMB28.3 million in contract liabilities; partially offset by (i) a decrease of RMB195.3 million in cash and cash equivalents, and (ii) a decrease of RMB148.3 million in trade and other receivables.

Our net current assets of RMB114.7 million as of December 31, 2024 turn into net current liabilities of RMB121.4 million as of December 31, 2025, primarily due to (i) the disposal of RMB200.0 million in financial assets measured at FVPL, and (ii) a decrease of RMB122.8 million in cash and cash equivalents; partially offset by (i) a decrease of RMB80.4 million in loans and other borrowings, and (ii) a decrease of RMB87.0 million in trade and other payables.

Our net current liabilities decreased from RMB121.4 million as of December 31, 2025 to RMB88.1 million as of April 30, 2026, primarily due to (i) an increase of RMB40.7 million in trade and other receivables, and (ii) an increase of RMB29.6 million in cash and cash equivalents; partially offset by (i) an increase of RMB29.7 million in loans and other borrowings, and (ii) a decrease of RMB13.0 million in inventories.

Our net current liabilities increased from RMB88.1 million as of April 30, 2026 to RMB100.2 million as of May 31, 2026, primarily due to (i) a decrease of RMB7.0 million in inventories, and (ii) a decrease of RMB7.9 million in cash and cash equivalents; partially offset by a decrease of RMB6.4 million in trade and other payables.

Taking into account the financial resources available to us, including our operating cash flows, cash and cash equivalents on hand and the estimated net proceeds of the [**REDACTED**], the Directors are of the view that we will have sufficient funds to meet our working capital requirements and financial requirements for capital expenditure for at least the next 12 months from the date of this document.

Cash Flows

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

	For the Year ended December 31,			For the Four Months ended April 30,	
	2023	**2024**	**2025**	**2025**	**2026**
				(Unaudited)	
			(RMB in thousands)		
Net cash generated from/ (used in) operating activities	164,233	292,447	(60,344)	(55,191)	10,873
Net cash (used in)/ generated from investing activities	(183,678)	(346,674)	62,064	130,497	9,072
Net cash flows (used in)/ from financing activities	(27,221)	(141,121)	(124,550)	(17,250)	9,607
Net (decrease)/increase in cash and cash equivalents	(46,666)	(195,348)	(122,830)	58,056	29,552
Cash and cash equivalents at beginning of the year/period	633,508	586,718	391,378	391,378	268,555
Effect of foreign exchange rate changes,	(124)	8	7	12	–
Cash and cash equivalents at end of the year/period	**586,718**	**391,378**	**268,555**	**449,446**	**298,107**

Net Cash Flows Used in/From Operating Activities

Net cash generated from operating activities was RMB10.9 million in the four months ended April 30, 2026. This primarily reflected loss before taxation of RMB87.7 million, adjusted for certain non-cash and non-operating items — primarily depreciation and amortisation of RMB57.1 million, impairment losses on property, plant and equipment of RMB28.7 million, finance costs of RMB7.2 million and equity-settled share-based payment expenses of RMB16.2 million — and movements in working capital, after adding interest received from bank deposits of RMB0.3 million and deducting income tax paid of RMB0.7 million. The largest positive working-capital contributor was a decrease in restricted bank deposits of RMB43.0 million. This was partially offset by an increase in trade and other receivables of RMB40.4 million and a decrease in trade and other payables of RMB19.4 million.

Net cash used in operating activities was RMB60.3 million in 2025. This primarily reflected loss before taxation of RMB306.7 million, adjusted for certain non-cash and non-operating items — primarily depreciation and amortization of RMB211.4 million, impairment losses on property, plant and equipment of RMB64.0 million, finance costs of RMB24.4 million, impairment losses on trade and other receivables and contract assets of RMB16.4 million and equity-settled share-based payment expenses of RMB15.0 million — and movements in working capital, after adding interest received from bank deposits of RMB3.4 million and deducting income tax paid of RMB0.5 million. The principal positive working-capital contributors were decreases in inventories of RMB65.4 million and trade and other receivables of RMB28.9 million. These were more than offset by a decrease in trade and other payables of RMB125.8 million.

Net cash generated from operating activities was RMB292.4 million in 2024. This primarily reflected loss before taxation of RMB418.3 million, adjusted for certain non-cash and non-operating items — primarily depreciation and amortization of RMB275.2 million, changes in the carrying amount of redemption liabilities of RMB121.1 million, finance costs of RMB32.4 million and impairment losses on property, plant and equipment of RMB12.8 million — and movements in working capital, after adding interest received from bank deposits of RMB7.3 million and deducting income tax paid of RMB2.8 million. The principal positive working-capital contributors were a decrease in trade and other receivables of RMB171.3 million and an increase in trade and other payables of RMB44.9 million. These were partially offset by a decrease in contract liabilities of RMB28.3 million.

Net cash generated from operating activities was RMB164.2 million in 2023. This primarily reflected loss before taxation of RMB652.5 million, adjusted for certain non-cash and non-operating items — primarily changes in the carrying amount of redemption liabilities of RMB281.0 million, depreciation and amortization of RMB273.8 million, finance costs of RMB35.4 million and impairment losses on property, plant and equipment of RMB41.9 million — and movements in working capital, after adding interest received from bank deposits of RMB13.2 million and deducting income tax paid of RMB2.6 million. The principal positive working-capital contributors were a decrease in inventories of RMB85.0 million and an increase in asset-related government grants of RMB47.1 million. These were partially offset by a decrease in trade and other payables of RMB5.6 million.

Net Cash Flows Used in/From Investing Activities

Net cash generated from investing activities for the four months ended April 30, 2026 was RMB9.1 million, primarily attributable to proceeds from disposal of property, plant and equipment of RMB11.6 million, partially offset by payment for purchase of property, plant and equipment of RMB5.8 million.

Net cash generated from investing activities for 2025 was RMB62.1 million, mainly due to proceeds from disposal of financial assets measured at FVPL of RMB2,139.5 million and a decrease in restricted bank deposit of RMB60.0 million, partially offset by payment for purchase of financial assets measured at FVPL of RMB1,939.5 million and payment for purchase of property, plant and equipment of RMB143.8 million.

Net cash used in investing activities for 2024 was RMB346.7 million, mainly due to payment for purchase of financial assets measured at FVPL of RMB2,160.0 million, partially offset by proceeds from disposal of financial assets measured at FVPL of RMB1,960.0 million.

Net cash used in investing activities for 2023 was RMB183.7 million, primarily attributable to payment for purchase of financial assets measured at FVPL of RMB1,199.8 million, partially offset by proceeds from disposal of financial assets measured at FVPL of RMB1,319.8 million.

Net Cash Flows Used in/From Financing Activities

Net cash generated from financing activities for the four months ended April 30, 2026 was RMB9.6 million, primarily attributable to proceeds from bank loans of RMB125.5 million, partially offset by repayment of bank loans of RMB96.6 million and payment of capital element of lease liabilities of RMB14.2 million.

Net cash used in financing activities in 2025 was RMB124.6 million, primarily attributable to repayment of bank loans of RMB324.5 million, and payment of capital element of lease liabilities of RMB40.5 million, partially offset by proceeds from bank loans of RMB245.0 million.

Net cash used in financing activities in 2024 was RMB141.1 million, primarily attributable to repayment of bank loans of RMB377.5 million, and payment of capital element of lease liabilities of RMB61.6 million, partially offset by proceeds from bank loans of RMB312.0 million.

Net cash used in financing activities in 2023 was RMB27.2 million, primarily attributable to repayment of bank loans of RMB337.8 million and payment of capital element of lease liabilities of RMB69.3 million, partially offset by proceeds from bank loans of RMB377.5 million.

INDEBTEDNESS

Our indebtedness during the Track Record Period primarily consisted of redemption liabilities, loans and other borrowings and lease liabilities. The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of April 30, 2026	As of May 31, 2026
	2023	2024	2025		
					(Unaudited)
	(RMB in thousands)				
Current					
Redemption liabilities	3,793,869	–	–	–	–
Loans and other borrowings	378,617	312,943	232,500	262,249	262,496
Lease liabilities	72,514	65,071	65,988	61,482	58,152
Total current	**4,245,000**	**378,014**	**298,488**	**323,731**	**320,648**
Non-current					
Lease liabilities	318,715	279,957	198,080	184,577	179,873
Total non-current	**318,715**	**279,957**	**198,080**	**184,577**	**179,873**
Total indebtedness	**4,563,715**	**657,971**	**496,568**	**508,308**	**500,521**

Redemption Liabilities

Our redemption liabilities primarily arose from our grant of redemption rights to investors. Our redemption liabilities were RMB3,793.9 million as of December 31, 2023. We entered into a termination agreement for the redemptions rights in May 2024 and no longer recorded redemption liabilities thereafter.

Loans and Other Borrowings

Our loans and other borrowings during the Track Record Period were primarily used for business development and working capital purpose. During the Track Record Period, our loans bore interest at rates ranging from 1.11% to 4.75% per year. As of May 31, 2026, we had loans and other borrowings of RMB262.5 million. All secured bank loans and related banking facilities as of December 31, 2023, 2024 and 2025 and April 30, 2026 were secured by our bank deposits of RMB37.5 million, RMB26.4 million, RMB12.5 million and RMB12.5 million, respectively. Bank loans amounted to RMB50.0 million, RMB50.0 million, RMB40.0 million and RMB50.0 million as of December 31, 2023, 2024 and 2025 and April 30, 2026 were subject to the fulfilment of covenants relating to certain of our Group's or our subsidiaries' financial ratios, as are commonly found in lending arrangements with financial institutions. If we were to breach the covenants, the drawn down facilities would become payable on demand. We regularly monitor our compliance with these covenants. As of December 31, 2023 , 2024 and 2025 and April 30, 2026, none of the covenants relating to drawn down loans or facilities had been breached. As of May 31, 2026, we had committed unutilized bank facilities of RMB120.0 million. Our Directors confirmed that we did not experience any difficulty in obtaining bank loans or other borrowings, default in payment of bank loans or other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Lease Liabilities

Our lease liabilities amounted to RMB391.2 million, RMB345.0 million, RMB264.1 million and RMB246.1 million as of December 31, 2023, 2024, 2025 and April 30, 2026, respectively, which were primarily in relation to the properties we leased for self-owned stations.

Save as disclosed above, as of May 31, 2026, being the most recent practicable date for purposes of the indebtedness disclosures in this document, we had no bank loans or other borrowings, or any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, borrowings or similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchases, guarantees or other material contingent liabilities. Since May 31, 2026 and up to the date of this document, there had been no material change to our indebtedness.

CAPITAL EXPENDITURES

We regularly incur capital expenditures to expand our operations, upgrade our facilities, enhance our development capabilities and increase our operating efficiency. Our capital expenditures primarily consisted of expenditures on purchases of property, plant and equipment and intangible assets during the Track Record Period. In 2023, 2024, 2025 and the four months ended April 30, 2026, we incurred capital expenditure of RMB289.4 million, RMB167.2 million, RMB143.9 million and RMB5.8 million, respectively. We funded these expenditures primarily with our operating cash flow and bank borrowings. Going forward, we expect to fund our capital expenditures with our operating cash flow and proceeds from the [**REDACTED**]. The following table sets forth our capital expenditures for the periods indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Payment for purchase of property, plant and equipment and right-of-use-assets	(289,128)	(166,269)	(143,809)	(5,833)
Payment for purchase of intangible assets	(237)	(966)	(92)	–
	(289,365)	(167,235)	143,901	(5,833)

CAPITAL COMMITMENTS

As of December 31, 2023, 2024, 2025 and April 30, 2026, we had capital commitments of RMB5.4 million, RMB15.6 million, RMB26.8 million and RMB25.9 million, respectively, primarily in connection with our purchase of property, plant and equipment.

CONTINGENT LIABILITIES

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

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

KEY FINANCIAL RATIOS

The table below sets forth the key financial ratios of our Group for the periods or as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
Current ratio[(1)]	0.3	1.1	0.9	0.9
Quick ratio[(2)]	0.2	0.9	0.7	0.7
Liability-to-asset ratio[(3)]	177.7%	51.8%	53.1%	54.3%

(1) Current ratio represents current assets divided by current liabilities as of the same date.

(2) Quick ratio represents current assets less inventories, divided by total current liabilities as of the same date.

(3) Calculated by dividing total liabilities by total assets.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. Our Directors are of the view that each of the related party transactions set out in Note 35 to the Accountants' Report included in Appendix I to this document was conducted in the ordinary course of business on an arm's length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance. For details of the related party transactions, see Note 35 to the Accountants' Report included in Appendix I to this document.

MARKET RISK DISCLOSURE

We are exposed to credit, liquidity, interest rate and currency risks arising from the normal course of our business. Our overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner. For details of our financial risks, please refer to Note 33 to the Accountants' Report included in Appendix I to this document.

DIVIDEND

No dividend has been paid or declared by us during the Track Record Period. As of the Latest Practicable Date, we did not have a formal dividend policy. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not intend to declare or pay any dividends in the foreseeable future. Investors should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors subject to our Articles of Association and the PRC Company Law and any other applicable laws and regulations, and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits as determined in accordance with its articles of association and the accounting standards and regulations in China. As confirmed by our PRC Legal Adviser, according to the PRC law, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate at least 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

DISTRIBUTABLE RESERVES

As of April 30, 2026, we did not have any distributable reserves.

[**REDACTED**] EXPENSES

Our [**REDACTED**] expenses represent professional fees, [**REDACTED**] and other fees incurred in connection with the [**REDACTED**]. Assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the indicative [**REDACTED**] range, we estimated that the total [**REDACTED**] expenses for the [**REDACTED**] are approximately HK$[**REDACTED**], accounting for approximately [**REDACTED**]% of the [**REDACTED**] from the [**REDACTED**] (assuming no H Shares are issued pursuant to the [**REDACTED**]), of which approximately HK$[**REDACTED**] is expected to be charged to our consolidated statements of profit or loss, and approximately HK$[**REDACTED**] is expected to be accounted for as a deduction from equity upon the completion of [**REDACTED**].

As of April 30, 2026, we incurred [**REDACTED**] expenses of HK$[**REDACTED**] expensed through the statements of profit or loss and expected HK$[**REDACTED**] to be charged to the statement of profit or loss after the Track Record Period. The total [**REDACTED**] expenses comprise of (i) [**REDACTED**] expenses, including [**REDACTED**] and other expenses, of HK$[**REDACTED**]; and (ii) [**REDACTED**] expenses of HK$[**REDACTED**], including (a) fee paid and payable to legal advisers and reporting accountants of HK$[**REDACTED**], and (b) other fees and expenses of HK$[**REDACTED**]. The [**REDACTED**] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED [**REDACTED**] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

See "Unaudited [**REDACTED**] Financial Information" in Appendix II to this document for details.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that up to the date of this document, other than as disclosed under the "Recent Development and No Material Adverse Change" in the "Summary" section in this document, there had been no material adverse change in our financial, operational or prospects since April 30, 2026, being the latest end date of the periods reported in the Accountants' Report included in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

BOARD OF DIRECTORS

Upon the [**REDACTED**], our Board will consist of seven Directors, including three executive Directors, one non-executive Director and three independent non-executive Directors. The table below sets forth certain information of each of our Directors:

Name	Age	Position(s)	Date of joining our Group	Date of appointment as Director	Roles and responsibilities	Relationship with other Directors and senior management
Mr. CAI Dongqing (蔡東青) . . .	57	Chairman of our Board, executive Director, general manager	June 16, 2016	June 16, 2016	Responsible for the overall strategic planning and the daily operations and management of our Group	Mr. CHEN Shaowen is Mr. Cai's brother-in-law
Mr. ZHANG Jianping (張建平) . . .	68	Deputy chairman of our Board, executive Director	June 16, 2016	June 16, 2016	Responsible for technology research and development and product technical guidance of our Group	None
Mr. CHEN Shaowen (陳紹文) . . .	58	Executive Director	April 1, 2024	October 25, 2025	Responsible for management and operation of our Group	Mr. Chen is Mr. CAI Dongqing's brother-in-law
Mr. YIN Yulong (尹玉龍) . . .	64	Non-executive Director	November 20, 2024	November 20, 2024	Responsible for participating in the decision-making of material matters of our Company	None
Mr. CHOU Jianzhong (丑建忠) . . .	59	Independent Non-executive Director	[**REDACTED**]	October 25, 2025 with effect from the [**REDACTED**]	Responsible for providing independent advice and judgment to our Board	None
Ms. TAN Yan (譚燕).	61	Independent Non-executive Director	[**REDACTED**]	October 25, 2025 with effect from the [**REDACTED**]	Responsible for providing independent advice and judgment to our Board	None
Ms. CHIU Mun Wai (招敏慧) . . .	56	Independent Non-executive Director	[**REDACTED**]	October 25, 2025 with effect from the [**REDACTED**]	Responsible for providing independent advice and judgment to our Board	None

Executive Directors

Mr. CAI Dongqing (蔡東青), aged 57, is the chairman of our Board, an executive Director and the general manager of our Company. Mr. Cai is the co-founder of our Group and has served as the chairman of the Board and the general manager of our Company since June 2016. He was redesignated as an executive Director on October 25, 2025. He is primarily responsible for strategic planning, execution, operation and overall management of our Group.

Prior to joining our Group, Mr. Cai has held various positions in the following companies. In July 1997, Mr. Cai founded Alpha Group Co., Ltd. (奧飛娛樂股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002292), where he has acted as the chairman of the board of directors and general manager since its establishment. Since June 2018, Mr. Cai has served as the executive director of Guangzhou Aofei Silicon Valley Culture Development Co., Ltd. (廣州奧飛硅谷文化發展有限公司). Mr. Cai also currently serves as the executive director of Guangzhou Aofei Culture Communication Co., Ltd. (廣州奧飛文化傳播有限公司) and Guangdong Aofei Theme Culture Technology Co., Ltd. (廣東奧飛主題文化科技有限公司).

Mr. Cai has also served as the director of Shanghai Dianba New Energy Technology Co., Ltd. (上海電巴新能源科技有限公司) since November 2016.

Mr. Cai obtained a college degree in marketing from Guangzhou University (廣州大學) in October 1996.

Mr. ZHANG Jianping (張建平), aged 68, is the deputy chairman of our Board and an executive Director of our Company. Mr. Zhang is the co-founder of our Group and has served as a Director of our Company since June 2016. He was redesignated as the deputy chairman of the Board on November 20, 2024 and an executive Director on October 25, 2025. He is primarily responsible for technology research and development and product technical guidance of our Group.

Mr. Zhang has nearly 25 years of research and development experience in the battery swapping technology for new energy vehicles. Prior to joining our Group, Mr. Zhang served as the legal representative of Lanzhou Kaichuang Science and Technology Co., Ltd. (蘭州開創科技有限公司). From 2004 to 2022, Mr. Zhang served as an executive director and manager of Beijing Dianba Technology Co., Ltd. (北京電巴科技有限公司). In June 2009, he founded and served as the chairman and general manager of Shanghai Dianba New Energy Technology Co., Ltd. (上海電巴新能源科技有限公司).

Throughout Mr. Zhang's nearly 25 years of dedication to advancing battery swapping technology for new energy vehicles, he has received numerous honors, including the Beijing Science and Technology Second Prize (北京市科學技術進步二等獎), recognition as an Advanced Individual in Science and Technology for the Olympics (科技奧運先進個人) and Shanghai Craftsman (上海工匠), etc.

Mr. CHEN Shaowen (陳紹文), aged 58, is an executive Director of our Board. Mr. Chen joined our Group since April 2024 as General Manager of South China Region and General Manager of Guangdong Province. He was appointed as an executive Director since October 25, 2025. He is primarily responsible for management and operation of our Group.

Mr. Chen has nearly 30 years of experience in business development, corporate management and strategic planning, with proven leadership and execution capabilities in full-cycle enterprise operations, public company governance and cross-sector business expansion. He currently oversees our Group's daily operations relating to procurement, passenger vehicle business and manufacturing.

From May 2008 to March 2024, Mr. Chen acted as the chairman and general manager of Guangdong Kaidiwei Culture Co., Ltd. (廣東凱迪威文化股份有限公司), a company listed on the National Equities Exchange and Quotations (stock code: 834509), where he was fully responsible for strategic planning, business operations and capital management. Prior to that, he was the general manager of Shantou Chenghai Aoda Toy Industrial Co., Ltd. (汕頭市澄海區奧達玩具實業有限公司) from 2001 to 2008. Earlier in his career, Mr. Chen served as a sales manager and assistant to the general manager of marketing at Alpha Group Co., Ltd. (奧飛娛樂股份有限公司) from June 1996 to October 2000.

Mr. Chen graduated from Chenghai District Vocational High School in July 1987.

Non-executive Director

Mr. YIN Yulong (尹玉龍), aged 64, is a non-executive Director of our Board. Mr. Yin joined our Group in March 2025 as a Director and was redesignated as an non-executive Director in October 25, 2025. He is primarily responsible for participating in the decision-making of material matters of our Group.

Mr. Yin has more than 20 years of experience in mechanical engineering. He is an Executive Director and General Manager at Zhongda Boyan Enterprise Consulting (Guangzhou) Co., Ltd. (中大博研企業諮詢(廣州)有限公司) since August 2018, where he is primarily responsible for participating in the decision-making of material matters. He served as the chairman of the board and general manager of Shenzhen Weijietong Intelligent Control Co., Ltd. (深圳威傑通智能控製有限公司) from May 2002 to April 2021, the executive director and manager of Dongguan Aobo Biotechnology Co., Ltd. (東莞市奧博生物科技有限公司) from December 2003 to May 2021, and the general manager of Guangdong Li'ao Yinghui Investment Fund Management Center (Limited Partnership) (廣東力奧盈輝投資基金管理中心(有限合夥)) from August 2010 to June 2017. He also previously served as the executive director of Shenzhen Lingyun Weiye Technology Co., Ltd. (深圳市凌雲偉業科技有限公司), the director of Guangdong Maibao Payment Technology Co., Ltd. (廣東麥寶支付科技股份有限公司) and the executive partner and general manager of Guangzhou Daoshanghui Enterprise Consulting Partnership (Limited Partnership) (廣州道商慧企業諮詢合夥企業(有限合夥)).

Mr. Yin obtained his bachelor's degree in mining machinery from Jiangxi Metallurgical College (江西冶金學院, now known as 江西理工大學) in July 1984.

Independent Non-executive Directors

Mr. CHOU Jianzhong (丑建忠), aged 59, has been appointed as an independent non-executive Director with effect from the [**REDACTED**]. He is primarily responsible for providing independent advice and judgment to our Board.

Mr. Chou has more than 25 years of experience in Finance and investment. Prior to joining our Group, he was a Vice President and Senior Economist at Guangdong Securities Co., Ltd (廣東証券股份有限公司)., where he was primarily responsible for Investment bank and development research. He also previously worked as a Postdoctoral Fellow in Xiamen University (廈門大學) from December 2006 to October 2009, a professor in City University of Macau (澳門城市大學) from February 2011 to December 2017.

Besides, Mr. Chou has been an independent director of Zhongshan Securities Co., Ltd. (中山證券有限責任公司) from May 2016 to February 2023 and an independent director of Guangdong Electro-Sound Marketing Co., Ltd. (廣東電聲市場營銷股份有限公司) from June 2016 to September 2022. Mr. Chou currently is also a director of Guangzhou Zhenru Investment Co., Ltd. (廣州真茹投資有限公司).

Mr. Chou obtained his bachelor's degree in economic management from Huazhong University of Science and Technology (華中理工大學, now known as 華中科技大學) in PRC, July 1992, and obtained his master degree in economics and doctor degree in economics in Jinan University (暨南大學) in June 1995 and June 1998 separately.

Ms. TAN Yan (譚燕), aged 61, has been appointed as an independent non-executive Director with effect from the [**REDACTED**]. She is primarily responsible for providing independent advice and judgment to our Board.

Ms. Tan has more than 20 years of experience in accounting. Prior to joining our Group, from March 2019 to April 2023, she was an independent non-executive director at Guangdong Southern Digital Technology Co., Ltd. (廣東南方數碼科技股份有限公司), where she was primarily responsible for providing independent advice and judgment to our Board. She also previously worked at Alpha Group Co., Ltd. (奧飛娛樂股份有限公司) from July 2013 to July 2019.

Besides, Ms. Tan has been an independent non-executive director of Poly Property Services Co., Ltd. (保利物業服務股份有限公司) since May 2019, an independent non-executive director of China Southern Power Grid Electric Technology Co., Ltd. (南方電網電力科技股份有限公司) since December 2020, and an independent non-executive director of Crown New Materials Technology Co., Ltd. (皇冠新材料科技股份有限公司) since August 2023.

Ms. Tan obtained her bachelor's degree in accounting from Hunan University of Finance (湖南財經學院, now known as Hunan University (湖南大學)) in PRC, July 1985, and obtained her master's degree in economics from Renmin University of China (中國人民大學) in PRC, July 1988, and obtained her doctor's degree in management from Renmin University of China (中國人民大學) in PRC, June 2004.

Ms. CHIU Mun Wai (招敏慧), aged 56, has been appointed as an independent non-executive Director with effect from the [**REDACTED**]. She is primarily responsible for providing independent advice and judgment to our Board.

Ms. Chiu has more than 30 years of experience in accounting and auditing. Prior to joining our Group, from July 2005 to March 2018, she was an audit partner at KPMG Huazhen LLP Shenzhen Branch (畢馬威華振會計師事務所(特殊普通合夥)深圳分所), where she was primarily responsible for risk management and quality control of audit projects. She also previously worked at SCPG Capital Company Limited (印力資本管理有限公司) and KPMG Hong Kong (香港畢馬威會計師事務所).

Besides, Ms. Chiu has been an independent non-executive director of Bama Tea Co., Ltd. (八馬茶業股份有限公司), whose shares are listed on the Stock Exchange (stock code: 6980) since January 2025, an independent non-executive director of China Resources Pharmaceutical Group Co., Ltd. (華潤醫藥集團有限公司), whose shares are listed on the Stock Exchange (stock code: 3320) since May 2025, an independent non-executive director of China Communications Services Corporation Limited (中國通信服務股份有限公司), whose shares are listed on the Stock Exchange (stock code: 0552) since May 2025, and an independent non-executive director of Hefei Youibot Robotics Co., Ltd. (合肥優艾智合機器人股份有限公司) since September 2025.

From April 2011 to March 2017, Ms. Chiu was also a member of the Appeal Review Committee of the Shenzhen Stock Exchange (深圳證券交易所上訴覆核委員會).

Ms. Chiu obtained her bachelor's degree in law from Peking University (北京大學) in July 1999, and obtained her master of Science with a major in Finance from The Chinese University of Hong Kong (香港中文大學) in December 1999. Ms. Chiu has been a certified public accountant of the Hong Kong Institute of Certified Public Accountants (香港會計師公會註冊會計師) since January 1995.

General

Save as disclosed in this section and the section headed "Statutory and General Information" in Appendix VI to this document, each of our Directors has confirmed that:

(1) he/she has obtained legal advice referred to under Rule 3.09D of the Listing Rules on and understood his/her obligations as a director of a listed issuer;

(2) he/she does not have any existing or proposed service contract with our Company or any of its subsidiaries other than contracts expiring or determinable by the relevant member of our Company within one year without payment of compensation (other than statutory compensation);

(3) he/she does not have any interests in the Shares within the meaning of Part XV of the SFO;

(4) he/she has not been a director of any other publicly listed company during the three years prior to the Latest Practicable Date and as of the Latest Practicable Date;

(5) other than being a Director of our Company, he/she does not have any relationship with any other Directors, senior management of our Company or substantial shareholders of our Company; and

(6) he/she has not completed his/her education programs as disclosed in this section by way of attendance of long distance learning or online courses.

Each of our independent non-executive Directors has confirmed:

(1) his/her independence after taking into consideration each of the factors referred to under Rules 3.13(1) to 3.13(8) of the Listing Rules;

(2) that he/she does not have any past or present financial or other interest in the business of our Company or our subsidiaries, or any connection with any core connected person of our Company; and

(3) that there are no other factors which may affect his/her independence at the time of his/her appointment as our independent non-executive Director.

SENIOR MANAGEMENT

In addition to our executive Directors, the senior management team of our Group is responsible for the day-to-day management of our business. The table below sets forth certain information of each of our members of senior management:

Name	Age	Position(s)	Date of joining our Group	Date of appointment as senior management	Roles and responsibilities	Relationship with Directors and other senior management
Mr. CAI Dongqing (蔡東青) . . .	57	Chairman of our Board, executive Director, chief executive officer, general manager	June 16, 2016	June 16, 2016	Responsible for strategic planning, execution, operation and overall management of our Group	None
Ms. YANG Ye (楊燁)	56	Deputy general manager	June 16, 2016	November 20, 2024	Responsible for Public Relations Affairs of our Group	None
Ms. CAI Shuying (蔡淑瑩) . . .	53	Chief financial officer	September 13, 2021	November 20, 2024	Responsible for strategic financial planning and overseeing financial management of our Group	None

Name	Age	Position(s)	Date of joining our Group	Date of appointment as senior management	Roles and responsibilities	Relationship with Directors and other senior management
Mr. JIANG Chao (蔣超).	39	Secretary to the Board and Joint Company Secretary	August 15, 2016	November 20, 2024	Responsible for Board related matters and capital markets related matters of our Group	None

Mr. CAI Dongqing (蔡東青), see "Board of Directors — Executive Directors" in this section for his biographical details.

Ms. YANG Ye (楊燁), aged 56, is our deputy general manager. She is the co-founder of our Group and has served as the deputy general manager since November 20, 2024. She is primarily responsible for Public Relations Affairs of our Group.

Ms. Yang currently serves as the executive director of Shanghai Dianba New Energy Technology Co., Ltd. (上海電巴新能源科技有限公司). Ms. Yang is also a member of the Guangzhou Municipal Committee for Comprehensive Optimization of the Business Environment of Guangzhou Academy of Social Sciences (廣州市社會科學院廣州市全面優化營商環境諮委會), a member of the Standardization Technical Committee for the Energy Sector (Electric Power) (能源領域(電力)行業標準化技術委員會), an expert in the "Pearl River Delta Bay Area Intelligent Connected New Energy Vehicle Expert Database" of Guangdong Intelligent Vehicle Network Development Promotion Association (廣東省智能汽車網聯發展促進會"珠三角灣區智能網聯新能源汽車專家庫"), a member of the Electric Vehicle Battery Swapping Facilities Standards Working Group (電動汽車換電設施標準工作組) and a director of the Electric Vehicle 100 Club (電動汽車百人會理事).

Ms. Yang currently also holds various positions in the Group, including the director of Shanghai Dianba New Energy Technology Co., Ltd. (上海電巴新能源科技有限公司) and Yunnan Aulton New Energy Technology Co., Ltd. (雲南奧動新能源科技有限公司); the supervisor of Aulton (Shanghai) New Energy Technology Co., Ltd. (奧動(上海)新能源科技有限公司), Guangzhou Aulton New Energy Technology Co., Ltd. (廣州奧動新能源科技有限公司), etc.

Ms. Yang graduated from Gansu Radio and Television University (甘肅廣播電視大學, now known as Gansu Open University (甘肅開放大學)) in July 1993. She completed the courses of the graduate program in finance from the Graduate School of Chinese Academy of Social Sciences (中國社會科學院研究生院) in August 2001.

Ms. CAI Shuying (蔡淑瑩), aged 53, is our chief financial officer. She joined our Group since September 2021 as General Manager for risk management center and has served as the chief financial officer since November 2024. She is primarily responsible for strategic financial planning and overseeing financial management of our Group.

Ms. Cai has more than 20 years of experience in finance management. Prior to joining our Group, she previously worked at CITIC Properties Limited (中信地產股份有限公司) and CITIC Properties Guangzhou Company (中信地產廣州公司), where she was primarily responsible for the operational planning and corporate financial management.

Ms. Cai also serves as the supervisor of our various subsidiaries, including Beijing Aulton New Energy Investment Co., Ltd. (北京奧動新能源投資有限公司), Hangzhou Aulton New Energy Co., Ltd. (杭州奧動新能源有限公司), Chongqing Aulton New Energy Technology Co., Ltd. (重慶

奧動新能源科技有限公司), Mianyang Aulton New Energy Technology Co., Ltd. (綿陽奧動新能源科技有限公司), Wuhan Aulton Unlimited Energy Investment Co., Ltd. (武漢奧動無限能源投資有限公司) and Anhui Aulton New Energy Technology Co., Ltd. (安徽奧動新能源科技有限公司), etc.

Ms. Cai obtained her bachelor's degree in economics from Guangdong University of Business Studies (廣東商學院, now known as Guangdong University of Finance and Economics (廣東財經大學)) in PRC, June 1995, and obtained her master of management degree from Jinan University (暨南大學) in PRC, June 2007.

Mr. JIANG Chao (蔣超), aged 39, is our secretary to the Board and a joint company secretary of our Company. He joined our Group since August 2016 as General Manager of Strategy and Investment and has served as the Secretary to the Board since November 2024. He is primarily responsible for Board related matters and capital markets related matters of our Group.

Mr. Jiang obtained his bachelor's degree in Vehicle Engineering from Nanjing University of Science and Technology (南京理工大學) in PRC, June 2008, and obtained his Master's Degree in Vehicle Engineering from Tongji University (同濟大學) in PRC, March 2012.

General

Save as disclosed in this section, each of our senior management members has confirmed that:

(1) he/she does not hold and has not held any other positions in our Company and any other members of our Company as of the Latest Practicable Date;

(2) other than being a Director and/or a member of our Company's senior management, he/she does not have any relationship with any Directors, any other senior management members of our Company or substantial shareholders of our Company;

(3) he/she has not been a director of any other publicly listed company during the three years prior to the Latest Practicable Date and as of the Latest Practicable Date; and

(4) he/she has not completed his/her education programs as disclosed in this section by way of attendance of long distance learning or online courses.

JOINT COMPANY SECRETARIES

Mr. JIANG Chao (蔣超), was appointed as a joint company secretary of our Company in October 2025 with effect from October 24, 2025. See "Senior Management" in this section for his biographical details.

Mr. CHENG Ching Kit (鄭程傑), was appointed as a joint company secretary of our Company in October 2025 with effect from October 24, 2025. He is currently an assistant vice president of SWCS Corporate Services Group (Hong Kong) Limited, a professional service provider specializing in corporate services. He has over 12 years of experience in the company secretarial profession. Mr. Cheng graduated from the University of Queensland, Australia with a bachelor's degree in commerce (finance) in December 2010 and graduated from the University of Hong Kong with a master's degree in law (Chinese law) in November 2022. He has been an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom since June 2018.

COMPLIANCE ADVISER

We have appointed Octal Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise us on the following circumstances:

- before the publication of any announcements, circulars or financial reports;
- where a transaction, which might be a notifiable or connected transaction under Chapters 14 and 14A of the Listing Rules is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;
- where we propose to use the [**REDACTED**] of the [**REDACTED**] in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate or other information in this document; and
- where the Stock Exchange makes an inquiry of us regarding unusual price movement and [**REDACTED**] volume or other issues under Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, Octal Capital Limited will, in a timely manner, inform us of any amendment or supplement to the Listing Rules and new or amended laws and regulations in Hong Kong applicable to us.

The terms of the appointment shall commence on the [**REDACTED**] and end on the date which we distribute our annual report of our financial results for the first full financial year commencing after the [**REDACTED**].

MANAGEMENT AND CORPORATE GOVERNANCE

Board Committees

Our Company has established the Audit Committee, the Remuneration Committee and the Nomination Committee in compliance with the Listing Rules. These committees operate in accordance with their respective terms of reference established by our Board.

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Audit Committee consists of Ms. TAN Yan (譚燕), Ms. CHIU Mun Wai (招敏慧) and Mr. YIN Yulong (尹玉龍). The chairperson of the Audit Committee is Ms. TAN Yan (譚燕).

The primary duties of the Audit Committee are to consider issues in relation to the external auditors and their appointment, oversee the financial reporting system, risk management and internal control systems of our Group, review the financial information of our Group and review policies and practices in relation to corporate governance.

As advised by our PRC Legal Adviser, a joint stock limited company may, as stipulated in its articles of association, establish an audit committee within the board of directors composed of directors to exercise the functions and powers prescribed for the board of supervisors by the Company Law, without establishing a board of supervisors. The Company has established the Audit Committee under the Board with effect from the [**REDACTED**], and thus the Company will not have any supervisory committee upon the completion of the [**REDACTED**], which complies with the PRC laws.

Remuneration Committee

We have established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Remuneration Committee consists of Mr. CHOU Jianzhong (丑建忠), Ms. CHIU Mun Wai (招敏慧) and Mr. CAI Dongqing (蔡東青). The chairperson of the Remuneration Committee is Mr. CHOU Jianzhong (丑建忠).

The primary duties of the Remuneration Committee are to review the remuneration policy and make recommendations to our Board on the remuneration packages of our Directors and other senior management.

Nomination Committee

We have established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Nomination Committee consists of Mr. CAI Dongqing (蔡東青), Mr. CHOU Jianzhong (丑建忠) and Ms. TAN Yan (譚燕). The chairperson of the Nomination Committee is Mr. CAI Dongqing (蔡東青).

The primary duties of the Nomination Committee are to assess and make recommendations on appropriate candidates for directorship, propose procedures and criteria for the appointment of Directors and senior management, review the structure, size and composition of our Board, and assess the independence of independent non-executive Directors.

Corporate Governance Code

We aim to achieve high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. In order to accomplish this, save as disclosed below, we expect to comply with the Corporate Governance Code set out in Appendix C1 to the Listing Rules in all material aspects after the [**REDACTED**].

Mr. Cai is the chairman of our Board and general manager of our Company. With extensive experience in the industry in which the Company operates and having served our Company since its founding, Mr. Cai is in charge of the overall corporate and business strategies of our Group. Our Board considers that vesting the roles of chairman of our Board and general manager in the same person is beneficial to the management of our Group. The balance of power and authority is ensured by the operation of our Board and our senior management, which comprises experienced and visionary individuals. Upon [**REDACTED**], our Board will comprise three executive Directors (including Mr. Cai), one non-executive Director and three independent non-executive Directors, and will therefore have a strong independence element in its composition.

DISCLOSURE UNDER RULE 8.10 OF THE LISTING RULES

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

BOARD DIVERSITY POLICY

We have adopted a diversity policy (the "**Board Diversity Policy**") which sets out the objective and approach to achieve and maintain diversity in our Board in order to enhance the effectiveness of our Board. Pursuant to the Board Diversity Policy, we seek to achieve diversity in our Board through the consideration of a number of factors when selecting candidates to our Board, including but not limited to professional experience, skills, knowledge, educational background, age, gender, cultural background and ethnicity, and length of service.

Our Directors have a balanced mix of knowledge and skills, and we have four non-executive Directors, including three independent non-executive Directors, with different industry backgrounds. Our Directors are diverse in terms of age, gender and background. The ages of our Directors range from 56 to 68 years old. In particular, our Company currently has two female Director on the Board. Taking into account our existing business model and specific needs as well as the different backgrounds of our Directors, the composition of our Board satisfies our Board Diversity Policy. The Board will review the Board Diversity Policy periodically to evaluate its effectiveness.

MANAGEMENT PRESENCE

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This will normally mean that at least two of its executive directors must be ordinarily resident in Hong Kong. We do not have sufficient management presence in Hong Kong for the purposes of Rule 8.12 of the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with Rule 8.12 of the Listing Rules. See "Waivers" for further details.

REMUNERATION

Our Directors and senior management receive compensation in the form of salaries, discretionary bonuses and contributions to retirement benefit schemes from our Company subject to applicable laws, rules and regulations. For details of the service contracts that we have entered into with our Directors, see the section headed "Statutory and General Information — 3. Further Information about our Directors — A. Particulars of Directors' Contracts." in Appendix VI to this document.

Further information on the remuneration of our Directors and/or the five highest paid individuals during the Track Record Period is set out in the Accountants' Report in Appendix I to this document, and in the section headed "Statutory and General Information — 3. Further Information about our Directors — B. Directors' Remuneration." in Appendix VI to this document.

SUBSTANTIAL SHAREHOLDERS

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

		As of the Latest Practicable Date		Following the completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares[(1)]			
Name of Shareholder	Nature of interest	Number of Unlisted Shares	Approximate percentage of shareholding in our total share capital	Number of Shares	Description of H Shares	Approximate percentage of shareholding in the relevant class of Shares	Approximate percentage of shareholding in our total share capital[(1)]
Mr. Cai[(2)]	Beneficial owner	372,035,637	39.11%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	Interest in controlled corporations	9,388,934	0.99%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
				[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Zhang	Beneficial owner	125,900,000	13.24%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
				[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
NIO Capital	Beneficial owner	52,556,128	5.53%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Guangjin Kaide . . .	Beneficial owner	49,415,130	5.19%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Fujian Aoying	Beneficial owner	45,838,064	4.82%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Zhuhai Aoning . . .	Beneficial owner	40,586,605	4.27%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
CHEN Shaoxiong (陳紹雄)	Beneficial owner	40,456,684	4.25%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Guangzhou Jinxian .	Beneficial owner	38,725,864	4.07%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
CAI Zhaozhan (蔡釗展)[(3)]	Interest in controlled corporations	36,876,066	3.88%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

(L) All the interests stated are long positions.

(1) The calculation is based on the assumption that (i) the [**REDACTED**] is not exercised, (ii) the [**REDACTED**] Unlisted Shares will be converted into H Shares, and (iii) the total number of the Shares in issue will be [**REDACTED**] H Shares immediately after completion of the [**REDACTED**].

(2) As of the Latest Practicable Date, Mr. Cai acted as the general partner of Zhuhai Aoli. Under the SFO, Mr. Cai is deemed to be interested in the entire Shares held by Zhuhai Aoli.

(3) As of the Latest Practicable Date, Mr. CAI Zhaozhan acted as the executive partner of each of Zhuhai Aoli No. 1, Zhuhai Aoli No. 2, Zhuhai Aoli No. 3 and Zhuhai Aoli No. 4 and is therefore deemed to be interested in the entire Shares held by these four Employee Shareholding Platforms under the SFO.

SUBSTANTIAL SHAREHOLDERS

For details of the substantial shareholders who will be, directly or indirectly, interested in 10% or more of the value of any class of Shares varying rights to vote in all circumstances at general meetings of any member of our Group, see "Appendix VI — Statutory and General Information — 4. Disclosure of Interests — C. Substantial shareholders of other members of our Group." to this document. Save as disclosed herein, our Directors are not aware of any persons who will, immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), have interests and/or short positions in Shares or underlying shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group.

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

BEFORE THE [REDACTED]

As of the Latest Practicable Date, the registered capital of our Company was RMB951,207,879, comprising 951,207,879 Unlisted Shares in issue of nominal value RMB1.0 each.

UPON COMPLETION OF THE [REDACTED]

Assuming the [**REDACTED**] is not exercised, the share capital of our Company immediately following completion of the [**REDACTED**] will be as follows:

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

Assuming the [**REDACTED**] is fully exercised, the share capital of our Company immediately following completion of the [**REDACTED**] will be as follows:

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

RANKING

Upon completion of the [**REDACTED**], we would have only one class of Shares. H Shares and [**REDACTED**] Shares are all ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural persons of the PRC.

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

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

Upon completion of the [**REDACTED**], all our Unlisted Shares (other than those converting to H Shares) are not [**REDACTED**] or [**REDACTED**] on any stock exchange. The holders of our Unlisted Shares may convert their Shares into H Shares provided such conversion shall have gone through any requisite internal approval process and complied with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the overseas stock exchange(s) and complete the filing process procedure with CSRC. The [**REDACTED**] of such converted Shares on the Hong Kong Stock Exchange will also require the approval of the Hong Kong Stock Exchange.

In accordance with the Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請"全流通"業務指引》) ("**Full Circulation Guidelines**") published and implemented by the CSRC on November 14, 2019 and amended on August 10, 2023 and the Trial Measures, domestic unlisted shares of H-share companies (including domestic unlisted shares held by domestic shareholders prior to the overseas listing, domestic unlisted shares further issued in the PRC after the overseas listing and unlisted shares held by foreign shareholders) could be listed and traded on the Hong Kong Stock Exchange after application to file with the CSRC. The Full Circulation Guidelines are applicable to domestic companies listed on the Hong Kong Stock Exchange only and not applicable to companies dual listed in the PRC and on the Hong Kong Stock Exchange.

Upon completion of the [**REDACTED**], [**REDACTED**] Unlisted Shares will be converted into H Shares. The conversion of these Unlisted Shares into H Shares have been filed with CSRC and the CSRC issued notice of filing on [●] and an application has been made to the [**REDACTED**] Committee for such H Shares to be [**REDACTED**] on the Stock Exchange.

Based on the procedures for the conversion of our Unlisted Shares into H Shares as disclosed in this section, we can apply for the [**REDACTED**] of all or any portion of our Unlisted Shares on the Hong Kong Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Hong Kong Stock Exchange and delivery of Shares for entry on the H Share register. As any [**REDACTED**] of additional Shares after our initial [**REDACTED**] on the Hong Kong Stock Exchange is ordinarily considered by the Hong Kong Stock Exchange to be a purely administrative matter, it will not require such prior application for [**REDACTED**] at the time of our [**REDACTED**] listing in Hong Kong.

No Shareholders' voting is required for the [**REDACTED**] and [**REDACTED**] of the converted Shares on the Hong Kong Stock Exchange. Any application for [**REDACTED**] of the converted Shares on the Hong Kong Stock Exchange after our initial [**REDACTED**] is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed conversion.

After all the requisite approvals have been obtained, the following procedures will need to be completed: the relevant Unlisted Shares will be withdrawn from the Share register and we will re-register such Shares on our H Share register maintained in Hong Kong and instruct the H Share [**REDACTED**] to issue H Share certificates. Registration on our H Share register will be on the condition that (a) our H Share [**REDACTED**] lodges with the Hong Kong Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register of members and the due dispatch of H Share certificates and (b) the admission of the H Shares to [**REDACTED**] on the Hong Kong Stock Exchange will comply with the Listing Rules and the General Rules of HKSCC and HKSCC Operational Procedures in force from time to time. Until the converted Shares are re-registered on our H Share register, such Shares would not be [**REDACTED**] as H Shares.

For further details, please refer to "Risk Factors — Risks Relating to the [**REDACTED**] — Future sales or perceived sales of substantial amounts of our H Shares in the [**REDACTED**] could have a material and adverse effect on the [**REDACTED**] of our H Shares and our ability to raise additional capital in the future."

So far as we are aware, save as disclosed in "History, Development and Corporate Structure — Public Float and Free Float," upon completion of the [**REDACTED**], none of our Shareholders currently proposes to further convert any of their Unlisted Shares into H Shares.

RESTRICTIONS ON TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

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

Shares transferred by our Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company unless otherwise permitted by applicable laws and regulations. The Shares that the aforementioned persons hold in our Company cannot be transferred within half a year after they leave their positions as Directors and members of the senior management in our Company.

For details of the lock-up undertaking given by the Controlling Shareholders, see "[**REDACTED**] — [**REDACTED**] Arrangements and Expenses — [**REDACTED**] — Undertakings to the Stock Exchange pursuant to the Listing Rules — (B) Undertakings by our Controlling Shareholders."

SHAREHOLDERS' GENERAL MEETING

For details of circumstances under which our Shareholders' general meeting is required, see "Appendix V — Summary of Articles of Association."

SHAREHOLDERS' APPROVAL FOR THE [REDACTED]

Approval from holders of the Shares is required for the Company to issue H Shares and seek the [**REDACTED**] of H Shares on the Hong Kong Stock Exchange. The Company has obtained such approval at the shareholders' meeting held on October 25, 2025.

FUTURE PLANS

See "Business — Our Strategies" in this document for a detailed description of our future plans.

USE OF [REDACTED]

We estimate that we will receive net [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per Share (being the mid-point of the [**REDACTED**] range of between HK$[**REDACTED**] and HK$[**REDACTED**] per Share), after deducting the [**REDACTED**] and estimated expenses paid or payable by us in connection with the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised.

In line with our strategies, we intend to apply the net [**REDACTED**] from the [**REDACTED**] for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to iterate and optimize our battery-swapping solutions, as well as to advance our technological development, including enhancing digital-intelligent systems, advancing and promoting V2S2G technologies, and developing technologies for unmanned operations for battery-swapping stations.

    - Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to iterate and upgrade our battery-swapping solutions and broaden their application scenarios through collaboration with EV OEMs. In such collaborations, EV OEMs are generally responsible for vehicle platform design, vehicle manufacturing and vehicle-side regulatory approval, while we are primarily responsible for the development and adaptation of battery-swapping modules, vehicle-station interface solutions, battery pack compatibility, locking/unlocking mechanisms, station-side compatibility and related testing and validation. Accordingly, this portion of proceeds will primarily be used to fund our own R&D personnel costs, prototype and sample production, tooling and mold development, testing and certification-related work, software and data-interface integration, and the design and iteration of battery-swapping stations compatible with newly developed vehicle models.

      In terms of passenger vehicles, we plan to advance both conventional and autonomous battery-swapping models. Specifically, we aim to (i) maintain collaboration with two to three EV OEMs in each year of the next five years to develop new passenger EV models equipped with battery-swapping capabilities, (ii) explore partnerships with OEMs developing autonomous passenger vehicles to jointly develop compatible battery-swapping models, and (iii) design and iterate model-specific and compatibility-enhanced battery-swapping stations to support a broader range of EVs.

      In terms of commercial vehicles, we intend to (i) collaborating with one to two EV OEMs to develop battery-swapping-enabled van models, (ii) collaborating with two to three EV OEMs in each year of the next five years to develop battery-swapping-compatible light-duty trucks across varying speed classes, (iii) partner with two to three EV OEMs in each year of the next five years to develop heavy-duty battery-swapping truck models across varying speed classes, and (iv) develop commercial battery-swapping stations tailored for newly launched models.

In addition, we plan to expand our global presence by collaborating with overseas EV OEMs to develop battery-swapping-compatible models for their respective local markets, build battery-swapping stations aligned with local regulatory and technical standards, and invest in the R&D of next-generation battery-swapping stations, including array stations.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to enhance our digital-intelligent systems, including the development of our smart cloud energy system, the upgrade of our intelligent battery-swapping station operations, and the research of digital technologies along with other related battery-swapping technologies. Our smart energy service platform is a cloud-based operating and management platform for our battery-swapping network. It is built on a multi-layer architecture comprising an IoT layer, a data processing layer and a user interaction layer. For details, see "Business — Our Battery-swapping Solutions and Technologies — Smart Energy Service Platform." We intend to apply the proceeds primarily to the following upgrades:

  (i) at the IoT layer, upgrading station-side energy management systems and device connectivity to collect more granular data on station operations, batteries, on-site equipment, grid conditions and electricity tariffs, and to support more intelligent charging and swapping strategies for reducing energy costs and improving station efficiency;

  (ii) at the data processing layer, optimizing our battery-swapping operations management platform, data management architecture, real-time monitoring, abnormal condition alerts and resource allocation functions, and developing functions adaptable to overseas market deployment; and

  (iii) at the user interaction layer, upgrading our mobile apps, mini-programs and web portals, and developing localized applications for overseas users, fleet operators and station operators where needed.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to improve and promote our V2S2G model, including upgrading our underlying V2S2G technology, conducting pilot programs and broader commercial rollouts at selected battery-swapping stations, and implementing corresponding site upgrades.

• Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for promoting and marketing our battery-swapping solutions, as well as enhancing our operational capabilities to support scalable business growth.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to market and promote our battery-swapping solutions for both passenger and commercial vehicles.

  We intend to apply the proceeds primarily to customer development, market education, sales channel expansion and ecosystem partner support. In particular, we plan to promote the sales of our battery-swapping stations by (i) conducting targeted marketing and business development activities with EV OEMs, station investors, fleet operators, energy companies, transportation operators and local ecosystem partners; (ii) organizing product demonstrations, technical workshops and solution presentations to illustrate the commercial benefits of our battery-swapping stations, including fast replenishment, operational efficiency and station operation capabilities; (iii) designing sales team incentive programs, partner onboarding programs, commercial cooperation policies and operational support

plans to facilitate station sales and station deployment; and (iv) supporting early-stage customer conversion through site assessment, station deployment planning, technical consultation, platform connection support and post-deployment operating guidance.

We will also support marketing and promotional activities for upstream and downstream ecosystem partners that are relevant to the commercialization of our battery-swapping solutions. For upstream partners, such activities may include joint promotion with EV OEMs and battery manufacturers for battery-swapping-compatible vehicle models, co-hosted technical seminars and fleet customer roadshows, preparation of product and solution marketing materials, and targeted promotion of our station products and platform capabilities to potential station investors and energy-sector partners. For downstream partners, such activities may include fleet customer acquisition campaigns, local market promotion for newly deployed or pilot stations, demonstration events for taxi, ride-hailing, logistics and heavy-duty truck operators, and partner support programs to help station investors and operators promote battery-swapping services to end users. These activities are intended to increase market awareness, support customer conversion and facilitate sales of our battery-swapping stations and related solutions.

  - Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to expand our overseas markets. We plan to launch pilot battery-swapping stations in overseas market to establish business exposure in these regions. Based on the performance of these pilot programs, we will consider recruiting management and staff with local market and sales expertise and setting up local offices to further deepen our presence in these international markets.

  - Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to optimize our business operations, including enhancements to our management systems, upgrades to our battery-swapping and energy storage systems, improvements to the visual image of our battery-swapping station and talent training programs.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to fund potential strategic investment, acquisitions or cooperation arrangements that complement our battery-swapping solutions and energy management capabilities. We expect to focus on targets with direct relevance to our existing business and that are asset-light operation businesses, including (i) energy management or virtual power plant businesses that may help us monetize batteries and swapping stations through peak-valley electricity management, grid interaction or energy dispatch; (ii) battery asset management or energy storage businesses that may improve battery utilization and lifecycle management; and (iii) station operation or fleet-side service businesses that may bring station resources, fleet customers or operating data in high-frequency use cases such as taxis, ride-hailing, logistics vehicles and heavy-duty trucks. In selecting targets, we will consider whether the target has a clear commercial fit with our existing station network, smart energy cloud platform and customer relationships; whether it has an established operating record, relevant licenses or qualifications, and assets at the level of tens of millions of RMB; and whether the proposed investment can improve station utilization, expand service revenue, reduce energy costs or enhance battery and station operating efficiency. We may pursue minority investments, strategic cooperation, joint ventures or selective acquisitions, depending on the target's strategic importance, valuation and integration requirements. According to CIC, there are potential targets in China's energy replenishment and related upstream and downstream sectors, including virtual power plant operators, battery asset management service providers, energy storage solution providers and station/fleet operation service providers. These targets may create synergies with us by improving energy dispatch, battery utilization, station utilization and fleet customer coverage. Any investment or acquisition may increase short-term

cash outflow and integration costs, but if successfully implemented, may support higher service revenue contribution and improve our long-term margin profile. As of the Latest Practicable Date, we had not identified any specific target or entered into any definitive agreement.

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

The above allocation of the net [**REDACTED**] from the [**REDACTED**] will be adjusted on a *pro rata* basis in the event that the [**REDACTED**] is fixed at a higher or lower level compared to the mid-point of the indicative [**REDACTED**] range stated in this document.

If the [**REDACTED**] is exercised in full, we will receive additional net [**REDACTED**] of approximately HK$[**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per Share (being the mid-point of the [**REDACTED**] range stated in this document). In the event that the [**REDACTED**] is exercised, we intend to apply the additional net [**REDACTED**] to the above purposes on a *pro rata* basis.

To the extent that the net [**REDACTED**] from the [**REDACTED**] are not immediately required for the above purposes and to the extent permitted by applicable laws and regulations or if we are unable to put into effect any part of our development plan as intended, we would deposit such proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions).

If any part of our plans does not proceed as planned for reasons such as changes in government policies that would render any of our plans not viable, or the occurrence of force majeure events, our Directors will carefully evaluate the situation and may reallocate the net [**REDACTED**] from the [**REDACTED**]. We will issue an appropriate announcement if there is any material change to the above proposed use of [**REDACTED**].

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[**REDACTED**]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The following is the text of a report set out on pages I-1 to I-84, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF AULTON NEW ENERGY CO., LTD. (奧動新能源股份有限公司) AND CMB INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of Aulton New Energy Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-84, which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and 30 April 2026, the consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows, for each of the years ended 31 December 2023, 2024 and 2025 and the four months ended 30 April 2026 (the "Track Record Period"), and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-84 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [*date*] (the "Document") in connection with the initial [**REDACTED**] of H shares of the Company on the [**REDACTED**] of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

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

Reporting accountants' responsibility

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

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

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

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Company's and the Group's financial position as at 31 December 2023, 2024 and 2025 and 30 April 2026 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Review of stub period corresponding financial information

We have reviewed the stub period corresponding financial information of the Group which comprises the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the four months ended 30 April 2025 and other explanatory information (the "Stub Period Corresponding Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the HKICPA. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has

come to our attention that causes us to believe that the Stub Period Corresponding Financial Information, for the purpose of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

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

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 32(b) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

[*Date*]

HISTORICAL FINANCIAL INFORMATION

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

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by 畢馬威華振會計師事務所(特殊普通合夥)廣州分所 KPMG Huazhen LLP Guangzhou Branch in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

Consolidated statements of profit or loss

(Expressed in Renminbi ("RMB"))

	Note	Years ended 31 December			Four months ended 30 April	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue	*4*	1,155,368	926,292	677,105	230,794	235,134
Cost of revenue		(1,195,222)	(960,394)	(710,998)	(244,597)	(231,011)
Gross (loss)/profit		(39,854)	(34,102)	(33,893)	(13,803)	4,123
Other net income/(losses)	*5*	30,773	40,717	18,474	(4,620)	10,716
Selling and marketing expenses		(68,702)	(65,789)	(45,840)	(18,045)	(13,226)
Administrative expenses		(133,036)	(122,977)	(101,313)	(30,584)	(35,470)
Research and development expenses		(76,356)	(67,093)	(36,997)	(18,659)	(12,950)
(Impairment losses)/reversal of impairment on trade and other receivables and contract assets		(1,481)	4,411	(16,424)	(1,549)	(2,434)
Impairment losses on property, plant and equipment		(41,851)	(12,821)	(64,009)	(4,497)	(28,747)
Loss from operations		(330,507)	(257,654)	(280,002)	(91,757)	(77,988)
Finance costs	*6(a)*	(35,418)	(32,449)	(24,378)	(9,462)	(7,178)
Changes in the carrying amount of redemption liabilities	*26*	(281,027)	(121,079)	–	–	–
Share of results of joint ventures and associates	*15*	(5,577)	(7,158)	(2,337)	(2,071)	(2,543)
Loss before taxation	*6*	(652,529)	(418,340)	(306,717)	(103,290)	(87,709)
Income tax	*7*	(2,939)	(583)	(707)	(43)	(3,723)
Loss for the year/period		(655,468)	(418,923)	(307,424)	(103,333)	(91,432)
Attributable to:						
Equity shareholders		(618,403)	(381,620)	(263,806)	(91,046)	(80,265)
Non-controlling interests		(37,065)	(37,303)	(43,618)	(12,287)	(11,167)
Loss for the year/period		(655,468)	(418,923)	(307,424)	(103,333)	(91,432)
Loss per share						
Basic and diluted (RMB)	*10*	(0.65)	(0.40)	(0.28)	(0.10)	(0.08)

The accompanying notes form part of the Historical Financial Information.

Consolidated statements of profit or loss and other comprehensive income

(Expressed in RMB)

	Years ended 31 December			Four months ended 30 April	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Loss for the year/period	(655,468)	(418,923)	(307,424)	(103,333)	(91,432)
Other comprehensive income for the year/period					
Item that may be reclassified subsequently to profit or loss:					
Equity investments at fair value through other comprehensive income ("FVOCI") — net movement in fair value reserves (non-recycling)	(10,091)	712	514	(3,245)	5,303
Total comprehensive income for the year/period	(665,559)	(418,211)	(306,910)	(106,578)	(86,129)
Attributable to:					
Equity shareholders	(628,494)	(380,908)	(263,292)	(94,291)	(74,962)
Non-controlling interests	(37,065)	(37,303)	(43,618)	(12,287)	(11,167)
Total comprehensive income for the year/period	(665,559)	(418,211)	(306,910)	(106,578)	(86,129)

The accompanying notes form part of the Historical Financial Information.

Consolidated statements of financial position

(Expressed in RMB)

	Note	As at 31 December			As at 30 April
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property, plant and equipment	*11*	1,170,057	968,789	804,316	755,801
Right-of-use assets	*12*	406,999	349,232	256,537	237,887
Intangible assets	*13*	6,037	5,646	4,218	3,716
Interests in joint ventures and associates	*15*	19,259	31,833	28,097	25,163
Other non-current financial assets	*16*	24,732	25,444	45,958	51,261
Other non-current assets	*17*	22,324	16,249	112,156	58,643
Deferred tax assets	*31(b)*	67	83	44	35
Total non-current assets		1,649,475	1,397,276	1,251,326	1,132,506
Current assets					
Inventories	*18*	220,246	204,325	138,896	125,916
Contract assets	*19(a)*	20,520	1,296	2,690	2,608
Trade and other receivables	*20(a)*	363,083	214,753	223,571	264,236
Prepayments	*20(b)*	9,377	10,090	12,948	14,943
Other financial assets	*21*	27,581	5,955	2,339	1,908
Financial assets measured at fair value through profit or loss ("FVPL")	*22*	–	200,000	–	–
Restricted bank deposits	*23*	66,697	91,185	62,125	19,112
Cash and cash equivalents	*23*	586,718	391,378	268,555	298,107
Total current assets		1,294,222	1,118,982	711,124	726,830
Current liabilities					
Contract liabilities	*19(b)*	45,369	17,080	14,472	10,763
Trade and other payables	*24*	580,007	584,524	497,510	452,927
Loans and other borrowings	*25*	378,617	312,943	232,500	262,249
Redemption liabilities	*26*	3,793,869	–	–	–
Lease liabilities	*27*	72,514	65,071	65,988	61,482
Provisions	*28*	20,419	24,461	20,600	21,050
Current taxation	*31(a)*	1,854	209	1,492	6,480
Total current liabilities		4,892,649	1,004,288	832,562	814,951
Net current (liabilities)/ assets		(3,598,427)	114,694	(121,438)	(88,121)
Total assets less current liabilities		(1,948,952)	1,511,970	1,129,888	1,044,385

	Note	As at 31 December			As at 30 April
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current liabilities					
Lease liabilities	*27*	318,715	279,957	198,080	184,577
Provisions	*28*	11,224	10,791	7,642	7,574
Deferred income	*29*	4,000	4,000	–	–
Deferred tax liabilities	*31(b)*	5,620	5,078	3,918	1,944
Total non-current liabilities		339,559	299,826	209,640	194,095
NET (LIABILITIES)/ ASSETS		(2,288,511)	1,212,144	920,248	850,290
CAPITAL AND RESERVES	*32*				
Paid-in capital/share capital		951,208	951,208	951,208	951,208
Reserves		(3,182,595)	353,923	105,645	46,854
Total equity attributable to equity shareholders		(2,231,387)	1,305,131	1,056,853	998,062
Non-controlling interests		(57,124)	(92,987)	(136,605)	(147,772)
TOTAL (DEFICIT)/ EQUITY		(2,288,511)	1,212,144	920,248	850,290

The accompanying notes form part of the Historical Financial Information.

Statements of financial position of the Company

(Expressed in RMB)

	Note	As at 31 December			As at 30 April
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property, plant and equipment	*11*	3,040	7,645	6,354	5,876
Right-of-use assets	*12*	10,027	2,918	2,334	2,126
Intangible assets	*13*	3,256	3,074	2,090	1,736
Investment in subsidiaries	*14*	556,602	562,032	639,019	632,932
Interests in joint ventures and associates	*15*	19,190	10,652	7,839	4,858
Other non-current financial assets	*16*	24,732	25,444	45,958	51,261
Other non-current assets	*17*	8,483	3,346	18,324	22,420
Total non-current assets		625,330	615,111	721,918	721,209
Current assets					
Inventories	*18*	33,325	25,071	12,971	12,290
Contract assets	*19(a)*	3,628	1,206	2,204	2,176
Trade and other receivables	*20(a)*	1,941,033	1,865,244	1,797,731	1,877,596
Prepayments	*20(b)*	779	2,219	3,528	6,107
Financial assets measured at FVPL	*22*	–	200,000	–	–
Restricted bank deposits	*23*	37,688	89,090	59,444	12,587
Cash and cash equivalents	*23*	541,580	268,258	247,117	243,990
Total current assets		2,558,033	2,451,088	2,122,995	2,154,746
Current liabilities					
Contract liabilities	*19(b)*	21,942	8,245	6,590	3,937
Trade and other payables	*24*	387,502	421,147	346,153	356,721
Loans and other borrowings	*25*	367,500	302,000	232,500	262,249
Redemption liabilities	*26*	3,793,869	–	–	–
Lease liabilities	*27*	6,120	95	667	638
Provisions		–	750	–	–
Total current liabilities		4,576,933	732,237	585,910	623,545
Net current (liabilities)/ assets		(2,018,900)	1,718,851	1,537,085	1,531,201
Total assets less current liabilities		(1,393,570)	2,333,962	2,259,003	2,252,410

	Note	As at 31 December			As at 30 April
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current liabilities					
Lease liabilities	*27*	4,395	2,517	1,931	1,711
Provisions		728	–	–	–
Deferred income	*29*	4,000	4,000	–	–
Deferred tax liabilities		–	46	–	–
Total non-current liabilities		9,123	6,563	1,931	1,711
NET (LIABILITIES)/ ASSETS		(1,402,693)	2,327,399	2,257,072	2,250,699
CAPITAL AND RESERVES	*32*				
Paid-in capital/share capital		951,208	951,208	951,208	951,208
Reserves		(2,353,901)	1,376,191	1,305,864	1,299,491
TOTAL (DEFICIT)/ EQUITY		(1,402,693)	2,327,399	2,257,072	2,250,699

The accompanying notes form part of the Historical Financial Information.

Consolidated statements of changes in equity

(Expressed in RMB)

	Note	Attributable to equity shareholders								Non-controlling interests	Total deficit
		Paid-in capital	Capital reserve	Other reserve	Share-based payments reserve	Fair value reserve (non-recycling)	Statutory reserve	Accumulated losses	Sub-total		
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		Note 32(c)	*Note 32(d)(i)*	*Note 32(d)(iii)*	*Note 32(d)(iv)*	*Note 32(d)(v)*	*Note 32(d)(vi)*				
Balance at 1 January 2023		951,208	2,683,707	(3,007,196)	8,515	32,089	2,360	(2,278,070)	(1,607,387)	(20,359)	(1,627,746)
Changes in equity for the year ended 31 December 2023											
Loss for the year		–	–	–	–	–	–	(618,403)	(618,403)	(37,065)	(655,468)
Other comprehensive income		–	–	–	–	(10,091)	–	–	(10,091)	–	(10,091)
Total comprehensive income		–	–	–	–	(10,091)	–	(618,403)	(628,494)	(37,065)	(665,559)
Capital injection from non-controlling interests		–	–	–	–	–	–	–	–	300	300
Appropriation to statutory reserve		–	–	–	–	–	1,343	(1,343)	–	–	–
Equity settled share-based transactions	*30*	–	–	–	4,494	–	–	–	4,494	–	4,494
Balance at 31 December 2023		951,208	2,683,707	(3,007,196)	13,009	21,998	3,703	(2,897,816)	(2,231,387)	(57,124)	(2,288,511)

	Note	Attributable to equity shareholders								Non-controlling interests	Total (deficit)/equity
		Paid-in capital	Capital reserve	Other reserve	Share-based payments reserve	Fair value reserve (non-recycling)	Statutory reserve	Accumulated losses	Sub-total		
		RMB'000 Note 32(c)	*RMB'000* Note 32(d)(i)	*RMB'000* Note 32(d)(iii)	*RMB'000* Note 32(d)(iv)	*RMB'000* Note 32(d)(v)	*RMB'000* Note 32(d)(vi)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2024		951,208	2,683,707	(3,007,196)	13,009	21,998	3,703	(2,897,816)	(2,231,387)	(57,124)	(2,288,511)
Changes in equity for the year ended 31 December 2024											
Loss for the year		–	–	–	–	–	–	(381,620)	(381,620)	(37,303)	(418,923)
Other comprehensive income		–	–	–	–	712	–	–	712	–	712
Total comprehensive income		–	–	–	–	712	–	(381,620)	(380,908)	(37,303)	(418,211)
Capital injection from non-controlling interests		–	–	–	–	–	–	–	–	1,440	1,440
Appropriation to statutory reserve		–	–	–	–	–	100	(100)	–	–	–
Effect of the cancellation of the redemption rights	*26*	–	–	3,914,948	–	–	–	–	3,914,948	–	3,914,948
Equity settled share-based transactions	*30*	–	–	–	2,478	–	–	–	2,478	–	2,478
Balance at 31 December 2024		951,208	2,683,707	907,752	15,487	22,710	3,803	(3,279,536)	1,305,131	(92,987)	(1,212,144)

	Attributable to equity shareholders										
	Paid-in capital/ share capital	Share premium	Capital reserve	Other reserve	Share-based payments reserve	Fair value reserve (non-recycling)	Statutory reserve	Accumulated losses	Sub-total	Non-controlling interests	Total equity
Note	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 32(c)	*Note 32(d)(ii)*	*Note 32(d)(i)*	*Note 32(d)(iii)*	*Note 32(d)(iv)*	*Note 32(d)(v)*	*Note 32(d)(vi)*				
Balance at 1 January 2025	951,208	–	2,683,707	907,752	15,487	22,710	3,803	(3,279,536)	1,305,131	(92,987)	1,212,144
Changes in equity for the year ended 31 December 2025											
Loss for the year	–	–	–	–	–	–	–	(263,806)	(263,806)	(43,618)	(307,424)
Other comprehensive income	–	–	–	–	–	514	–	–	514	–	514
Total comprehensive income	–	–	–	–	–	514	–	(263,806)	(263,292)	(43,618)	(306,910)
Conversion into a joint stock limited liability company	–	968,987	(2,554,345)	(907,752)	(15,329)	(22,598)	–	2,531,037	–	–	–
Equity settled share-based transactions *30*	–	–	–	–	15,014	–	–	–	15,014	–	15,014
Balance at 31 December 2025	951,208	968,987	129,362	–	15,172	626	3,803	(1,012,305)	1,056,853	(136,605)	920,248

		Attributable to equity shareholders									
	Note	Paid-in capital/ share capital	Share premium	Capital reserve	Other reserve	Share-based payments reserve	Fair value reserve (non-recycling)	Statutory reserve	Accumulated losses	Sub-total	Non-controlling interests	Total equity
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		Note 32(c)	*Note 32(d)(ii)*	*Note 32(d)(i)*	*Note 32(d)(iii)*	*Note 32(d)(iv)*	*Note 32(d)(v)*	*Note 32(d)(vi)*				
Balance at 1 January 2026		951,208	968,987	129,362	–	15,172	626	3,803	(1,012,305)	1,056,853	(136,605)	920,248
Changes in equity for the four months ended 30 April 2026												
Loss for the period		–	–	–	–	–	–	–	(80,265)	(80,265)	(11,167)	(91,432)
Other comprehensive income		–	–	–	–	–	5,303	–	–	5,303	–	5,303
Total comprehensive income		–	–	–	–	–	5,303	–	(80,265)	(74,962)	(11,167)	(86,129)
Equity settled share-based transactions	*30*	–	–	–	–	16,171	–	–	–	16,171	–	16,171
Balance at 30 April 2026		951,208	968,987	129,362	–	31,343	5,929	3,803	(1,092,570)	998,062	(147,772)	850,290

	Note	Attributable to equity shareholders									Non-controlling interests	Total equity
		Paid-in capital	Share premium	Capital reserve	Other reserve	Share-based payments reserve	Fair value reserve (non-recycling)	Statutory reserve	Accumulated losses	Sub-total		
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		Note 32(c)	*Note 32(d)(ii)*	*Note 32(d)(i)*	*Note 32(d)(iii)*	*Note 32(d)(iv)*	*Note 32(d)(v)*	*Note 32(d)(vi)*				
(unaudited)												
Balance at 1 January 2025		951,208	–	2,683,707	907,752	15,487	22,710	3,803	(3,279,536)	1,305,131	(92,987)	1,212,144
Changes in equity for the four months ended 30 April 2025												
Loss for the period		–		–	–	–	–	–	(91,046)	(91,046)	(12,287)	(103,333)
Other comprehensive income		–		–	–	–	(3,245)	–	–	(3,245)	–	(3,245)
Total comprehensive income		–	–	–	–	–	(3,245)	–	(91,046)	(94,291)	(12,287)	(106,578)
Conversion into a joint stock limited liability company	*32(c)*	–	968,987	(2,554,345)	(907,752)	(15,329)	(22,598)	–	2,531,037	–	–	–
Equity settled share-based transactions	*30*	–		–	–	2,798	–	–	–	2,798	–	2,798
Balance at 30 April 2025		951,208	968,987	129,362	–	2,956	(3,133)	3,803	(839,545)	1,213,638	(105,274)	1,108,364

The accompanying notes form part of the Historical Financial Information.

Consolidated statements of cash flows

(Expressed in RMB)

	Note	Years ended 31 December			Four months ended 30 April	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Operating activities						
Cash generated from/(used in) operations	*23(b)*	153,618	287,905	(63,226)	(56,698)	11,244
Interest received from bank deposit		13,246	7,328	3,427	1,507	329
Income tax paid	*31(a)*	(2,631)	(2,786)	(545)	–	(700)
Net cash generated from/(used in) operating activities		164,233	292,447	(60,344)	(55,191)	10,873
Investing activities						
Proceeds from disposal of property, plant and equipment		1,240	101,126	17,538	4,223	11,577
Payment for purchase of property, plant and equipment		(289,128)	(166,269)	(143,809)	(24,036)	(5,833)
Payment for purchase of intangible assets		(237)	(966)	(92)	–	–
Payment for restoration costs		(320)	(283)	(3,504)	(630)	(545)
Interest received		–	303	40	40	–
Proceeds from disposal of financial assets measured at FVPL		1,319,800	1,960,010	2,139,520	857,370	513,800
Payment for purchase of financial assets measured at FVPL		(1,199,800)	(2,160,010)	(1,939,520)	(717,370)	(513,800)
Investment income from financial assets measured at FVPL received		4,157	2,193	1,755	900	455
Payment for purchase of certificates of deposit		–	–	(20,000)	–	–
(Increase)/decrease in restricted bank deposit		–	(60,000)	60,000	60,000	–
Advances to a related party		–	–	–	–	(2,000)
Advances to third parties		(4,900)	(7,130)	(50,000)	(50,000)	–
Repayment of advances to third parties		–	8,230	–	–	–
Receipts from a third party		–	–	–	–	6,300
Loss of control of subsidiaries, net of cash received		(9,990)	–	–	–	–
Proceeds from disposals of investments in a joint venture		–	–	136	–	–
Payment for investment in joint ventures and associates		(4,500)	(23,878)	–	–	(882)
Net cash (used in)/generated from investing activities		(183,678)	(346,674)	62,064	130,497	9,072

	Note	Years ended 31 December			Four months ended 30 April	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Financing activities						
Capital injection from non-controlling interests		300	–	–	–	–
Proceeds from bank loans	*23(c)*	377,500	312,000	245,000	96,606	125,496
Repayment of bank loans	*23(c)*	(337,839)	(377,500)	(324,500)	(90,000)	(96,606)
Interest of bank loans paid	*23(c)*	(8,826)	(6,980)	(3,562)	(2,547)	(959)
Decrease in restricted bank deposit		29,566	11,104	13,875	–	22
Payment of capital element of lease liabilities	*23(c)*	(69,283)	(61,600)	(40,525)	(16,051)	(14,156)
Payment of interest element of lease liabilities	*23(c)*	(18,639)	(17,777)	(13,853)	(5,185)	(2,769)
Prepayment for [**REDACTED**] expenses		[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Net cash (used in)/generated from financing activities		(27,221)	(141,121)	(124,550)	(17,250)	9,607
Net (decrease)/increase in cash and cash equivalents		(46,666)	(195,348)	(122,830)	58,056	29,552
Cash and cash equivalents at the beginning of the year/period		633,508	586,718	391,378	391,378	268,555
Effect of foreign exchange rate changes		(124)	8	7	12	–
Cash and cash equivalents at the end of the year/period	*23*	586,718	391,378	268,555	449,446	298,107

The accompanying notes form part of the Historical Financial Information.

Notes to the Historical Financial Information

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION AND PRESENTATION OF THE HISTORICAL FINANCIAL INFORMATION

(a) General information

Aulton New Energy Co., Ltd. (奧動新能源股份有限公司, the "Company") was incorporated in the People's Republic of China (the "PRC") on 16 June 2016. The Company was converted into a joint stock limited liability company on 19 March 2025.

The Company and its subsidiaries (collectively the "Group") are principally engaged in sales of battery-swapping equipment, and provision of battery-swapping services and battery-swapping operational services in the PRC.

(b) Basis of preparation and presentation

All companies in the Group have adopted 31 December as their financial year end date.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). Further details of the material accounting policy information are set out in Note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new standards or interpretations that are not yet effective for the accounting period beginning 1 January 2026. The revised and new accounting standards and interpretations issued but not yet effective for the accounting year beginning 1 January 2026 are set out in Note 37.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Stub Period Corresponding Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the Historical Financial Information.

The Historical Financial Information and the Stub Period Corresponding Financial Information are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

The financial statements of the Company for the years ended 31 December 2023, 2024 and 2025 prepared in accordance with the Accounting Standards for Business Enterprises applicable to the enterprises in the PRC ("PRC GAAP") were audited by Huaxing Certified Public Accountants LLP Guangdong Branch (華興會計師事務所(特殊普通合夥)廣東分所).

(c) Subsidiaries

As at the date of this report, the Company has direct or indirect interests in the following principal subsidiaries, all of which are private companies:

Company Name	Place of incorporation and operation/date of establishment	Particulars of registered/ paid-up capital	Proportion of ownership interest		Principal activity
			Held by the Company	Held by a subsidiary	
Shanghai Dianba New Energy Technology Co., Ltd. ("Shanghai Dianba") 上海電巴新能源科技有限公司 *(i) (ii)*	PRC/16 September 2009	RMB61,100,000/ RMB61,100,000	100%	–	Manufacturing of battery-swapping stations and modules
Beijing Aulton New Energy Investment Co., Ltd. ("Beijing Aulton") 北京奧動新能源投資有限公司 *(i) (ii)*	PRC/22 February 2016	RMB700,000,000/ RMB700,000,000	70%	–	Provision of battery-swapping services and battery-swapping operational services
Guangzhou Aulton New Energy Technology Co., Ltd. ("Guangzhou Aulton") 廣州奧動新能源科技有限公司 *(i) (ii)*	PRC/19 May 2016	RMB204,000,000/ RMB204,000,000	80%	–	Provision of battery-swapping services and battery-swapping operational services
Yunnan Aulton New Energy Technology Co., Ltd. 雲南奧動新能源科技有限公司 *(i) (ii)*	PRC/21 January 2019	RMB60,000,000/ RMB60,000,000	100%	–	Provision of battery-swapping services and battery-swapping operational services
Chongqing Aulton New Energy Technology Co., Ltd. 重慶奧動新能源科技有限公司 *(i) (iii)*	PRC/22 October 2020	RMB100,000,000/ RMB100,000,000	100%	–	Provision of battery-swapping services and battery-swapping operational services
Changchun Aulton New Energy Technology Co., Ltd. 長春奧動新能源科技有限公司 *(i) (ii)*	PRC/15 January 2021	RMB10,000,000/ RMB10,000,000	100%	–	Provision of battery-swapping services and battery-swapping operational services

Notes:

(i) These entities are all PRC limited liability companies. The English translation of the company names is for reference only. The official names of these companies are in Chinese.

(ii) The financial statements for the years ended 31 December 2023, 2024 and 2025 prepared in accordance with the PRC GAAP were audited by Huaxing Certified Public Accountants LLP Guangdong Branch (華興會計師事務所(特殊普通合夥)廣東分所).

(iii) The financial statements for the years ended 31 December 2023 and 2024 prepared in accordance with the PRC GAAP were audited by Huaxing Certified Public Accountants LLP Guangdong Branch (華興會計師事務所(特殊普通合夥)廣東分所). No audited financial statements have been prepared for the entity for the year ended 31 December 2025.

2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except that the financial assets measured at FVOCI and financial assets measured at FVPL are stated at their fair value as explained in Note 2(e).

(b) Use of estimates and judgements

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Historical Financial Information from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statements of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(j)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(d) Associates and joint ventures

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group or the Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An investment in an associate is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those investees, until the date on which significant influence ceases.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate, after applying the expected credit loss ("ECL") model to such other long-term interests where applicable.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

(e) Other investments in securities

The Group's policies for investments in equity securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 33(e). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

– amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(u)(ii)(b), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

– FVOCI — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income calculated using the effective interest method (see Note 2(u)(ii)(b)) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in other comprehensive income ("OCI"). When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.

– FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income (see Note 2(u)(ii)(a)).

(f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 2(j)(ii)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labor, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see Note 2(w)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write-off the cost of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

The estimated useful lives are as follows:

Plants and buildings	20 years
Machineries for battery swapping stations	10 years
Other machineries	3-10 years
Batteries	5 years
Vehicles	4 years
Office equipment and others	3-5 years

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(g) Research and development costs

Research and development costs comprise all costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Because of the nature of the Group's research and development activities, the criteria for the recognition of such costs as an asset are generally not met until late in the development stage of the project when the remaining development costs are immaterial. Hence both research costs and development costs are generally recognised as expenses in the period in which they are incurred.

(h) Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at costs less accumulated amortisation and any accumulated impairment losses (see Note 2(j)(ii)).

Amortisation is calculated to write-off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives are as follows:

Software and others	5-10 years

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(i) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Note 2(j)(ii)).

Refundable deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see Notes 2(e)(i), 2(u)(ii)(b) and 2(j)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

The Group presents right-of-use assets and presents lease liabilities separately in the consolidated statements of financial position.

(j) Credit losses and impairment of assets

(i) Credit losses from financial instruments and contract assets

The Group recognises a loss allowance for ECLs on:

– financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, including those loans to associates and joint ventures that are held for the collection of contractual cash flows which represent solely payments of principal and interest);

– contract assets (see Note 2(l)); and

– non-equity securities measured at FVOCI (recycling) (see Note 2(e)(i)).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

– fixed-rate financial assets, and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;

– variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

– lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

– financial instruments that are determined to have low credit risk at each reporting date; and

– other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 1 year past due.

The Group considers a financial asset to be in default when:

– the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

– the financial asset is 4 years past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or past due event;

– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

– it is probable that the debtor will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s).

The recoverable amount of an asset or CGU is the greater of its value in use ("VIU") and its fair value less costs of disposal. VIU is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(l) Contract assets and liabilities

A contract asset is recognised when the Group recognises revenue (see Note 2(u)(i)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see Note 2(j)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see Note 2(m)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(u)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see Note 2(m)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 2(u)(ii)(b)).

(m) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see Note 2(j)(i)).

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see Note 2(j)(i)).

(o) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(p) Redemption liabilities

A contract that contains an obligation for the Company to purchase its own equity instruments for cash or another financial asset gives rise to a financial liability for the redemption amount, even if the Company's obligation to purchase is conditional on the counterparty exercising a right to redeem. The redemption liability is measured at the highest redemption amount (on a present value basis) the Company could be required to pay from time to time. Any change in the carrying amount of the redemption liability arising from the remeasurement of the redemption amount is recognised in profit or loss. The then carrying amount of the redemption liability is reclassified to equity upon a termination of the counterparty's redemption right.

(q) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(w).

(r) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plan

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Pursuant to the relevant laws and regulations of the PRC, the Group participates in a defined contribution basic pension insurance in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. The local government authorities are responsible for the pension obligations payable to the retired employees covered under the defined contribution basic pension insurance. There are no forfeited contributions for the defined contribution basic pension insurance in the PRC social insurance system as the contributions are fully vested to the employees upon payment to the scheme.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Share-based payments

The grant-date fair value of equity settled share-based payments granted to employees is measured using the Black-Scholes model, taking into account any transfer restrictions imposed on the vested equity instruments. The amount is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of the awards for which the related vesting conditions are expected to be met, such that the amount ultimately recognised is based on the number of the awards that meet the related vesting conditions at the vesting date. The equity amount is recognised in the share-based payments reserve until the awards are forfeited, upon which the corresponding amount recognised is released directly to retained profits/accumulated losses.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(s) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

– temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(t) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(u) Revenue and other income

Income is classified by the Group as revenue when it arises from the provision of services, the sale of goods or the use by the others of the Group's assets under leases in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

The Group is the principal for substantially all of its revenue transactions and recognises revenue on a gross basis. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the goods or services before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the goods or services. In limited revenue transactions, the Group acts as an agent and recognises revenue on a net basis.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax ("VAT") or other sales taxes and is after deduction of any trade discounts.

(a) Revenue from provision of battery-swapping services through self-owned stations

The Group operates self-owned battery-swapping stations by itself and generates revenue by providing battery-swapping services for electric vehicles ("EV(s)"). Revenue is recognised at a point in time when the related services have been rendered to customers.

(b) Revenue from provision of battery-swapping solutions

The Group generates revenue from provision of battery-swapping solutions by sales of equipment (including sales of battery-swapping modules and battery-swapping stations), as well as provision of battery-swapping operational services.

Sales of battery-swapping modules

The Group generates revenue from sales of battery-swapping modules, comprising battery boxes and frames, to EV manufacturers and battery manufacturers for use in battery-swapping packs. Revenue from sales of battery-swapping modules is recognised at a point in time when the control of the goods is transferred to the customers.

Sales of battery-swapping stations

Revenue from sales of battery-swapping stations is recognised at a point in time when the control of the stations is transferred to the customers. Such customers retain operational revenues from their stations and undertake the costs associated with the operations.

Provision of battery-swapping operational services

The Group enters into a series of agreements with customers who have purchased battery-swapping stations ("Service Agreement(s)"), whereby these customers engage the Group to further provide professional operational support for their stations.

Revenues of battery-swapping operational services are derived from each Service Agreement, where the customers are required to pay platform service fees for use of the Group's service platform. In addition, for those customers requiring more comprehensive operational support, they are required to pay management service fees for daily operation management, maintenance and customer service support.

Operational service fees are fixed or variable according to each Service Agreement, among which variable service fees are generally calculated as a percentage of the operating metrics of those battery-swapping stations. Such operational service fees are generally due and payable on a monthly basis as services are provided and revenue is recognised over time as services are rendered.

(c) Others

Other revenue mainly consists of sales of other products such as moulds, and other service fees such as battery usage fees. Revenue is recognised when the control of the goods is transferred or relevant services are rendered.

(ii) Revenue from other sources and other income

(a) Dividends

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(b) Interest income

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(c) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful lives of the asset by way of reduced depreciation expense.

(v) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

(w) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(x) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(y) Segment reporting

Operating segments, and the amounts of each segment item reported in the Historical Financial Information, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENT AND ESTIMATES

(a) Critical accounting judgements in applying the Group's accounting policies

(i) Determining the lease term

As explained in policy Note 2(i), the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

(b) Sources of estimation uncertainty

Notes 30 and 33 contain information about the assumptions and their risk factors relating to fair value of options granted and financial instruments. Other key sources of estimation uncertainty in the process of applying the Group's accounting policies are as follows:

(i) Impairment of property, plant and equipment and right-of-use assets

Internal and external sources of information are reviewed at the end of each reporting period to assess whether there is any indication that property, plant and equipment and right-of-use assets may be impaired. If any such indication exists, the recoverable amount of the property, plant and equipment and right-of-use assets is estimated. Changes in facts and circumstances may result in revisions to the conclusion of whether an indication of impairment exists and revised estimates of recoverable amounts, which would affect profit or loss in future periods.

(ii) Depreciation

Property, plant and equipment and right-of-use assets, are depreciated on a straight-line basis over the estimated useful lives of the assets. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets. The depreciation expense for future periods is adjusted if there are material changes from previous estimates.

(iii) Provision for restoration costs

As explained in Note 28, the Group makes provision for restoration costs based on the best estimate of the expected costs to be incurred upon expiry of the respective rental agreements, which are subject to uncertainty and might differ from the actual costs incurred. Any increase or decrease in the provision would affect profit or loss in future periods.

(iv) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. These estimates are based on the current market conditions and the historical experience of selling products with similar nature. It could change significantly as a result of change in customer preference and technology development in response to the industry situation. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-down made in prior years and affect the Group's net assets value and profit or loss. The Group reassesses these estimates at the end of each reporting period.

(v) Warranty provisions

As explained in Note 28, the Group makes provisions under the warranties it gives on sale of its equipment taking into account the Group's recent claim experience. As the Group is continually upgrading its product designs and launching new models, it is possible that the recent claim experience is not indicative of future claims that it will receive in respect of past sales. Any increase or decrease in the provision would affect profit or loss in future years.

(vi) Expected credit losses for trade receivables and contract assets.

The credit losses for trade receivables and contract assets are based on assumptions about the expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, which are based on the Group's past collection history, existing market conditions as well as forward looking estimates at the end of each reporting period. Changes in these assumptions and estimates could affect the result of the assessment and the Group may be necessary to make additional loss allowances in future periods.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are provision of battery-swapping services through self-owned stations, sales of equipment, and provision of battery-swapping operational services in the PRC during the Track Record Period.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Years ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15					
Disaggregated by major business lines					
Battery-swapping operational solutions					
– Sales of equipment	519,174	267,999	150,083	43,185	82,818
– Battery-swapping operational services	86,925	84,728	66,702	26,171	20,235
– Others	20,686	26,804	24,844	5,564	4,858
	626,785	379,531	241,629	74,920	107,911
Battery-swapping services through self-owned stations	528,583	546,761	435,476	155,874	127,223
	1,155,368	926,292	677,105	230,794	235,134
Disaggregated by timing of revenue recognition					
– Point in time	1,059,600	825,869	597,874	200,527	210,795
– Overtime	95,768	100,423	79,231	30,267	24,339
	1,155,368	926,292	677,105	230,794	235,134

(ii) Information about major customers

The Group's customer base is diversified. For the year ended 31 December 2023, two customers contributed over 10% of the Group's revenues in the amount of approximately RMB121,930,000 and RMB118,900,000, respectively. For the four months ended 30 April 2026, one customer contributed over 10% of the Group's revenues in the amount of approximately RMB45,980,000. No other individual customer contributed over 10% of total revenue of the Group during the years ended 31 December 2024 and 2025 and the four months ended 30 April 2025. Details of concentrations of credit risk of the Group are set out in Note 33(a).

(iii) Revenue expected to be recognised in the future arising from contracts in existence at the reporting date

Contracts within the scope of IFRS 15

The Group has applied the practical expedient in paragraph 121(a) of IFRS 15 to its contracts with customers that had an original expected duration of one year or less and does not disclose the information related to the aggregated amount of the transaction price allocated to the remaining performance obligations.

(b) Segment reporting

The directors of the Company have been identified as the Group's most senior executive management. The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. Therefore, the Group has one operating segment. The Group's most senior executive management reviews the Group's consolidated results of operations in assessing performance of and making decisions about allocations to this segment. Accordingly, no reportable segment information is presented. As substantially all of the Group's operations and assets are in the PRC, no geographic information is presented.

5 OTHER NET INCOME/(LOSSES)

	Years ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Government grants *(i)*	19,941	37,106	14,347	2,232	4,693
Interest income and investment income	17,403	9,824	5,222	2,447	784
(Losses)/gains on disposal of plant, property and equipment and right-of-use assets, net	(4,882)	(7,336)	(4,992)	(9,702)	5,563
Impairment losses on joint ventures	–	–	(510)	–	(686)
Gain/(loss) on disposal or liquidation of subsidiaries	28	735	(1)	–	–
Net foreign exchange (losses)/gains	(124)	8	7	12	–
Others	(1,593)	380	4,401	391	362
	30,773	40,717	18,474	(4,620)	10,716

Note:

(i) Government grants represent various forms of incentives and subsidies granted to the Group by the local government authorities in the PRC. There are no unfulfilled conditions and other contingencies related to subsidies that have been recognised during the years ended 31 December 2023, 2024 and 2025 and the four months ended 30 April 2025 and 2026.

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	Years ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
(a) Finance costs					
Interest on lease liabilities *(Note 12)*	18,639	17,777	13,853	5,185	2,769
Interest on loans and borrowings *(Note 25)*	8,887	6,806	2,619	1,642	1,818
Interest on trade payables	7,412	7,412	7,412	2,470	2,470
Interest on provisions for restoration costs	480	454	494	165	121
	35,418	32,449	24,378	9,462	7,178

	Years ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
(b) Staff costs (including directors' emoluments)					
Salaries, wages and other benefits	325,013	295,789	207,850	88,172	56,101
Contributions to defined contribution retirement plan	25,476	21,347	15,610	5,850	3,951
Equity settled share-based payment expenses *(Note 30)*	4,494	2,478	15,014	2,798	16,171
	354,983	319,614	238,474	96,820	76,223
(c) Other items					
Amortisation *(Note 13)*	1,336	1,357	1,520	490	502
Depreciation					
– property, plant and equipment *(Note 11)*	190,505	199,796	151,539	55,428	41,451
– right-of-use assets *(Note 12)*	81,926	74,076	58,345	22,351	15,114
Cost of inventories *(Note 18)*	515,584	239,742	137,236	36,179	67,987
[**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(a) Taxation in the consolidated statements of profit or loss represents:

	Years ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Current tax — PRC income tax					
Provision for the year/period *(Note 31(a))*	4,485	1,141	1,828	438	5,688
Deferred tax					
Origination and reversal of temporary differences *(Note 31(b))*	(1,546)	(558)	(1,121)	(395)	(1,965)
	2,939	583	707	43	3,723

(b) Reconciliation between tax expense and accounting loss at applicable tax rates:

	Years ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Loss before taxation	(652,529)	(418,340)	(306,717)	(103,290)	(87,709)
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned *(i)*	(163,132)	(104,585)	(76,679)	(25,823)	(21,927)
Effect of preferential tax treatments on High and New Technology Enterprise *(i)*	38,660	22,668	13,385	3,509	5,455
Effect of non-deductible expenses	42,766	19,557	449	103	100
Additional deduction for research and development expenses *(ii)*	(9,628)	(9,122)	(5,465)	(2,446)	(1,303)
Effect of tax losses not recognised	71,129	71,116	50,925	23,016	16,030
Effect of temporary difference not recognised	24,912	2,187	21,833	2,724	7,301
Effect of utilising tax losses previously not recognised	(1,768)	(1,238)	(3,741)	(1,040)	(1,933)
Income tax expenses	2,939	583	707	43	3,723

Notes:

(i) The PRC corporate income tax

The provision for current income tax in the PRC is based on a statutory tax rate of 25% of the assessable profits of the PRC subsidiaries of the Group as determined in accordance with the Corporate Income Tax Law of the PRC and the respective regulations except for the Company and Shanghai Dianba.

The Company and Shanghai Dianba were certified as "High and New Technology Enterprises" and entitled to a preferential enterprise income tax rate of 15% for three calendar years, commencing on 12 November 2020 and 18 November 2020 respectively, and were certified for another three calendar years since 28 December 2023 and 12 December 2023 respectively.

Certain subsidiaries of the Group have been qualified as "Small and Low-Profit Enterprises" and were entitled to a preferential effective tax rate of 5% for the years ended 31 December 2023, 2024 and 2025 and the four months ended 30 April 2025 and 2026.

(ii) An additional 100% of the qualified research and development expenses incurred was allowed to be deducted from taxable income under the PRC Income Tax Law and relevant regulations.

8 DIRECTORS' EMOLUMENTS

Directors' emoluments as recorded in the Historical Financial Information are set out below:

	For the year ended 31 December 2023					
	Directors' and supervisors' fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Equity settled share-based payments *(i)* *(Note 30)*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors						
Mr. Cai Dongqing ("Mr. Cai")	–	–	–	–	–	–
Mr. Zhang Jianping ("Mr. Zhang")	–	1,005	–	–	569	1,574
Mr. Tang Dianqin	–	–	–	–	–	–
Mr. Chen Yukai	–	–	–	–	–	–
Ms. Chen Daijun	–	–	–	–	–	–
Ms. Ye Hui	–	–	–	–	–	–
Ms. Liu Luke	–	–	–	–	–	–
Mr. Wang Longfeng	–	–	–	–	–	–
Mr. Liang Yi	–	–	–	–	–	–
Supervisor						
Mr. Shi Yuyou	–	–	–	–	–	–
	–	1,005	–	–	569	1,574

	For the year ended 31 December 2024					
	Directors' and supervisors' fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Equity settled share-based payments *(i)* *(Note 30)*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors						
Mr. Cai	–	–	–	–	–	–
Mr. Zhang	–	917	–	–	132	1,049
Mr. Tang Dianqin	–	–	–	–	–	–
Mr. Chen Yukai	–	–	–	–	–	–
Ms. Chen Daijun	–	–	–	–	–	–
Ms. Ye Hui	–	–	–	–	–	–
Ms. Liu Luke	–	–	–	–	–	–
Mr. Wang Longfeng	–	–	–	–	–	–
Mr. Liang Yi	–	–	–	–	–	–
Mr. Yin Yulong (appointed on 20 November 2024)	–	–	–	–	–	–
Supervisor						
Mr. Shi Yuyou	–	–	–	–	–	–
	–	917	–	–	132	1,049

	For the year ended 31 December 2025					
	Directors' and supervisors' fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Equity settled share-based payments *(i)* *(Note 30)*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors						
Mr. Cai	–	–	–	–	–	–
Mr. Zhang	–	168	–	–	1,318	1,486
Mr. Tang Dianqin (resigned on 25 October 2025)	–	–	–	–	–	–
Mr. Chen Yukai (resigned on 18 March 2025)	–	–	–	–	–	–
Ms. Chen Daijun (resigned on 18 March 2025)	–	–	–	–	–	–
Ms. Ye Hui (resigned on 18 March 2025)	–	–	–	–	–	–
Ms. Liu Luke (resigned on 18 March 2025)	–	–	–	–	–	–
Mr. Wang Longfeng (resigned on 18 March 2025)	–	–	–	–	–	–
Mr. Liang Yi (resigned on 18 March 2025)	–	–	–	–	–	–
Mr. Yin Yulong	–	–	–	–	–	–
Mr. Chen Shaowen (appointed on 25 October 2025)	–	108	32	4	138	282
Supervisors						
Mr. Shi Yuyou (resigned on 18 March 2025)	–	–	–	–	–	–
Mr. Lin Yanzhi (appointed on 19 March 2025)	–	343	112	20	220	695
Mr. He Liu (appointed on 19 March 2025 and resigned on 25 April 2025)	–	769	20	5	–	794
Ms. Liao Jiehua (appointed on 19 March 2025)	–	417	89	10	–	516
Mr. Cai Zhaozhan (appointed on 25 October 2025) *(ii)*	–	85	29	4	392	510
	–	1,890	282	43	2,068	4,283

	Four months ended 30 April 2025 *(unaudited)*					
	Directors' and supervisors' fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Equity settled share-based payments *(i)* *(Note 30)*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors						
Mr. Cai	–	–	–	–	–	–
Mr. Zhang	–	168	–	–	127	295
Mr. Tang Dianqin	–	–	–	–	–	–
Mr. Chen Yukai (resigned on 18 March 2025)	–	–	–	–	–	–
Ms. Chen Daijun (resigned on 18 March 2025)	–	–	–	–	–	–
Ms. Ye Hui (resigned on 18 March 2025)	–	–	–	–	–	–
Ms. Liu Luke (resigned on 18 March 2025)	–	–	–	–	–	–
Mr. Wang Longfeng (resigned on 18 March 2025)	–	–	–	–	–	–
Mr. Liang Yi (resigned on 18 March 2025)	–	–	–	–	–	–
Mr. Yin Yulong	–	–	–	–	–	–
Supervisors						
Mr. Shi Yuyou (resigned on 18 March 2025)	–	–	–	–	–	–
Mr. Lin Yanzhi (appointed on 19 March 2025)	–	63	17	4	37	121
Mr. He Liu (appointed on 19 March 2025 and resigned on 25 April 2025)	–	769	20	5	–	794
Ms. Liao Jiehua (appointed on 19 March 2025)	–	64	13	2	32	111
	–	1,064	50	11	196	1,321

	Four months ended 30 April 2026					
	Directors' and supervisors' fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Equity settled share-based payments *(i)* *(Note 30)*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors						
Mr. Cai	–	–	–	–	–	–
Mr. Zhang	–	–	–	–	–	–
Mr. Yin Yulong	–	–	–	–	–	–
Mr. Chen Shaowen	–	190	120	5	636	951
Supervisors						
Mr. Lin Yanzhi	–	140	85	8	367	600
Ms. Liao Jiehua (resigned on 18 March 2026)	–	25	–	1	–	26
Mr. Cai Zhaozhan	–	150	93	5	856	1,104
Ms. Chen Yumin (appointed on 18 March 2026)	–	28	6	2	–	36
	–	533	304	21	1,859	2,717

Notes:

(i) These represent the estimated value of options granted to the directors under the Group's employee incentive schemes (the "Scheme"). The value of these options is measured according to the Group's accounting policies for share-based payment transactions as set out in Note 2(r)(ii) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting. The details of share-based payments, including the principal terms and number of options granted, are disclosed in Note 30.

(ii) Mr. Cai Zhaozhan is one of the five individuals with the highest emoluments for the year ended 31 December 2025. The aggregate of the emoluments for services he rendered, including the period served as an employee prior to his appointment as a supervisor of the Company, amounted to RMB2,157,000.

(iii) During the Track Record Period, there were no amounts paid or payable by the Group to the directors or any of the highest paid individuals set out in Note 9 below as an inducement to join or upon joining the Group or as a compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any remuneration during the Track Record Periods.

(iv) The directors confirmed that their emoluments shown above were paid and payable for their services in connection with the management of the affairs of the Company and the Group.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

During the years ended 31 December 2023, 2024 and 2025 and the four months ended 30 April 2025 and 2026, of the five individuals with the highest emoluments, nil, nil, 2, 1 (unaudited) and 2 are director and supervisor whose emoluments are disclosed in Note 8.

The aggregate of the emoluments in respect of the other 5, 5, 3, 4 (unaudited) and 3 individuals are as follows:

	Years ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Salaries and other emoluments	7,999	5,636	2,318	1,492	650
Discretionary bonuses	2,364	1,012	422	140	240
Retirement scheme contributions	126	86	15	5	10
Equity settled share-based payments	1,186	216	6,137	219	2,344
	11,675	6,950	8,892	1,856	3,244

The emoluments of the above individuals with the highest emoluments are within the following bands:

	Years ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	Number of individuals	Number of individuals	Number of individuals	Number of individuals *(unaudited)*	Number of individuals
Nil to HK$1,000,000	–	–	–	4	–
HK$1,000,001 to HK$1,500,000	–	2	1	–	2
HK$1,500,001 to HK$2,000,000	1	3	–	–	1
HK$2,000,001 to HK$2,500,000	3	–	–	–	–
HK$3,500,001 to HK$4,000,000	–	–	1	–	–
HK$4,000,001 to HK$4,500,000	1	–	–	–	–
HK$4,500,001 to HK$5,000,000	–	–	1	–	–
	5	5	3	4	3

10 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share during the Track Record Period is based on the loss attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue or deemed to be in issue during the Track Record Period.

As disclosed in Note 32(c), the Company was converted into a joint stock limited liability company and issued 951,207,879 shares with the par value of RMB1 each on 19 March 2025. For the purpose of computing basic loss per share, the weighted average number of ordinary shares deemed to be in issue before the Company's conversion into a joint stock limited liability company was determined assuming the conversion into joint stock limited liability company had occurred on 1 January 2023, at the conversion ratio established in the conversion in March 2025.

Loss for the year/period attributable to ordinary equity shareholders of the Company

	Years ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Loss for the year/period attributable to all equity shareholders of the Company	(618,403)	(381,620)	(263,806)	(91,046)	(80,265)
Allocation of loss for the year/period attributable to ordinary shares with redemption rights *(Note 26)*	201,049	50,509	–	–	–
Loss for the year/period attributable to ordinary equity shareholders of the Company	(417,354)	(331,111)	(263,806)	(91,046)	(80,265)

Weighted average number of ordinary shares (deemed to be) in issue

	Years ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares
	'000	*'000*	*'000*	*'000 (unaudited)*	*'000*
Ordinary shares (deemed to be) in issue at 1 January	951,208	951,208	951,208	951,208	951,208
Effect of the ordinary shares with redemption rights *(Note 26)*	(309,248)	(125,896)	–	–	–
Weighted average number of ordinary shares (deemed to be) in issue at 31 December/ 30 April	641,960	825,312	951,208	951,208	951,208

(b) Diluted loss per share

Ordinary shares with redemption rights (Note 26) were not included in the calculation of diluted loss per share as their inclusion would have been anti-dilutive. Accordingly, diluted loss per share for the years ended 31 December 2023, 2024 and 2025 and the four months ended 30 April 2025 and 2026 are the same as basic loss per share for the respective years/periods.

11 PROPERTY, PLANT AND EQUIPMENT

The Group:

	Plants and buildings	Machineries for battery swapping stations	Batteries	Other machineries	Vehicles	Office equipment and others	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:								
At 1 January 2023	91,237	719,930	533,347	161,974	7,056	27,803	280,688	1,822,035
Additions	–	–	116,866	10,683	1,351	9,174	49,949	188,023
Transfer from construction in progress	–	153,871	–	–	–	–	(153,871)	–
Transfer to construction in progress	–	(59,443)	–	–	–	–	43,377	(16,066)
Transfer to inventory	–	(9,293)	–	–	–	–	–	(9,293)
Effect of government grants	–	(38,140)	–	–	–	–	(8,938)	(47,078)
Disposals	–	(5,112)	(11,759)	(3,395)	(1,241)	(3,767)	(16,689)	(41,963)
At 31 December 2023 and 1 January 2024	91,237	761,813	638,454	169,262	7,166	33,210	194,516	1,895,658
Additions	–	–	92,342	2,265	2,040	2,164	26,000	124,811
Transfer from construction in progress	–	72,279	–	–	–	–	(72,279)	–
Transfer to construction in progress	–	(73,592)	–	–	–	–	36,001	(37,591)
Transfer to inventory	–	(1,425)	–	–	–	–	–	(1,425)
Effect of government grants	–	(12,677)	–	–	–	–	–	(12,677)
Disposals	–	(65,756)	(123,039)	(6,926)	(996)	(3,841)	(16,188)	(216,746)
At 31 December 2024 and 1 January 2025	91,237	680,642	607,757	164,601	8,210	31,533	168,050	1,752,030
Additions	–	–	21,188	5,398	133	4,696	45,891	77,306
Reclassification	–	–	–	–	6,076	(6,076)	–	–
Transfer from construction in progress	–	85,372	–	–	–	1,196	(86,568)	–
Transfer to construction in progress	–	(80,685)	–	–	–	–	50,313	(30,372)
Transfer to inventory	–	(1,182)	–	–	–	–	–	(1,182)
Effect of government grants	–	(1,737)	–	–	–	–	–	(1,737)
Disposals	–	(18,074)	(86,804)	(15,397)	(2,380)	(7,764)	(8,923)	(139,342)
At 31 December 2025 and 1 January 2026	91,237	664,336	542,141	154,602	12,039	23,585	168,763	1,656,703
Additions	–	–	55,839	–	–	–	4,834	60,673
Transfer from construction in progress	–	15,681	–	1,657	–	–	(17,338)	–
Transfer to construction in progress	–	(31,068)	–	–	–	–	2,435	(28,633)
Transfer to inventory	–	(36,197)	(41,083)	–	–	–	–	(77,280)
Disposals	–	(24,989)	(63,112)	–	(904)	(381)	(15,297)	(104,683)
At 30 April 2026	91,237	587,763	493,785	156,259	11,135	23,204	143,397	1,506,780
Accumulated depreciation:								
At 1 January 2023	(19,619)	(126,443)	(182,901)	(74,696)	(5,845)	(13,221)	–	(422,725)
Charge for the year	(2,077)	(49,281)	(99,877)	(34,381)	(1,277)	(3,612)	–	(190,505)
Transfer to construction in progress	–	16,066	–	–	–	–	–	16,066
Transfer to inventory	–	924	–	–	–	–	–	924
Written back on disposals	–	4,468	8,523	2,465	1,179	277	–	16,912
At 31 December 2023 and 1 January 2024	(21,696)	(154,266)	(274,255)	(106,612)	(5,943)	(16,556)	–	(579,328)
Charge for the year	(2,077)	(58,869)	(112,908)	(19,985)	(1,931)	(4,026)	–	(199,796)
Transfer to construction in progress	–	26,875	–	–	–	–	–	26,875
Transfer to inventory	–	513	–	–	–	–	–	513
Written back on disposals	–	57,959	36,644	4,522	930	1,708	–	101,763

	Plants and buildings	Machineries for battery swapping stations	Batteries	Other machineries	Vehicles	Office equipment and others	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2024 and 1 January 2025	(23,773)	(127,788)	(350,519)	(122,075)	(6,944)	(18,874)	–	(649,973)
Charge for the year	(2,077)	(51,178)	(83,298)	(11,374)	(1,588)	(2,024)	–	(151,539)
Reclassification	–	–	–	–	(1,978)	1,978	–	–
Transfer to construction in progress	–	30,372	–	–	–	–	–	30,372
Transfer to inventory	–	417	–	–	–	–	–	417
Written back on disposals	–	11,774	72,963	13,349	1,666	2,724	–	102,476
At 31 December 2025 and 1 January 2026	(25,850)	(136,403)	(360,854)	(120,100)	(8,844)	(16,196)	–	(668,247)
Charge for the period	(692)	(14,740)	(21,586)	(3,721)	(312)	(400)	–	(41,451)
Transfer to construction in progress	–	18,676	–	–	–	–	–	18,676
Transfer to inventory	–	19,017	31,583	–	–	–	–	50,600
Written back on disposals	–	19,535	57,230	–	643	26	–	77,434
At 30 April 2026	(26,542)	(93,915)	(293,627)	(123,821)	(8,513)	(16,570)	–	(562,988)
Impairment:								
At 1 January 2023	–	(106,160)	–	–	–	–	(3,490)	(109,650)
Additions	–	(25,647)	–	–	–	–	(16,204)	(41,851)
Written back on disposals	–	412	–	–	–	–	4,816	5,228
At 31 December 2023 and 1 January 2024	–	(131,395)	–	–	–	–	(14,878)	(146,273)
Additions	–	(11,809)	–	–	–	–	(1,012)	(12,821)
Transfer to construction in progress	–	10,716	–	–	–	–	–	10,716
Written back on disposals	–	5,358	–	–	–	–	9,752	15,110
At 31 December 2024 and 1 January 2025	–	(127,130)	–	–	–	–	(6,138)	(133,268)
Additions	–	(29,972)	(1,891)	–	–	–	(32,146)	(64,009)
Written back on disposals	–	5,460	–	–	–	–	7,677	13,137
At 31 December 2025 and 1 January 2026	–	(151,642)	(1,891)	–	–	–	(30,607)	(184,140)
Additions	–	(4,959)	–	–	–	–	(23,788)	(28,747)
Transfer to construction in progress	–	9,957	–	–	–	–	–	9,957
Written back on disposals	–	5,434	852	–	–	–	8,653	14,939
At 30 April 2026	–	(141,210)	(1,039)	–	–	–	(45,742)	(187,991)
Net book value:								
At 30 April 2026	64,695	352,638	199,119	32,438	2,622	6,634	97,655	755,801
At 31 December 2025	65,387	376,291	179,396	34,502	3,195	7,389	138,156	804,316
At 31 December 2024	67,464	425,724	257,238	42,526	1,266	12,659	161,912	968,789
At 31 December 2023	69,541	476,152	364,199	62,650	1,223	16,654	179,638	1,170,057

The Company:

	Machineries for battery swapping stations	Batteries	Vehicles	Office equipment and others	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:						
At 1 January 2023	4,339	74	271	6,319	81	11,084
Additions	–	–	–	–	806	806
Disposals	(4,339)	–	–	(1,135)	(116)	(5,590)
At 31 December 2023 and 1 January 2024	–	74	271	5,184	771	6,300
Additions	–	–	353	1,294	4,149	5,796
Transfer from construction in progress	3,870	–	–	–	(3,870)	–
Disposals	–	–	–	(659)	–	(659)
At 31 December 2024 and 1 January 2025	3,870	74	624	5,819	1,050	11,437
Additions	–	522	125	11	146	804
Transfer from construction in progress	–	–	–	1,196	(1,196)	–
Disposals	–	–	–	(502)	–	(502)
At 31 December 2025 and 1 January 2026	3,870	596	749	6,524	–	11,739
Additions	–	–	–	–	102	102
At 30 April 2026	3,870	596	749	6,524	102	11,841
Accumulated depreciation:						
At 1 January 2023	–	(32)	(157)	(2,522)	–	(2,711)
Charge for the year	–	(13)	(64)	(557)	–	(634)
Written back on disposals	–	–	–	85	–	85
At 31 December 2023 and 1 January 2024	–	(45)	(221)	(2,994)	–	(3,260)
Charge for the year	(287)	(13)	(73)	(818)	–	(1,191)
Written back on disposals	–	–	–	659	–	659
At 31 December 2024 and 1 January 2025	(287)	(58)	(294)	(3,153)	–	(3,792)
Charge for the year	(691)	(92)	(96)	(1,026)	–	(1,905)
Written back on disposals	–	–	–	312	–	312
At 31 December 2025 and 1 January 2026	(978)	(150)	(390)	(3,867)	–	(5,385)
Charge for the period	(229)	(34)	(38)	(279)	–	(580)
At 30 April 2026	(1,207)	(184)	(428)	(4,146)	–	(5,965)
Net book value:						
At 30 April 2026	2,663	412	321	2,378	102	5,876
At 31 December 2025	2,892	446	359	2,657	–	6,354
At 31 December 2024	3,583	16	330	2,666	1,050	7,645
At 31 December 2023	–	29	50	2,190	771	3,040

Impairment losses

During the Track Record Period, the Group's operating results of battery-swapping business in certain cities were worse than expected. As at the end of each reporting period, in view of the unfavourable future prospects of battery-swapping business in each of those cities (CGUs), the management of the Group has conducted impairment tests with the assistance of an independent valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("JLL").

The estimated recoverable amount of each of the CGUs that includes property, plant and equipment and right-of use assets with impairment indications were based on the fair value less cost of disposal based on the cost approach, or value-in-use calculations using cash flow projections of the relevant CGUs derived from the most recent financial forecast approved by the management covering the remaining useful lives of battery-swapping stations in the relevant CGUs, which is higher.

Where the recoverable amount is determined based on the fair value less cost of disposal, significant unobservable inputs used in the fair value measurement include functional obsolescence, economic obsolescence and cost of disposal. The fair value on which the recoverable amount is based on its categorised as Level 3 measurement.

Where the recoverable amount is determined based on value-in-use calculations, the cash flows are discounted using a discount rate of 14.49% to 16.58% and 17.48% as at 31 December 2025 and 30 April 2026, respectively. The discount rate used is pre-tax and reflects specific risks relating to the relevant CGUs.

As at 31 December 2023, 2024, 2025 and 30 April 2026, the carrying amount of certain CGUs exceeds their recoverable amount. Therefore, impairment losses of RMB41,851,000, RMB12,821,000, RMB64,009,000 and RMB28,747,000 were recognised in "impairment losses on property, plant and equipment" in the consolidated statements of profit or loss.

12 RIGHT-OF-USE ASSETS

The Group:

	Plants and buildings	Land	Batteries	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost:				
At 1 January 2023	52,832	546,155	2,815	601,802
Additions	174	51,628	–	51,802
Disposals	(380)	(43,237)	–	(43,617)
At 31 December 2023 and 1 January 2024	52,626	554,546	2,815	609,987
Additions	4,105	29,721	–	33,826
Disposals	(44,803)	(36,827)	–	(81,630)
At 31 December 2024 and 1 January 2025	11,928	547,440	2,815	562,183
Additions	299	29,966	–	30,265
Disposals	(3,569)	(128,592)	–	(132,161)
At 31 December 2025 and 1 January 2026	8,658	448,814	2,815	460,287
Additions	42	14,986	–	15,028
Disposals	(331)	(27,193)	–	(27,524)
At 30 April 2026	8,369	436,607	2,815	447,791
Accumulated depreciation:				
At 1 January 2023	(17,808)	(125,686)	(156)	(143,650)
Charge for the year	(16,162)	(65,295)	(469)	(81,926)
Disposals	294	22,294	–	22,588
At 31 December 2023 and 1 January 2024	(33,676)	(168,687)	(625)	(202,988)
Charge for the year	(10,653)	(62,954)	(469)	(74,076)
Disposals	39,290	24,823	–	64,113

	Plants and buildings	Land	Batteries	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2024 and 1 January 2025	(5,039)	(206,818)	(1,094)	(212,951)
Charge for the year	(1,712)	(56,164)	(469)	(58,345)
Disposals	2,401	65,145	–	67,546
At 31 December 2025 and 1 January 2026	(4,350)	(197,837)	(1,563)	(203,750)
Charge for the period	(501)	(14,457)	(156)	(15,114)
Disposals	113	8,847	–	8,960
At 30 April 2026	(4,738)	(203,447)	(1,719)	(209,904)
Net book value:				
At 30 April 2026	3,631	233,160	1,096	237,887
At 31 December 2025	4,308	250,977	1,252	256,537
At 31 December 2024	6,889	340,622	1,721	349,232
At 31 December 2023	18,950	385,859	2,190	406,999

The Company:

	Plants and buildings
	RMB'000
Cost:	
At 1 January 2023, 31 December 2023 and 1 January 2024	25,013
Additions	3,071
Disposals	(25,013)
At 31 December 2024 and 1 January 2025	3,071
Additions	40
At 31 December 2025, 1 January 2026 and 30 April 2026	3,111
Accumulated depreciation:	
At 1 January 2023	(6,849)
Charge for the year	(8,137)
At 31 December 2023 and 1 January 2024	(14,986)
Charge for the year	(4,608)
Disposals	19,441
At 31 December 2024 and 1 January 2025	(153)
Charge for the year	(624)
At 31 December 2025 and 1 January 2026	(777)
Charge for the period	(208)
At 30 April 2026	(985)
Net book value:	
At 30 April 2026	2,126
At 31 December 2025	2,334
At 31 December 2024	2,918
At 31 December 2023	10,027

The Group has obtained the right to use other properties as its offices space and battery-swapping station sites through tenancy agreements. These leases typically run for an initial period of 5 to 10 years. Lease payments are usually increased every 1 to 3 years to reflect market rentals.

Some leases include an option to renew the lease for an additional period after the end of the contract term. Where practicable, the Group seeks to include such extension options exercisable by the Group to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. If the Group is not reasonably certain to exercise the extension options, the future lease payments during the extension periods are not included in the measurement of lease liabilities.

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Years ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Interest on lease liabilities *(Note 6(a))*	18,639	17,777	13,853	5,185	2,769
Expense relating to short-term leases	2,285	5,714	5,419	2,046	1,942
Expense relating to leases of variable lease payments not included in the measurement of lease liabilities	4,233	1,414	2,876	961	1,025

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 23(d) and 27, respectively.

13 INTANGIBLE ASSETS

The Group:

	Software and others
	RMB'000
Cost:	
At 1 January 2023	5,552
Additions	4,005
At 31 December 2023 and 1 January 2024	9,557
Additions	966
At 31 December 2024 and 1 January 2025	10,523
Additions	92
At 31 December 2025, 1 January 2026 and 30 April 2026	10,615
Accumulated amortisation:	
At 1 January 2023	(2,184)
Charge for the year	(1,336)
At 31 December 2023 and 1 January 2024	(3,520)
Charge for the year	(1,357)
At 31 December 2024 and 1 January 2025	(4,877)
Charge for the year	(1,520)
At 31 December 2025 and 1 January 2026	(6,397)
Charge for the period	(502)
At 30 April 2026	(6,899)

	Software and others
	RMB'000
Net book value:	
At 30 April 2026	3,716
At 31 December 2025	4,218
At 31 December 2024	5,646
At 31 December 2023	6,037

The amortisation charge for the years ended 31 December 2023, 2024 and 2025 and the four months ended 30 April 2026 is included in "cost of revenue" and "administrative expenses" in the consolidated statements of profit or loss.

The Company:

	Software and others
	RMB'000
Cost:	
At 1 January 2023	1,290
Additions	3,907
At 31 December 2023 and 1 January 2024	5,197
Additions	759
At 31 December 2024 and 1 January 2025	5,956
Additions	92
At 31 December 2025, 1 January 2026 and 30 April 2026	6,048
Accumulated amortisation:	
At 1 January 2023	(1,010)
Charge for the year	(931)
At 31 December 2023 and 1 January 2024	(1,941)
Charge for the year	(941)
At 31 December 2024 and 1 January 2025	(2,882)
Charge for the year	(1,076)
At 31 December 2025 and 1 January 2026	(3,958)
Charge for the period	(354)
At 30 April 2026	(4,312)
Net book value:	
At 30 April 2026	1,736
At 31 December 2025	2,090
At 31 December 2024	3,074
At 31 December 2023	3,256

14 INVESTMENT IN SUBSIDIARIES

The Company:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investments in subsidiaries at cost *(i)*	1,263,177	1,269,977	1,383,000	1,387,438
Less: impairment *(ii)*	(706,575)	(707,945)	(743,981)	(754,506)
	556,602	562,032	639,019	632,932

Notes:

(i) Details of the principal subsidiaries of the Group are set out in Note 1(c).

(ii) As at 31 December 2023, 2024 and 2025 and 30 April 2026, in view of the continuous loss-making situation of certain subsidiaries, there was an indication that the investments in such subsidiaries may suffer an impairment loss. The management of the Company has conducted impairment tests with the assistance of JLL. The recoverable amounts of the investments in such subsidiaries is determined based on VIU calculations by using cash flows projections of the subsidiaries derived from the most recent financial forecasts approved by the management. The pre-tax discount rates range from 13.59% to 13.86%, 13.07% to 13.38%, 12.60% to 14.16%, 13.54% to 14.45%, respectively, impairment losses of investment in subsidiaries of RMB32,412,000, RMB1,370,000, RMB36,381,000 and RMB10,525,000 were recognised by the Company during the years ended 31 December 2023, 2024 and 2025 and the four months ended 30 April 2026, respectively.

The following table lists out the information relating to a subsidiary of the Group which has a material non-controlling interest ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination.

	Beijing Aulton			
	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NCI percentage	30%	30%	30%	30%
Current assets	70,646	148,443	45,438	75,952
Non-current assets	390,560	311,757	360,210	316,052
Current liabilities	(565,256)	(679,266)	(752,606)	(777,836)
Non-current liabilities	(82,210)	(60,653)	(51,539)	(46,616)
Net liabilities	(186,260)	(279,719)	(398,497)	(432,448)
Carrying amount of NCI	(55,878)	(83,916)	(119,549)	(129,734)
Revenue	140,273	131,473	86,955	24,127
Loss for the year/period	(101,930)	(93,461)	(118,776)	(33,949)
Total comprehensive income	(101,930)	(93,461)	(118,776)	(33,949)
Loss allocated to NCI	(30,579)	(28,038)	(35,633)	(10,185)
Cash flows generated from/(used in) operating activities	46,043	100,269	(3,974)	15,331
Cash flows (used in)/generated from investing activities	(14,606)	(4,985)	(86,851)	6,241
Cash flows used in financing activities	(22,190)	(22,158)	(15,412)	(5,393)

15 INTERESTS IN JOINT VENTURES AND ASSOCIATES

The Group:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of net assets:				
– Joint ventures	14,759	27,405	24,167	21,105
– Associates	4,500	4,428	3,930	4,058
	19,259	31,833	28,097	25,163

The Company:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of net assets:				
– Joint ventures	14,690	6,224	3,909	800
– Associates	4,500	4,428	3,930	4,058
	19,190	10,652	7,839	4,858

There is no joint venture or associate that is individually material to the Group. Aggregate financial information in respect of the Group's shares of these joint ventures' and associates' results is set out in the consolidated statements of profit or loss.

16 OTHER NON-CURRENT FINANCIAL ASSETS

The Group and the Company:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity securities designated at FVOCI (non-recycling)				
– Unlisted equity securities *(Note (i))*	24,732	25,444	25,958	31,261
Certificates of deposit	–	–	20,000	20,000
	24,732	25,444	45,958	51,261

Note:

(i) The Group held unlisted equity investment in an entity. The entity is incorporated in the PRC. The Group designated its investment in unlisted equity securities at FVOCI (non-recycling), as the investment is held for strategic purposes.

17 OTHER NON-CURRENT ASSETS

The Group:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayment for property, plant and equipment	8,560	7,823	90,528	33,506
Rental deposits – non-current	7,764	8,426	7,142	6,579
Other long-term prepayments	6,000	–	14,486	18,558
	22,324	16,249	112,156	58,643

The Company:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayment for property, plant and equipment	2,483	3,346	3,838	3,862
Other long-term prepayments	6,000	–	14,486	18,558
	8,483	3,346	18,324	22,420

18 INVENTORIES

(a) Inventories in the consolidated statements of financial position comprise:

The Group:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	116,125	104,417	82,975	84,883
Work in progress	8,064	7,993	10,459	8,957
Finished goods	48,280	58,953	27,675	23,464
Goods in transit	47,777	32,962	17,787	8,612
	220,246	204,325	138,896	125,916

The Company:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Goods in transit	33,325	25,071	12,971	12,290

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

The Group:

	Year ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Carrying amount of inventories sold	504,885	230,782	123,924	32,902	56,507
Write-down of inventories	10,699	8,960	13,312	3,277	11,480
	515,584	239,742	137,236	36,179	67,987

19 CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

The Group:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Arising from performance under sales of battery-swapping stations, net of loss allowance	20,520	1,296	2,690	2,608

The Company:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Arising from performance under sales of battery-swapping stations, net of loss allowance	3,628	1,206	2,204	2,176

Contract assets relate to the Group's rights to consideration for performance obligations that have been satisfied but not billed, primarily from sales of battery-swapping equipment. Contract assets are transferred to receivables when the right to payment becomes unconditional, other than the passage of time.

Typically, for sales of battery-swapping stations, the Group agrees to a one-year warranty period with 5% of the contract amount to be received when the warranty period expires. This amount is included in contract assets before the end of the warranty period.

All of the contract assets are expected to be recovered within one year.

(b) Contract liabilities

The Group:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advanced payment received from customers	45,369	17,080	14,472	10,763

The Company:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advanced payment received from customers	21,942	8,245	6,590	3,937

Movements in contract liabilities:

The Group:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January	44,919	45,369	17,080	14,472
Decrease in contract liabilities as a result of recognising revenue during the year/period that was included in the contract liabilities at the beginning of the year/period	(41,221)	(39,124)	(16,769)	(11,904)
Increase in contract liabilities as a result of receipts in advance	41,671	10,835	14,161	8,195
Balance at 31 December/30 April	45,369	17,080	14,472	10,763

The Company:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January	39,387	21,942	8,245	6,590
Decrease in contract liabilities as a result of recognising revenue during the year/period that was included in the contract liabilities at the beginning of the year/period	(35,689)	(15,697)	(7,934)	(4,022)
Increase in contract liabilities as a result of receipts in advance	18,244	2,000	6,279	1,369
Balance at 31 December/30 April	21,942	8,245	6,590	3,937

20 TRADE AND OTHER RECEIVABLES AND PREPAYMENT

(a) Trade and other receivables

The Group:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables, net of loss allowance				
– Third parties	272,853	153,211	130,707	165,045
– Related parties	30,059	12,826	23,480	29,925
	302,912	166,037	154,187	194,970
Bills receivable	–	100	10	10
Other receivables and deposits, net of loss allowance	36,595	21,991	50,646	46,270
Value-added tax recoverable	23,576	20,625	18,728	22,986
Other current assets	–	6,000	–	–
	363,083	214,753	223,571	264,236

The Company:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables, net of loss allowance				
– Third parties	51,675	58,764	64,436	62,608
– Related parties	27,438	3,733	15,721	22,059
	79,113	62,497	80,157	84,667
Amounts due from subsidiaries	1,843,778	1,783,582	1,677,996	1,752,439
Other receivables and deposits, net of loss allowance	18,142	13,165	39,578	40,490
Other current assets	–	6,000	–	–
	1,941,033	1,865,244	1,797,731	1,877,596

All of the trade and other receivables are expected to be recovered or recognised as expenses within one year or are recovered on demand.

The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

For the years ended 31 December 2023, 2024 and 2025 and the four months ended 30 April 2025 and 2026, an impairment loss of other receivables of nil, nil, RMB15,200,000, nil (unaudited) and RMB2,400,000 was recognised in profit or loss respectively.

Ageing analysis:

An ageing analysis of the trade receivables as at the end of each of the Track Record Period, based on the invoice date and net of loss allowance, is as follows:

The Group:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	299,755	128,448	113,696	161,418
Over 1 year but within 2 years	261	35,782	38,364	28,404
Over 2 years but within 3 years	2,627	171	1,921	5,148
Over 3 years but within 4 years	269	1,636	206	–
	302,912	166,037	154,187	194,970

The Company:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	79,113	27,613	62,598	66,427
Over 1 year but within 2 years	–	34,884	15,675	17,480
Over 2 years but within 3 years	–	–	1,884	760
	79,113	62,497	80,157	84,667

The Group grants different credit period to its customers of different business lines. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 33(a).

(b) Prepayment

The Group:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments to suppliers	9,377	9,379	10,781	10,786
Prepayments for [**REDACTED**] expenses	–	711	2,167	4,157
	9,377	10,090	12,948	14,943

The Company:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments to suppliers	779	1,508	1,361	1,950
Prepayments for [**REDACTED**] expenses	–	711	2,167	4,157
	779	2,219	3,528	6,107

21 OTHER FINANCIAL ASSETS

The Group:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets measured at FVOCI				
– Bills receivable	27,581	5,955	2,339	1,908

The Group's bills receivable were measured at FVOCI as they were held for dual purpose of collection of contractual cash flows and sales. Changes in fair value are recognised in other comprehensive income.

22 FINANCIAL ASSETS AT FVPL

The Group and the Company:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets measured at FVPL				
– Unlisted structured deposits	–	200,000	–	–

The amount represents investments in structured deposits issued by financial institutions in the PRC. There are no fixed or determinable returns of these structured deposits.

23 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

The Group:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash on hand	3	2	8	8
Cash at bank and non-bank financial institutions	653,412	482,561	330,672	317,211
Less: restricted bank deposits *(i)*	(66,697)	(91,185)	(62,125)	(19,112)
Cash and cash equivalents in the consolidated statements of financial position and the consolidated statements of cash flows	586,718	391,378	268,555	298,107

The Company:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash at bank and non-bank financial institutions	579,268	357,348	306,561	256,577
Less: restricted bank deposits	(37,688)	(89,090)	(59,444)	(12,587)
Cash and cash equivalents in the statements of financial position of the Company	541,580	268,258	247,117	243,990

Notes:

(i) As at 31 December 2023, 2024 and 2025 and 30 April 2026, restricted bank deposits of RMB65,312,000, RMB29,065,000, RMB12,500,000 and RMB12,500,000 were pledged as securities for banking facilities or bills payable or letters of guarantee as required by the banks.

(ii) As at 31 December 2023, 2024 and 2025 and 30 April 2026, all cash and cash equivalents were situated in Chinese Mainland. Remittance of funds out of Chinese Mainland is subject to the relevant rules and regulations of foreign exchange control.

(b) Reconciliation of loss before taxation to cash generated from/(used in) operations

		Years ended 31 December			Four months ended 30 April	
	Note	2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Loss before taxation		(652,529)	(418,340)	(306,717)	(103,290)	(87,709)
Adjustments for:						
Depreciation and amortisation	*6(c)*	273,767	275,229	211,404	78,269	57,067
Finance costs	*6(a)*	35,418	32,449	24,378	9,462	7,178
Interest income and investment income	*5*	(17,403)	(9,824)	(5,222)	(2,447)	(784)
Net foreign exchange losses/(gains)	*5*	124	(8)	(7)	(12)	–
Losses/(gains) on disposal of plant, property and equipment and right-of-use assets, net	*5*	4,882	7,336	4,992	9,702	(5,563)
Share of results of joint ventures and associates	*15*	5,577	7,158	2,337	2,071	2,543
Equity settled share-based payment expenses	*30*	4,494	2,478	15,014	2,798	16,171
Impairment losses/(reversal of impairment) on trade and other receivables and contract assets		1,481	(4,411)	16,424	1,549	2,434
Provision on impairment losses on property, plant and equipment		41,851	12,821	64,009	4,497	28,747
(Gain)/loss on disposal or liquidation of subsidiaries	*5*	(28)	(735)	1	–	–

	Note	Years ended 31 December			Four months ended 30 April	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Changes in carrying amount of the redemption liabilities		281,027	121,079	–	–	–
Changes in working capital:						
Decrease in inventories		85,016	15,921	65,429	12,863	12,980
Decrease/(increase) in trade and other receivables		17,548	171,294	28,938	22,492	(40,397)
Decrease/(increase) in prepayment		3,789	(713)	(2,858)	(9,745)	(1,995)
(Increase)/decrease in contract assets		(4,246)	19,224	(1,394)	(1,311)	82
(Decrease)/increase in trade and other payables		(5,645)	44,858	(125,803)	(82,843)	(19,372)
Increase/(decrease) in contract liabilities		450	(28,288)	(2,608)	4,637	(3,709)
Increase/(decrease) in provision for product warranty		7,117	3,292	(4,465)	(3,983)	580
Increase in asset-related government grants		47,078	12,677	1,737	614	–
Increase/(decrease) in deferred income		4,000	–	(4,000)	(1,862)	–
Decrease/(increase) in restricted bank deposits		19,850	24,408	(44,815)	(159)	42,991
Cash generated from/(used in) operations		153,618	287,905	(63,226)	(56,698)	11,244

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Loans and other borrowings	Redemption liabilities	Lease liabilities	Total
	RMB'000 (Note 25)	*RMB'000 (Note 26)*	*RMB'000 (Note 27)*	*RMB'000*
At 1 January 2023	338,895	3,512,842	430,331	4,282,068
Changes from financing cash flows:				
Proceeds from bank loans	377,500	–	–	377,500
Repayment of bank loans	(337,839)	–	–	(337,839)
Interest of bank loans paid	(8,826)	–	–	(8,826)
Payment of capital element of lease liabilities	–	–	(69,283)	(69,283)
Payment of interest element of lease liabilities	–	–	(18,639)	(18,639)
Total changes from financing cash flows	30,835	–	(87,922)	(57,087)

	Loans and other borrowings	Redemption liabilities	Lease liabilities	Total
	RMB'000 (Note 25)	*RMB'000 (Note 26)*	*RMB'000 (Note 27)*	*RMB'000*
Other changes:				
Changes in the carrying amount of redemption liabilities *(Note 26)*	–	281,027	–	281,027
Interest expenses *(Note 6(a))*	8,887	–	18,639	27,526
Increase in lease liabilities from entering into new leases during the year	–	–	51,013	51,013
Decrease in lease liabilities from lease termination during the year	–	–	(20,832)	(20,832)
Total other changes	8,887	281,027	48,820	338,734
At 31 December 2023	378,617	3,793,869	391,229	4,563,715

	Loans and other borrowings	Redemption liabilities	Lease liabilities	Total
	RMB'000 (Note 25)	*RMB'000 (Note 26)*	*RMB'000 (Note 27)*	*RMB'000*
At 1 January 2024	378,617	3,793,869	391,229	4,563,715
Changes from financing cash flows:				
Proceeds from bank loans	312,000	–	–	312,000
Repayment of bank loans	(377,500)	–	–	(377,500)
Interest of bank loans paid	(6,980)	–	–	(6,980)
Payment of capital element of lease liabilities	–	–	(61,600)	(61,600)
Payment of interest element of lease liabilities	–	–	(17,777)	(17,777)
Total changes from financing cash flows	(72,480)	–	(79,377)	(151,857)
Other changes:				
Changes in the carrying amount of redemption liabilities *(Note 26)*	–	121,079	–	121,079
Effect of the cancellation of the redemption rights *(Note 26)*	–	(3,914,948)	–	(3,914,948)
Interest expenses *(Note 6(a))*	6,806	–	17,777	24,583
Increase in lease liabilities from entering into new leases during the year	–	–	33,715	33,715
Decrease in lease liabilities from lease termination during the year	–	–	(18,316)	(18,316)
Total other changes	6,806	(3,793,869)	33,176	(3,753,887)
At 31 December 2024	312,943	–	345,028	657,971

	Loans and other borrowings	Lease liabilities	Total
	RMB'000 (Note 25)	*RMB'000 (Note 27)*	*RMB'000*
At 1 January 2025	312,943	345,028	657,971
Changes from financing cash flows:			
Proceeds from bank loans	245,000	–	245,000
Repayment of bank loans	(324,500)	–	(324,500)
Interest of bank loans paid	(3,562)	–	(3,562)
Payment of capital element of lease liabilities	–	(40,525)	(40,525)
Payment of interest element of lease liabilities	–	(13,853)	(13,853)
Total changes from financing cash flows	(83,062)	(54,378)	(137,440)
Other changes:			
Interest expenses *(Note 6(a))*	2,619	13,853	16,472
Increase in lease liabilities from entering into new leases during the year	–	29,794	29,794
Decrease in lease liabilities from lease termination during the year	–	(70,229)	(70,229)
Total other changes	2,619	(26,582)	(23,963)
At 31 December 2025	232,500	264,068	496,568

	Loans and other borrowings	Lease liabilities	Total
	RMB'000 (Note 25)	*RMB'000 (Note 27)*	*RMB'000*
(unaudited)			
At 1 January 2025	312,943	345,028	657,971
Changes from financing cash flows:			
Proceeds from bank loans	96,606	–	96,606
Repayment of bank loans	(90,000)	–	(90,000)
Interest of bank loans paid	(2,547)	–	(2,547)
Payment of capital element of lease liabilities	–	(16,051)	(16,051)
Payment of interest element of lease liabilities	–	(5,185)	(5,185)
Total changes from financing cash flows	4,059	(21,236)	(17,177)
Other changes:			
Interest expenses *(Note 6(a))*	1,642	5,185	6,827
Increase in lease liabilities from entering into new leases during the period	–	3,260	3,260
Decrease in lease liabilities from lease termination during the period	–	(7,592)	(7,592)
Total other changes	1,642	853	2,495
At 30 April 2025	318,644	324,645	643,289

	Loans and other borrowings	Lease liabilities	Total
	RMB'000 (Note 25)	*RMB'000 (Note 27)*	*RMB'000*
At 1 January 2026	232,500	264,068	496,568
Changes from financing cash flows:			
Proceeds from bank loans	125,496	–	125,496
Repayment of bank loans	(96,606)	–	(96,606)
Interest of bank loans paid	(959)	–	(959)
Payment of capital element of lease liabilities	–	(14,156)	(14,156)
Payment of interest element of lease liabilities	–	(2,769)	(2,769)
Total changes from financing cash flows	27,931	(16,925)	11,006
Other changes:			
Interest expenses *(Note 6(a))*	1,818	2,769	4,587
Increase in lease liabilities from entering into new leases during the period	–	14,640	14,640
Decrease in lease liabilities from lease termination during the period	–	(18,493)	(18,493)
Total other changes	1,818	(1,084)	734
At 30 April 2026	262,249	246,059	508,308

(d) Total cash outflow for leases

Amounts included in the consolidated statements of cash flows for leases comprise the following:

	Years ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Within operating cash flows	6,518	7,128	8,295	3,007	2,967
Within financing cash flows	87,922	79,377	54,378	21,236	16,925
	94,440	86,505	62,673	24,243	19,892

24 TRADE AND OTHER PAYABLES

The Group:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables				
– Third parties	387,675	322,058	272,035	241,488
– Related parties	1,636	1,827	2,929	2,780
	389,311	323,885	274,964	244,268
Staff cost payables	42,193	30,506	18,762	14,820
Other tax payables	22,201	7,910	10,344	7,150
Amounts received on behalf of battery-swapping station operators	79,783	68,824	35,369	25,450
Accrued interest of trade payables	25,638	32,814	39,989	42,381
Advances from government authorities	–	97,000	97,000	97,000
Other payables and accrued charges	20,881	23,585	21,082	21,858
	580,007	584,524	497,510	452,927

The Company:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables				
– Third parties	3,503	7,863	2,625	3,289
Amounts due to subsidiaries	341,170	380,080	320,693	330,424
Staff cost payables	11,001	6,920	5,551	4,092
Other tax payables	7,333	3,094	423	205
Amounts received on behalf of battery-swapping station operators	17,558	11,930	7,112	6,661
Other payables and accrued charges	6,937	11,260	9,749	12,050
	387,502	421,147	346,153	356,721

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

As of the end of each reporting period, the aging analysis of trade payables, based on the invoice date, is as follows:

The Group:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	215,126	138,983	93,777	57,187
1 to 2 years	47,373	23,145	28,333	19,002
2 to 3 years	49,315	38,315	7,072	15,669
Over 3 years	77,497	123,442	145,782	152,410
	389,311	323,885	274,964	244,268

The Company:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	3,244	5,752	1,007	1,661
1 to 2 years	167	1,979	1,437	1,447
2 to 3 years	20	40	49	4
Over 3 years	72	92	132	177
	3,503	7,863	2,625	3,289

25 LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's and the Company's bank loans. For more information about the Group's exposure to interest rate risk, please refer to Note 33(c).

The Group:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year or on demand				
– unsecured and unguaranteed	191,117	180,943	170,000	199,749
– secured	187,500	132,000	62,500	62,500
	378,617	312,943	232,500	262,249

The Company:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year or on demand				
– unsecured and unguaranteed	180,000	170,000	170,000	199,749
– secured	187,500	132,000	62,500	62,500
	367,500	302,000	232,500	262,249

(i) All secured bank loans and related banking facilities as at 31 December 2023, 2024, 2025 and 30 April 2026 were secured by the Group's bank deposits (Note 23) of RMB37,504,000, RMB26,400,000, RMB12,500,000 and RMB12,500,000.

(ii) Bank loans amounted to RMB50,000,000, RMB50,000,000, RMB40,000,000 and RMB50,000,000 as at 31 December 2023, 2024 and 2025 and 30 April 2026 are subject to the fulfilment of covenants relating to certain of the Group's or the subsidiaries' financial ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 31 December 2023, 2024 and 2025 and 30 April 2026, none of the covenants relating to drawn down loans or facilities had been breached.

26 REDEMPTION LIABILITIES

The Group and the Company:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Redemption liabilities – current	3,793,869	–	–	–

The movements of the redemption liabilities during the Track Record Period are set out below:

	Redemption liabilities
	RMB'000
At 1 January 2023	3,512,842
Changes in the carrying amount of redemption liabilities	281,027
At 31 December 2023 and 1 January 2024	3,793,869
Changes in the carrying amount of redemption liabilities	121,079
Cancellation of the redemption rights	(3,914,948)
At 31 December 2024, 1 January and 31 December 2025, 1 January and 30 April 2026	–

From April 2018 to January 2022, the Company conducted several rounds of financing by issuing registered capital to investors (including Mr. Cai) and the investors (including Mr. Cai) were granted a right to put back to the Company the registered capital acquired upon the occurrence of any of the following events:

(i) no qualified initial [**REDACTED**] has been consummated within five or six years following the closing of series financing or before 30 June 2027;

(ii) any material breach of the agreements made with the financing investors under the transaction documents;

(iii) any founding shareholders resign or is unable to act as the key management or core staff due to any subjective reasons before a qualified initial [**REDACTED**];

(iv) any other investors required the Company to redeem their registered capital based on the above events (i), (ii) and (iii).

The redemption price is the investment amount paid by the investors, plus an annual compound interest rate of 8% on the investment amount for the period commencing from the relevant payment date of investment amount to the date on which the investors receive payments for redemption, and any declared but undistributed dividends.

The redemption rights were terminated on 28 May 2024, and all other special rights will be terminated upon the completion of a qualified listing of the Company ("IPO") in accordance with the agreements between the Company and the relevant investors. Therefore, the Company's redemption obligation was terminated on a void ab initio basis, thereby restoring the positions of the Company and the relevant investors as if the provisions regarding the redemption rights had never been agreed upon. Upon the termination, the carrying amount of the redemption liabilities recognised was reclassified to equity as the requirements for derecognition of the liability were met. However, such a termination on a void ab intitio basis did not affect the recognition and measurement of the redemption liabilities prior to it, as the Company did not have an unconditional right to avoid the obligation to redeem.

As at 31 December 2023, the redemption liabilities due to Mr. Cai amounted to RMB132,552,000, and changes in the carrying amount of the related redemption liabilities for the years ended 31 December 2023 and 2024 amounted to RMB9,819,000 and RMB4,230,000, respectively.

27 LEASE LIABILITIES

As at 31 December 2023, 2024 and 2025 and 30 April 2026, the lease liabilities were repayable as follows:

The Group:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	72,514	65,071	65,988	61,482
After 1 year but within 2 years	61,010	56,927	42,445	40,547
After 2 years but within 5 years	157,668	153,473	112,821	102,697
After 5 years	100,037	69,557	42,814	41,333
	318,715	279,957	198,080	184,577
	391,229	345,028	264,068	246,059

The Company:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	6,120	95	667	638
After 1 year but within 2 years	4,395	611	668	676
After 2 years but within 5 years	–	1,906	1,263	1,035
	4,395	2,517	1,931	1,711
	10,515	2,612	2,598	2,349

28 PROVISIONS

The Group:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current:				
– Provisions for product warranties	20,419	23,711	19,246	19,826
– Provisions for restoration costs	–	750	1,354	1,224
	20,419	24,461	20,600	21,050
Non-current:				
– Provisions for restoration costs	11,224	10,791	7,642	7,574
Total	31,643	35,252	28,242	28,624

The movements of provisions during the year/period were as follows:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	23,541	31,643	35,252	28,242
Provided during the year/period	7,906	3,403	1,878	806
Interests	516	489	494	121
Utilised	(320)	(283)	(9,382)	(545)
At the end of the year/period	31,643	35,252	28,242	28,624

Pursuant to the terms of the respective tenancy agreements entered into by the Group, the Group is required to restore the leased land and buildings to the conditions as stipulated in the tenancy agreements at the expiration of the corresponding lease term. The provision for restoration costs was estimated based on certain assumptions and estimates made by the Group's management with reference to historical restoration costs and/or other available market information. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

29 DEFERRED INCOME

Movements of the balances during the Track Record Period are as follows:

The Group and the Company:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	–	4,000	4,000	–
Additions	4,000	–	–	–
Credited to profit or loss	–	–	(4,000)	–
At the end of the year/period	4,000	4,000	–	–

Deferred income represents government grants obtained for the purposes of subsidising the Group's operation costs. Government grants received are initially recognised in the consolidated statement of financial position as deferred income and amortised through profit or loss on a systematic basis in the same periods in which the related costs of operation are incurred.

30 EQUITY SETTLED SHARE-BASED TRANSACTIONS

During the Track Record Period, the Group has adopted the Scheme to provide incentives and rewards to eligible employees for their past and future contributions to the Group. In connection with the Scheme, Zhuhai Aoli No. 1 Enterprise Management Centre (Limited Partnership) (珠海奧力一號企業管理中心(有限合夥)) and Zhuhai Aoli No. 2 Enterprise Management Centre (Limited Partnership) (珠海奧力二號企業管理中心(有限合夥)) (the "Platform(s)") were established in Chinese Mainland as the employee incentive vehicles to hold the registered capital of the Company, which were contributed by Mr. Cai and Mr. Zhang.

(a) The terms and conditions of the grants are as follows:

Eligible employees were granted options which give the holder the right to subscribe for the equity interests in the form of registered capital of the Company through holding the limited partnership interests in the Platforms ("Restricted Equity Interests"). All unexercised options after exercise period shall become lapsed. The entitlement of certain Restricted Equity Interests obtained through the exercise of the options would be further subject to service requirement. All the vested Restricted Equity Interests are subject to transfer restriction that will be released after 12 to 36 months upon the completion of [**REDACTED**].

The detailed terms and conditions of each tranche of the grants are set out below:

Scheme adopted on 1 September 2020 ("2020 T1")

On 1 September 2020, certain employees of the Company were granted with a total of 3,352,489 of options to subscribe the Restricted Equity Interests in the form of the Company's registered capital of RMB3,352,489 at an exercise price of RMB1 per each registered capital. The exercisability of each option is subject to the satisfaction of certain non-market performance conditions of the Group and/or the individual in respect of the performance year of 2020 and as long as the grantee remains in service when he/she receives the exercise notice. The employees then have the option to subscribe the Restricted Equity Interests within 10 business days from the date of receiving the exercise notice on 10 December 2021.

The Restricted Equity Interests obtained were further subject to service requirement until the completion of [**REDACTED**].

Scheme adopted on 12 August 2022 ("2022 T1")

On 12 August 2022, certain employees of the Company were granted with a total of 3,523,577 of options to subscribe the Restricted Equity Interests in the form of the Company's registered capital of RMB3,523,577 at an exercise price of RMB1 per each registered capital. These options were exercisable within 10 business days from date of grant.

50% of the Restricted Equity Interests obtained was not subject to further service requirement upon the exercise of the options, while the remaining 50% would be subject to further service requirement until the completion of [**REDACTED**].

Scheme adopted on 11 October 2022 ("2022 T2") and 16 June 2023 ("2023 T1")

On 11 October 2022 and 16 June 2023, certain employees of the Company were granted with a total of 1,356,762 and 866,351 of options, respectively, to subscribe the Restricted Equity Interests in the form of the Company's registered capital of RMB1,356,762 and RMB866,351, respectively, at an exercise price of RMB1 per each registered capital. The exercisability of each option under 2022 T2 and 2023 T1 is subject to the satisfaction of certain non-market performance conditions of the Group and/or the individual in respect of the performance year of 2022 and 2023, respectively, and as long as the grantee remains in service when he/she receives the exercise notice. The employees then have the option to subscribe the Restricted Equity Interests within 10 business days from the date of receiving the exercise notice on 1 June 2023 and 28 June 2024 respective for options under 2022 T2 and 2023 T1.

For the Restricted Equity Interests obtained under 2022 T2 and 2023 T1, 50% of which would be vested as long as the employee has completed 3-year service since joining the Group. The remaining 50% would be subject to further service requirement until the later of the completion of 3-year service since joining the Group and the completion of [**REDACTED**].

Scheme adopted on 10 September 2024 ("2024 T1")

On 10 September 2024, one employee of the Company was granted with a total of 2,475,000 of options to subscribe the Restricted Equity Interests in the form of the Company's registered capital of RMB2,475,000 at an exercise price of RMB1 per each registered capital. The exercisability of each option is subject to the satisfaction of certain non-market performance conditions of the Group and/or the individual in respect of the performance year of 2024 and as long as the grantee remains in service when he receives the exercise notice. The employee then has the option to subscribe the Restricted Equity Interests within 10 business days from the date of receiving the exercise notice on 20 December 2024.

For the Restricted Equity Interests obtained, 30%, 20%, 50% of which would be subject to further service requirement until 1st year, 2nd year and 3rd year, receptively, from the completion of [**REDACTED**].

Scheme adopted on 15 August 2025 ("2025 T1")

On 15 August 2025, certain employees of the Company were granted with a total of 313,491 of options to subscribe the Restricted Equity Interests in the form of the Company's registered capital of RMB313,491 at an exercise price of RMB1 per each registered capital. The exercisability of each option is subject to the satisfaction of certain non-market performance conditions of the Group and/or the individual in respect of the respective performance period ended 31 July 2025 or 31 August 2025, and as long as the grantee remains in service when he/she receives the exercise notice. The employees then have the option to subscribe the Restricted Equity Interests within 10 business days from the date of receiving the exercise notice on 1 September 2025.

For the Restricted Equity Interests obtained, 50% of which would be vested as long as the employee has completed 3-year service since joining the Group. The remaining 50% would be subject to further service requirement until the later of the completion of 3-year service since joining the Group and the completion of [**REDACTED**].

Scheme adopted on 5 December 2025 ("2025 T2")

On 5 December 2025, certain employees of the Company were granted with a total of 12,532,674 of options to subscribe the Restricted Equity Interests in the form of the Company's registered capital of RMB12,532,674 at an exercise price of RMB1 per each registered capital. The exercisability of each option is subject to the completion of [**REDACTED**], and as long as the grantee remains in service throughout the 12 months from the completion of [**REDACTED**] and when he/she receives the exercise notice. The employees then have the option to subscribe the Restricted Equity Interests within 18 months from the completion of [**REDACTED**], subject to further service requirement until the date of exercise. The Restricted Equity Interests would be vested immediately after the completion of the subscription.

(b) Movements in the number of options and the number of the Restricted Equity Interests are as follows:

	Number of options	Number of Restricted Equity Interests
Outstanding as of 1 January 2023	1,356,762	4,776,740
Granted during the year	866,351	–
Exercised during the year	(1,356,762)	1,356,762
Vested during the year	–	(351,531)
Forfeited during the year	–	(492,832)

	Number of options	Number of Restricted Equity Interests
Outstanding as of 31 December 2023 and 1 January 2024	866,351	5,289,139
Granted during the year	2,475,000	–
Exercised during the year	(3,341,351)	3,341,351
Vested during the year	–	(140,824)
Forfeited during the year	–	(150,484)
Outstanding as of 31 December 2024 and 1 January 2025	–	8,339,182
Granted during the year	12,846,165	–
Exercised during the year	(313,491)	313,491
Vested during the year	–	(148,246)
Forfeited during the year	–	(362,576)
Outstanding as of 31 December 2025 and 1 January 2026	12,532,674	8,141,851
Forfeited during the period	(700,000)	–
Outstanding as of 30 April 2026	11,832,674	8,141,851

Note:

During the years ended 31 December 2023 and 2024, Mr. Cai and certain resigned employees reached the agreement, respectively, that these employees were still entitled to the Restricted Equity Interests without fulfilling the original service requirements, in recognition of their past contributions to the Group. Therefore, the outstanding 324,155 Restricted Equity Interests held by the former employees were vested on the date of the agreement. Accordingly, the Group recognised the remaining grant-date fair value of those awards as expenses immediately upon the date of the agreement.

(c) Fair value of options and assumptions

The fair value of services received in return for the options granted is measured by reference to the fair value of the options granted, which was determined with the assistance of JLL. The estimate of the fair value of the options granted is measured based on a Black-Scholes model.

	2020 T1	2022 T1	2022 T2	2023 T1	2024 T1	2025 T1	2025 T2
Fair value of options and assumptions							
Fair value at measurement date *(RMB)*	2.2	3.9	3.9	4.1	5.6	8.0	8.1
Share price *(RMB)*	3.2	4.9	4.9	5.1	6.6	9.0	9.0
Exercise price *(RMB)*	1	1	1	1	1	1	1
Expected volatility	48.16%	0.00%	55.45%	45.20%	43.81%	31.57%	53.49%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate	2.58%	1.24%	1.72%	1.89%	1.40%	1.29%	1.41%

Except for 2025 T2, the contractual life of the option is from the date of the grant to 10th business day from the date of receiving the exercise notice; for 2025 T2, the contractual life of the option is from the date of the grant to 18 months from the completion of [**REDACTED**]. The expected volatility is referenced to the daily historical share price volatility of comparable companies operating in similar industry of the Company (calculated based on the weighted average remaining life of the options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

The service condition and non-market performance conditions (i.e. the satisfaction of the Group's and/or the employees' performance evaluation and the completion of [**REDACTED**]), if any, have not been taken into account in the grant date fair value measurement of the services received.

(d) Equity settled share-based payment expenses recognised in the consolidated statements of profit or loss during the Track Record Period:

	Years ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Administrative expenses	3,953	2,459	13,917	2,633	12,569
Selling and distribution expenses	253	(11)	380	61	1,406
Research and development expenses	288	30	717	104	2,196
	4,494	2,478	15,014	2,798	16,171

31 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) ***Current taxation in the consolidated statements of financial position represents:***

The Group:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	–	1,854	209	1,492
Provisions for PRC corporate income tax *(Note 7(a))*	4,485	1,141	1,828	5,688
Income tax paid	(2,631)	(2,786)	(545)	(700)
At the end of the year/period	1,854	209	1,492	6,480

(b) ***Deferred tax assets and liabilities recognised:***

(i) Movement of each component of deferred tax assets/(liabilities)

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year/period are as follows:

The Group:

	Right-of-use assets	Lease Liabilities	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred tax arising from:				
At 1 January 2023	(105,269)	101,292	(3,122)	(7,099)
Credited/(charged) to profit or loss	10,179	(8,700)	67	1,546
At 31 December 2023 and 1 January 2024	(95,090)	92,592	(3,055)	(5,553)
Credited/(charged) to profit or loss	12,494	(12,583)	647	558
At 31 December 2024 and 1 January 2025	(82,596)	80,009	(2,408)	(4,995)
Credited/(charged) to profit or loss	22,996	(22,676)	801	1,121
At 31 December 2025 and 1 January 2026	(59,600)	57,333	(1,607)	(3,874)
Credited/(charged) to profit or loss	4,602	(4,544)	1,907	1,965
At 30 April 2026	(54,998)	52,789	300	(1,909)

(ii) Reconciliation to the consolidated statement of financial position:

The Group:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets in the consolidated statements of financial position	67	83	44	35
Net deferred tax liabilities in the consolidated statements of financial position	5,620	5,078	3,918	1,944

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 2(s), the Group has not recognised deferred tax assets in respect of temporary differences and cumulative tax losses of the Company and certain subsidiaries located in the PRC as they are not probable that future taxable profits against which the losses or temporary differences can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses expire within 5 or 10 years under current tax legislation in the PRC.

The following table presents the Group's deductible temporary differences and cumulative tax losses for which deferred tax assets were not recognised at the reporting dates:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cumulative tax losses	1,455,902	1,709,476	1,751,644	1,828,974
Deductible temporary differences	167,732	169,919	257,251	286,455
	1,623,634	1,879,395	2,008,895	2,115,429

32 CAPITAL AND RESERVES

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity are set out below:

	Note	Paid-in capital/share capital	Share premium	Capital reserve	Other reserve	Share-based payments reserve	Fair value reserve (non-recycling)	(Accumulated losses)/retained profits	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		Note 32(c)	*Note 32(d)(ii)*	*Note 32(d)(i)*	*Note 32(d)(iii)*	*Note 32(d)(iv)*	*Note 32(d)(v)*		
At 1 January 2023		951,208	–	2,554,345	(3,007,196)	8,515	32,689	(1,585,107)	(1,045,546)
Changes in equity for 2023:									
Loss for the year		–	–	–	–	–	–	(351,550)	(351,550)
Other comprehensive income		–	–	–	–	–	(10,091)	–	(10,091)
Total comprehensive income		–	–	–	–	–	(10,091)	(351,550)	(361,641)
Equity settled share-based transactions	*30*	–	–	–	–	4,494	–	–	4,494
At 31 December 2023 and 1 January 2024		951,208	–	2,554,345	(3,007,196)	13,009	22,598	(1,936,657)	(1,402,693)

	Note	Paid-in capital/share capital	Share premium	Capital reserve	Other reserve	Share-based payments reserve	Fair value reserve (non-recycling)	(Accumulated losses)/retained profits	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		Note 32(c)	*Note 32(d)(ii)*	*Note 32(d)(i)*	*Note 32(d)(iii)*	*Note 32(d)(iv)*	*Note 32(d)(v)*		
Changes in equity for 2024:									
Loss for the year		–	–	–	–	–	–	(188,046)	(188,046)
Other comprehensive income		–	–	–	–	–	712	–	712
Total comprehensive income		–	–	–	–	–	712	(188,046)	(187,334)
Effect of the cancellation of the redemption rights	*26*	–	–	–	3,914,948	–	–	–	3,914,948
Equity settled share-based transactions	*30*	–	–	–	–	2,478	–	–	2,478
As at 31 December 2024 and 1 January 2025		951,208	–	2,554,345	907,752	15,487	23,310	(2,124,703)	2,327,399
Changes in equity for 2025:									
Loss for the year		–	–	–	–	–	–	(85,855)	(85,855)
Other comprehensive income		–	–	–	–	–	514	–	514
Total comprehensive income		–	–	–	–	–	514	(85,855)	(85,341)
Conversion into a joint stock limited liability company	*32(c)*	–	968,987	(2,554,345)	(907,752)	(15,329)	(22,598)	2,531,037	–
Equity settled share-based transactions	*30*	–	–	–	–	15,014	–	–	15,014
As at 31 December 2025 and 1 January 2026		951,208	968,987	–	–	15,172	1,226	320,479	2,257,072
Changes in equity for the four months ended 30 April 2026:									
Loss for the period		–	–	–	–	–	–	(27,847)	(27,847)
Other comprehensive income		–	–	–	–	–	5,303	–	5,303
Total comprehensive income		–	–	–	–	–	5,303	(27,847)	(22,544)
Equity settled share-based transactions	*30*	–	–	–	–	16,171	–	–	16,171
As at 30 April 2026		951,208	968,987	–	–	31,343	6,529	292,632	2,250,699

(b) Dividends

No dividends were paid or declared by the Company or any of its subsidiaries during the Track Record Period.

(c) Paid-in capital and share capital

For the purpose of the Historical Financial Information, the paid-in capital of the Group represents the paid-in capital of the Company before it was converted into a joint stock company with limited liability.

	No. of ordinary shares issued and fully paid	Paid-in capital	Share capital
	'000	*RMB'000*	*RMB'000*
At 1 January 2023, 31 December 2023, 2024 and 1 January 2025	–	951,208	–
Issuance of ordinary shares upon conversion into a joint stock limited liability company (i)	951,208	(951,208)	951,208
At 31 December 2025, 1 January 2026 and 30 April 2026	951,208	–	951,208

Note:

(i) Pursuant to the shareholders' resolutions and the promoters' agreements dated 20 November 2024, the shareholders of the Company agreed to convert the Company into a joint stock limited liability company. The net assets of the Company as of the conversion base date, which is 31 May 2024, including paid-in capital, capital reserve, other reserve, share-based payments reserve, fair value reserve (non-recycling) and accumulated losses were converted into 951,207,879 ordinary shares with par value at RMB1 each. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company's share premium. Upon the completion of registration with the Guangzhou Administration for Industry and Commerce on 19 March 2025, the Company was converted into a joint stock limited liability company under PRC Company Law, and renamed from Aulton New Energy Automotive Technology Co., Ltd. to Aulton New Energy Co., Ltd..

(d) Nature and purposes of reserves

(i) Capital reserve

Arising from capital injection

It represents the excess of the net contributions from the shareholders of the Company over the total paid-in capital issued before the Company converted into a joint stock company in March 2025.

Arising from changes in the Group's interest in subsidiaries

It represents the difference between the considerations received and proportionate interest in the identifiable net assets disposed by the Group to the subsidiaries' non-controlling shareholders.

(ii) Share premium

The share premium represents the differences between the net assets of the Company as of the conversion base date and the total amount of the par value of shares issued in relation to the conversion into a joint stock limited liability company as disclosed in Note 32(c)(i).

(iii) Other reserve

The other reserve includes reserve arising from amounts in relation to the initial recognition and changes of the redemption liabilities and cancellation of redemption rights as set out in Note 26 before the Company converted into a joint stock company in March 2025.

(iv) Share-based payments reserve

The share-based payments reserve represents the portion of the grant date fair value of options granted to the directors and employees of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments in Note 2(r)(ii).

(v) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) includes post-tax accumulated gains or losses arising from the remeasurement of the unlisted equity securities designated at FVOCI (non-recycling).

(vi) Statutory reserve

Pursuant to the Articles of Association of the Company and the Group's PRC subsidiaries and relevant statutory regulations, appropriations to the statutory reserve fund were made at 10% of profit after tax determined in accordance with accounting rules and regulations of the PRC until the reserve balance reaches 50% of the registered capital. This reserve fund can be utilised in setting off accumulated losses or increasing capital of the PRC subsidiaries provided that the balance after such conversion is not less than 25% of their registered capital, and is non-distributable other than in liquidation.

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables and contract assets, and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents, restricted bank deposits and bills receivables is limited because the counterparties are banks and financial institutions with high credit ratings, for which the Group considers to have low credit risk.

The Group does not provide any guarantees which would expose the Group to credit risk.

Trade receivables and contract assets

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At 31 December 2023, 2024 and 2025 and 30 April 2026, 14%, 16%, 10% and 23% of the total trade receivables and contract assets, respectively, were due from the Group's largest customer in each year/period during the Track Record Period, and 63%, 40%, 33% and 42% of the total trade receivables and contract assets, respectively, were due from the Group's five largest customers in each year/period during the Track Record Period.

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. The provision rates are based on the aging days for groupings of various customer segments that have similar loss patterns. Credit-impaired trade receivables are assessed for ECLs individually.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables and contract assets as at 31 December 2023, 2024 and 2025 and 30 April 2026:

	As at 31 December 2023		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Within 1 year	4.86%	328,666	15,979
More than 1 year but within 2 years	10.00%	8,512	851
More than 2 years but within 3 years	19.98%	3,518	703
More than 3 years but within 4 years	50.00%	538	269
		341,234	17,802
Individual impairment		7,066	7,066
		348,300	24,868

	As at 31 December 2024		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Within 1 year	4.69%	135,393	6,344
More than 1 year but within 2 years	10.00%	40,530	4,053
More than 2 years but within 3 years	20.83%	216	45
More than 3 years but within 4 years	50.17%	3,283	1,647
		179,422	12,089
Individual impairment		7,894	7,894
		187,316	19,983

	As at 31 December 2025		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Within 1 year	5.00%	121,887	6,095
More than 1 year but within 2 years	10.00%	43,167	4,317
More than 2 years but within 3 years	19.99%	2,536	507
More than 3 years but within 4 years	50.12%	413	207
		168,003	11,126
Individual impairment		9,744	9,744
		177,747	20,870

	As at 30 April 2026		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Within 1 year	3.93%	170,293	6,699
More than 1 year but within 2 years	10.00%	31,560	3,156
More than 2 years but within 3 years	20.00%	6,975	1,395
		208,828	11,250
Individual impairment		9,385	9,385
		218,213	20,635

ECL rates are based on actual loss experience over the past 4 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade receivables and contract assets during the Track Record Period is as follows:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January	23,554	24,868	19,983	20,870
Impairment losses charged/(reversed) during the year/period	1,314	(4,411)	1,224	(235)
Amounts written-off	–	(474)	(337)	–
Balance at 31 December/30 April	24,868	19,983	20,870	20,635

Other receivables

The Group measures loss allowances for other receivables at an amount equal to 12-month ECLs unless there has been a significant increase in credit risk since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs. The Group assessed that no significant loss allowance was recognised for other receivables as at 31 December 2023 and 2024, while loss allowance was recognised as at 31 December 2025 and 30 April 2026 due to the credit risk increases of two third parties.

(b) Liquidity risk

The treasury function is centrally managed by the Group, which includes the short-term investment of cash surpluses and the raising of funds to cover expected cash demands. In management of liquidity risk, the Group's policy is regularly monitor its liquidity requirements and its compliance with lending covenants and its relationship with finance providers, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities as at 31 December 2023, 2024 and 2025 and 30 April 2026 of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of each reporting period) and the earliest date the Group can be required to pay:

	As at 31 December 2023					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Loans and other borrowings	379,248	–	–	–	379,248	378,617
Redemption liabilities	3,793,869	–	–	–	3,793,869	3,793,869
Lease liabilities	88,212	73,825	181,273	105,897	449,207	391,229
Trade and other payables	580,007	–	–	–	580,007	580,007
Total	4,841,336	73,825	181,273	105,897	5,202,331	5,143,722

	As at 31 December 2024					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Loans and other borrowings	313,793	–	–	–	313,793	312,943
Lease liabilities	78,634	67,978	172,124	73,155	391,891	345,028
Trade and other payables	584,524	–	–	–	584,524	584,524
Total	976,951	67,978	172,124	73,155	1,290,208	1,242,495

	As at 31 December 2025					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Loans and other borrowings	234,207	–	–	–	234,207	232,500
Lease liabilities	71,899	50,191	123,142	42,778	288,010	264,068
Trade and other payables	497,510	–	–	–	497,510	497,510
Total	803,616	50,191	123,142	42,778	1,019,727	994,078

	As at 30 April 2026					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Loans and other borrowings	263,966	–	–	–	263,966	262,249
Lease liabilities	68,353	46,842	112,136	42,153	269,484	246,059
Trade and other payables	452,927	–	–	–	452,927	452,927
Total	785,246	46,842	112,136	42,153	986,377	961,235

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest-bearing financial assets and financial liabilities are at fixed interest rates at the end of the Track Record Period, including cash and cash equivalent, restricted bank deposits, bank loans, lease liabilities and redemption liabilities, and the change of market interest rate does not expose the Group to interest rate risk. Overall, the Group's exposure to interest rate risk is not significant.

(d) Currency risk

The Group is not exposed to significant foreign currency risk since financial assets and liabilities denominated in currencies other than the functional currencies of the Company and its subsidiaries are not significant.

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

The following table presents the Group's financial assets and financial liabilities that are measured at fair value at the end of each reporting date:

	Fair value at 31 December 2023	Fair value measurements as at 31 December 2023 categorised into		
		Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Assets:				
Financial assets measured at FVOCI				
– Unlisted equity securities	24,732	–	–	24,732
– Bills receivable	27,581	–	–	27,581

	Fair value at 31 December 2024	Fair value measurements as at 31 December 2024 categorised into		
		Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Assets:				
Financial assets measured at FVOCI				
– Unlisted equity securities	25,444	–	–	25,444
– Bills receivable	5,955	–	–	5,955
Financial assets measured at FVPL				
– Unlisted structured deposits	200,000	–	–	200,000

	Fair value at 31 December 2025	Fair value measurements as at 31 December 2025 categorised into		
		Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Assets:				
Financial assets measured at FVOCI				
– Unlisted equity securities	25,958	–	–	25,958
– Bills receivable	2,339	–	–	2,339

	Fair value at 30 April 2026	Fair value measurements as at 30 April 2026 categorised into		
		Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Assets:				
Financial assets measured at FVOCI				
– Unlisted equity securities	31,261	–	–	31,261
– Bills receivable	1,908	–	–	1,908

During the Track Record Period, there were no transfers between Level 1 and Level 2. During the year ended 31 December 2023, the fair value measurement of unlisted equity securities transferred into Level 3 as the valuation technique was changed from recent transactions approach to market approach. There were no transfers into or out of Level 3 during the years ended 2024 and 2025 and the four months ended 30 April 2026. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Information about Level 2 and Level 3 fair value measurements

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at the end of the reporting period:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unlisted equity securities (i)				
– Valuation techniques	Market approach	Market approach	Market approach	Market approach
– Unobservable input	Price-To-Book ("P/B") Ratio	P/B Ratio	P/B Ratio	P/B Ratio
– Sensitivity of fair value to the input	10% increase in ratio would result in increase in fair value by RMB220,000 10% decrease in ratio would result in decrease in fair value by RMB210,000	10% increase in ratio would result in increase in fair value by RMB230,000 10% decrease in ratio would result in decrease in fair value by RMB220,000	10% increase in ratio would result in increase in fair value by RMB210,000 10% decrease in ratio would result in decrease in fair value by RMB220,000	10% increase in ratio would result in increase in fair value by RMB240,000 10% decrease in ratio would result in decrease in fair value by RMB250,000
Bills receivable (ii)				
– Valuation techniques	Discounted cash flow	Discounted cash flow	Discounted cash flow	Discounted cash flow
– Unobservable input	Discount rate	Discount rate	Discount rate	Discount rate
– Sensitivity of fair value to the input	10% increase/decrease in fair value would result in decrease/increase in loss after tax by RMB2,758,000	10% increase/decrease in fair value would result in decrease/increase in loss after tax by RMB596,000	10% increase/decrease in fair value would result in decrease/increase in loss after tax by RMB234,000	10% increase/decrease in fair value would result in decrease/increase in loss after tax by RMB191,000
Unlisted structured deposits (ii)				
– Valuation techniques	–	Discounted cash flow	–	–
– Unobservable input	–	Discount rate	–	–
– Sensitivity of fair value to the input	–	10% increase/decrease in fair value would result in decrease/increase in loss after tax by RMB20,000,000	–	–

Notes:

(i) During the year ended 31 December 2023, the valuation technique of unlisted equity securities was changed from recent transactions approach to market approach, as there was no recent equity transaction and the market approach was considered more appropriate.

(ii) The fair value of bills receivable measured at FVOCI and unlisted structured deposits measured at FVPL is determined by discounting the estimated future cash flows at risk-adjusted rate, which is the benchmark interest rate plus the risk premium as at the end of each reporting period.

The movement during the year/period in the balance of Level 3 fair value measurements is as follows:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January	130,308	52,313	231,399	28,297
Net (decrease)/increase for unlisted structured deposits	(120,000)	200,000	(200,000)	–
Net increase/(decrease) for bills receivables	17,273	(21,626)	(3,616)	(431)
Unlisted equity securities transferred into Level 3 measurement	34,823	–	–	–
Changes in fair value recognised in other comprehensive income during the year/period	(10,091)	712	514	5,303
Balance at 31 December/30 April	52,313	231,399	28,297	33,169

(ii) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values as at 31 December 2023, 2024 and 2025 and 30 April 2026 because of the short-term maturities of all these financial instruments.

34 COMMITMENTS

Capital commitments of the Group outstanding at 31 December 2023, 2024 and 2025 and 30 April 2026 not provided for in the financial statements were as follows:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Commitments in respect of property, plant and equipment				
– authorised and contracted for	5,371	15,612	26,756	25,888

35 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions.

(a) Name and relationship with related parties that had material transactions with the Group

During the Track Record Period, the directors are of the view that the following are related parties of the Group:

Name of party	Relationship with the Group
Mr. Cai	Ultimate controlling shareholder
Guangzhou Aofei Silicon Valley Culture Development Co., Ltd.* (廣州奧飛硅谷文化發展有限公司, "Guangzhou Aofei Silicon Valley")	Entity controlled by Mr. Cai
Feixun Sensor Technology (Shanghai) Co., Ltd.* (飛巽傳感技術(上海)有限公司, "Feixun Sensor Shanghai")	Entity controlled by Mr. Zhang
Chongqing Petrochina Aulton New Energy Technology Co., Ltd.* (重慶中油奧動新能源科技有限公司, "Chongqing Petrochina Aulton")	Joint venture of the Group
Anhui Aulton New Energy Technology Co., Ltd. (安徽奧動新能源科技有限公司, "Anhui Aulton")	Joint venture of the Group
Fujian Tongzhou New Energy Co., Ltd.* (福建同洲新能源科技有限公司, "Fujian Tongzhou New Energy")	Joint venture of the Group since 25 May 2023
Dongguan Aulton Yichuang Energy Technology Co., Ltd.* (東莞市奧動億創新能源科技有限公司, "Dongguan Aulton Yichuang")	Joint venture of the Group
Inner Mongolia Aodong Hengshi Technology Co., Ltd.* (內蒙古奧動恒石科技有限公司, "Inner Mongolia Aulton Hengshi")	Joint venture of the Group
Aokuai New Energy Technology (Guangdong) Co., Ltd.* (奧快新能源科技(廣東)有限公司, "Aokuai Guangdong")	Joint venture of the Group
Ordos Aodong Zhixing New Energy Vehicle Co., Ltd.* (鄂爾多斯市奧動智行新能源汽車有限公司, "Ordos Aulton Zhixing")	Associate of the Group

* These entities are all PRC limited liability companies. The English translation of the company names is for reference only. The official names of these companies are in Chinese.

(b) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's Directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

	Years ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Salaries, wages and other benefits	6,796	5,456	4,710	2,411	906
Discretionary bonuses	1,875	706	919	262	544
Retirement scheme contributions	76	30	71	21	26
Equity settled share-based payment expenses	1,556	414	7,824	415	3,127
	10,303	6,606	13,524	3,109	4,603

Total remuneration is included in "staff costs" (see Note 6(b)).

(c) Related parties transactions

During the Track Record Period, the Group entered into the following material related party transactions:

	Years ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Recurring transactions					
Sales of goods					
– Anhui Aulton	8,928	7,569	12	–	77
– Dongguan Aulton Yichuang	2,282	–	–	–	–
– Ordos Aulton Zhixing	3,009	10,192	189	8	5,724
– Inner Mongolia Aulton Hengshi	21,758	772	11,364	24	2,441
– Chongqing Petrochina Aulton	10,619	20,531	592	–	–
	46,596	39,064	12,157	32	8,242
Provision of services					
– Anhui Aulton	7	18	2	2	–
– Dongguan Aulton Yichuang	640	600	–	–	–
– Ordos Aulton Zhixing	–	3	377	377	–
– Fujian Tongzhou New Energy	–	57	31	1	–
– Inner Mongolia Aulton Hengshi	393	1,337	967	726	431
– Chongqing Petrochina Aulton	1,945	8,957	5,117	1,847	1,515
– Aokuai Guangdong	–	–	2,898	1,146	1,137
	2,985	10,972	9,392	4,099	3,083

	Years ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Purchase of goods					
– Feixun Sensor Shanghai	3,946	2,513	1,065	149	110
Purchase of services					
– Feixun Sensor Shanghai	2,186	2,440	1,159	192	67

(d) Balance with related parties

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade in nature				
Trade and other receivables				
– Inner Mongolia Aulton Hengshi	10,552	1,699	15,229	18,679
– Anhui Aulton	787	1,925	698	701
– Fujian Tongzhou New Energy	–	57	54	48
– Dongguan Aulton Yichuang	5,539	–	–	–
– Ordos Aulton Zhixing	–	860	169	3,343
– Chongqing Petrochina Aulton	13,477	8,823	5,794	5,474
– Guangzhou Aofei Silicon Valley	–	–	128	125
– Aokuai Guangdong	–	–	2,114	2,529
	30,355	13,364	24,186	30,899
Trade and other payables				
– Anhui Aulton	1	48	67	64
– Feixun Sensor Shanghai	1,636	1,827	855	748
– Inner Mongolia Aulton Hengshi	1,991	–	–	–
– Fujian Tongzhou New Energy	18	50	83	83
– Chongqing Petrochina Aulton	–	8,338	3,288	2,384
– Ordos Aulton Zhixing	–	122	110	163
– Dongguan Aulton Yichuang	1,806	420	–	–
	5,452	10,805	4,403	3,442
Contract liabilities				
– Dongguan Aulton Yichuang	6,245	–	–	–
– Inner Mongolia Aulton Hengshi	–	–	3	–
	6,245	–	3	–
Non-trade in nature				
Trade and other receivables				
– Dongguan Aulton Yichuang	–	800	800	800
– Aokuai Guangdong	–	–	–	2,000
	–	800	800	2,800

The non-trade related balances due from Dongguan Aulton Yichuang are unsecured, interest-free and have fixed terms of repayment. The directors expect the balances will not be settled prior to the completion of an IPO.

The non-trade related balances due from Aokuai Guangdong are unsecured, interest-free and have no fixed terms of repayment. The directors expect the balances will be settled prior to the completion of an IPO.

(e) Leasing arrangement

	Years ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Lease liabilities due to a related party					
– Related interest expenses	–	27	100	36	20

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities due to a related party				
– Amounts owed by the Group	–	3,146	2,598	2,349

For the years ended 31 December 2024 and 2025 and the four months ended 30 April 2026, the Group entered into a lease contract with Guangzhou Aofei Silicon Valley for use of offices. The amount of rent payable (excluding taxes) by the Group under the lease ranges from RMB57,389 to RMB63,271 per month, which was determined with reference to amounts charged by Guangzhou Aofei Silicon Valley to third parties. As at 31 December 2024 and 2025 and 30 April 2026, the relevant right-of-use assets amounted to RMB2,918,000, RMB2,334,000 and RMB2,126,000, respectively.

36 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

As at the date of this report, the directors consider the immediate and ultimate controlling party of the Group to be Mr. Cai.

37 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE TRACK RECORD PERIOD

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year beginning on 1 January 2026 and which have not been adopted in the Historical Financial Information. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
IFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
IFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027
Amendments to IAS 21, *Translation to a hyperinflationary presentation currency*	1 January 2027
IFRS 20, *Regulatory assets and regulatory liabilities*	1 January 2029
Amendments to IFRS 10 and IAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Historical Financial Information except for the following:

IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IAS 1, *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18. IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

38 SUBSEQUENT EVENTS

[There were no significant events after [30 April 2026] that require additional disclosures in or adjustments to the Historical Financial Information.]

SUBSEQUENT FINANCIAL STATEMENTS

[No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to [30 April 2026]].

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

1. TAXATION OF SECURITY HOLDERS

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, is subject to change and does not constitute legal or tax advice. The discussion does not deal with all possible tax consequences relating to an investment in the H Shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulation. Accordingly, you should consult your own tax adviser regarding the tax consequences of an investment in the H Shares. The discussion is based upon laws and relevant interpretations in effect as of the Latest Practicable Date, all of which may subject to change from time to time.

This discussion does not address any aspects of PRC or Hong Kong taxation other than income tax, capital tax, VAT, stamp duty and estate duty. Prospective investors are urged to consult their financial advisers regarding the PRC, Hong Kong and other tax consequences of owning and disposing of H Shares.

The PRC Taxation

Taxation on Dividends

Individual Investor

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》), which was most recently amended on August 31, 2018 and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》), which was most recently amended on December 18, 2018 (hereinafter collectively referred to as the "**IIT Law**"), dividends distributed by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty.

Pursuant to Notice on Matters Concerning the Levy and Administration of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No. 045 (《國家税務總局關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知》) issued and implemented by the State Taxation Administration ("**STA**") on June 28, 2011, domestic non-foreign-invested enterprises issuing shares in Hong Kong may, when distributing dividends to overseas resident individuals in the jurisdiction of the tax treaty, withhold individual income tax at the rate of 10%. When a tax rate of 10% is not applicable, the withholding company shall: (a) return the excessive tax amount pursuant to due procedures if the applicable tax rate is lower than 10%; (b) withhold such foreign individual income tax at the effective tax rate agreed on if the applicable tax rate is between 10% and 20%; or (c) withhold such foreign individual income tax at a rate of 20% if no taxation treaty is applicable.

Meanwhile, pursuant to the Notice on Issues Concerning the Differentiated Individual Income Tax Policies on Dividends and Bonuses of Listed Companies (《關於上市公司股息紅利差別化個人所得税政策有關問題的通知》) promulgated by the MOF, the SAT and the CSRC on September 7, 2015 and came into effect on September 8, 2015, where an individual acquires the stocks of listed companies from the market of public offerings and transfer of stock, to the extent that the holding period is over one year, the income from the dividends and bonuses thereof are temporarily exempted from individual income tax. Where an individual acquires the stocks of listed companies from the market of public offering and transfer of stock, to the extent that the holding period is one month or less (one month inclusive), the income from dividends thereof shall be included in the taxable income in full amount; and to the extent that the holding period is more than one month and up to one year (one year inclusive), the incomes from the dividends thereof shall be included in the taxable income at a tax rate of 50%. The aforesaid income is subject to an individual income tax at a flat rate of 20%.

Enterprise Investors

In accordance with the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) ("**EIT Law**") issued by NPC on March 16, 2007 and latest amended on December 29, 2018 and the Implementation Provisions of the Corporate Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》) issued by the State Council on December 6, 2007, came into effect on January 1, 2008 and amended on April 23, 2019, the rate of corporate income tax shall be 25%. A non-resident enterprise is generally subject to a 10% corporate income tax on PRC-sourced income (including dividends received from a PRC resident enterprise), if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise.

Notice from the State Taxation Administration on Issues Concerning Withholding the Corporate Income Tax on Dividends Paid by Chinese Resident Enterprises to H-share Holders which are Overseas Non-Residents Enterprises (《國家税務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》), which was issued and implemented by the SAT on November 6, 2008, further clarified that a PRC-resident enterprise must withhold corporate income tax at a rate of 10% on the dividends of 2008 and onwards that it distributes to overseas non-resident enterprise shareholders of H Shares.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》) (the "**Arrangement**") which was signed on August 21, 2006, the mainland government may levy taxes on the dividends paid by a

PRC resident company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends paid by the PRC resident company unless such Hong Kong resident directly holds 25% or more of the equity interest in the PRC resident company, then such tax shall not exceed 5% of the total dividends paid by the PRC resident company. The Fifth Protocol of the Arrangement (《<內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排>第五議定書》), which came into effect on December 6, 2019, adds the criteria for the qualification of entitlement to enjoy treaty benefits. Although there may be other provisions under the Arrangement, the treaty benefits under the criteria shall not be granted in the circumstance where relevant gains, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under this Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements is subject to the requirements of PRC tax laws and regulations, such as the Notice of the STA on the Issues Concerning the Application of the Dividend Clauses in Tax Treaties (《國家税務總局關於執行税收協定股息條款有關問題的通知》).

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese corporate income tax imposed on the dividends received from PRC resident companies. The PRC currently has entered into avoidance of double taxation treaties or arrangements with a number of countries and regions including Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, the United States and etc. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the relevant PRC tax authorities for a refund of the corporate income tax in excess of the agreed tax rate, and the refund application is subject to approval by the relevant PRC tax authorities.

Taxation on Share Transfer

VAT and Local Additional Tax

Pursuant to Notice of the MOF and the STA on Full Launch of the Pilot Scheme on Levying VAT in Place of Business Tax (《財政部、國家税務總局關於全面推開營業税改徵增值税試點的通知》) (the "**Circular 36**") which was implemented on May 1, 2016, entities and individuals engaged in the services sale in the PRC are subject to VAT and "engaged in the services sale in the PRC" means that the seller or buyer of the taxable services is located in the PRC. Circular 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable revenue (which is the balance of sales price upon deduction of

purchase price), for a general or a foreign VAT taxpayer. However, individuals who transfer financial products are exempt from VAT, which is also provided in the Notice of MOF and STA on Several Tax Exemption Policies for Business Tax on Sale and Purchase of Financial Commodities by Individuals (《財政部、國家税務總局關於個人金融商品買賣等營業税若干免税政策的通知》) coming effective on January 1, 2009 and Provisions on the Transitional Policies Concerning the Pilot Scheme on Levying Value-added Tax in Place of Business Tax (《營業税改徵增值税試點過渡政策的規定》) promulgated by the MOF and STA and came into effect on May 1, 2016. According to these regulations, if the holder is a non-resident individual, the PRC VAT is exempted from the sale or disposal of H shares.

At the same time, VAT payers are also required to pay urban maintenance and construction tax, education surtax and local education surcharge (hereinafter collectively referred to as "**Local Additional Tax**"), which shall be usually subject to 12% of the value-added tax, business tax and consumption tax actually paid (if any) in the PRC urban city.

Income tax

Individual Investors

According to the IIT Law, gains on the transfer of equity interests in the PRC resident enterprises are subject to individual income tax at a rate of 20%. Pursuant to the Circular on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) issued by the MOF and STA on March 30, 1998, from January 1, 1997, income of individuals from transfer of the shares of listed enterprises continues to be exempted from individual income tax.

On December 31, 2009, the MOF, STA and CSRC jointly issued the Notice on Related Issues Concerning Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的通知》), which came into effect on the same day, which states that individuals' income from the transfer of listed shares obtained from the public offering of listed companies and transfer market in the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restriction (as defined in the aforesaid notice and the Supplementary Notice on Related Issues Concerning Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的補充通知》) which was jointly issued and implemented by MOF, STA and CSRC on November 10, 2010). As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied from non-PRC resident individuals on the transfer of shares in the PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

In accordance with the EIT Law and its implementation rules, a non-resident enterprise is generally subject to corporate income tax at the rate of a 10% on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. Such income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise. Such tax may be reduced or exempted pursuant to relevant tax treaties or arrangements on avoidance of double taxation.

Stamp Duty

Pursuant to the Stamp Tax Law of the of the PRC (《中華人民共和國印花税法》), which was issued on June 10, 2021, which came into effect on July 1, 2022, which stipulate that all entities and individuals who conclude taxable documents and engage in securities transactions within the territory of the PRC shall be taxpayers of stamp tax, and shall pay stamp tax in accordance with the Stamp Tax Law of the PRC, thus the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the transfer and disposal of H Shares by non-PRC investors outside of the PRC.

Estate Duty

As of the date of this document, no estate duty has been levied in the PRC under the PRC laws.

2. PRINCIPAL TAXATION OF OUR COMPANY IN THE PRC

Please refer to the chapter "**Regulatory Overview**" of this document.

3. FOREIGN EXCHANGE

The lawful currency of the PRC is Renminbi. The SAFE, with the authorization of the People's Bank of China (the "**PBOC**"), is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange administrative regulations.

The Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) (the "**Foreign Exchange Administrative Regulations**"), which was issued by the State Council on January 29, 1996, implemented on April 1, 1996 and latest amended on August 5, 2008, classifies all international payments and transfers into current items and capital items. Current items are subject to the reasonable examination of the veracity of

transaction documents and the consistency of the foreign exchange receipts and payments by financial institutions engaging in conversion and sale of foreign currencies and supervision and inspection by the foreign exchange administrative authorities. For capital items, overseas organizations and overseas individuals making direct investments in the PRC shall, upon approval by the relevant authorities in charge, process registration formalities with the foreign exchange administrative authorities. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and foreign exchange settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities. In the event that international revenues and expenditure occur or may occur a material misbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard and administrative measures on international revenues and expenditure.

The Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》), which was promulgated by the PBOC on June 20, 1996 and implemented on July 1, 1996, removes other restrictions on convertibility of foreign exchange under current items, while imposing existing restrictions on foreign exchange transactions under capital items.

According to the Announcement on Improving the Reform of the Renminbi Exchange Rate Formation Mechanism (《關於完善人民幣匯率形成機制改革的公告》), which was issued by the PBOC and implemented on July 21, 2005, the PRC has started to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies since July 21, 2005. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar. The PBOC would publish the closing price of the exchange rate of the Renminbi against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at the designated foreign exchange bank, on the strength of valid transaction receipts and proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange (such as our Company) may, on the strength of resolutions of the board of directors or the shareholders' meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange bank, or effect exchange and payment at the designated foreign exchange bank.

According to the Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) which was promulgated by the State Council on October 23, 2014, it decided to cancel the approval requirement of the SAFE and its branches for the repatriation and settlement of the proceeds raised from the overseas listing of the foreign shares into Renminbi domestic accounts.

According to the Notice of the SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued by the SAFE and implemented on December 26, 2014, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the local branch office of state administration of foreign exchange at the place of its establishment; the proceeds from an overseas listing of a domestic company may be repatriated to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content of the document and other disclosure documents.

In accordance with the Administrative Provisions on Foreign Exchange in Domestic Direct Investment by Foreign Investors (《外國投資者境內直接投資外匯管理規定》), which was promulgated on May 10, 2013 with effect from May 13, 2013, amended on October 10, 2018 and partially abolished on December 30, 2019, the administration by SAFE or its local branches over direct investment by foreign investors in the PRC must be conducted by way of registration and banks shall process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches.

According to the Notice of the SAFE on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), which was issued by the SAFE on February 13, 2015, came into effect on June 1, 2015 and partially repealed on December 30, 2019, the confirmation of foreign exchange registration under domestic direct investment and overseas direct investment shall be directly examined and handled by banks. SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice of the SAFE on Reforming the Management Mode of Foreign Exchange Capital Settlement of Foreign Investment Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》), promulgated on March 30, 2015, coming effective on June 1, 2015 and partially abolished on December 30, 2019, foreign-invested enterprises could settle their foreign exchange capital on a discretionary basis according to the actual needs of their business operations. Whilst, foreign-invested enterprises are prohibited to use the foreign exchange capital settled in Renminbi (a) for any expenditures beyond the business scope of the foreign-invested enterprises or forbidden by laws and regulations; (b) for direct or indirect securities investment, unless otherwise provided by laws and regulations; (c) to provide entrusted RMB loans (unless permitted in the business scope), repay loans between enterprises (including advances by third parties) or repay Renminbi bank loans that have been on lent to a third party; and (d) to purchase real estates not for self-use purposes (save for real estate enterprises).

According to the Circular of the SAFE on the Policies for Reforming and Standardizing Management of Foreign Exchange Settlement under the Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) which was promulgated by the SAFE, implemented on June 9, 2016 and was amended on December 4, 2023, foreign exchange receipts under capital account (including the repatriation of the proceeds from overseas listing) on which discretionary settlement have been clearly imposed under relevant policies, may be settled with banks according to actual business needs of the domestic institutions.

According to the Notice of the SAFE of the PRC on Further Deepening Reform and Promoting the Facilitation of Cross border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) which was promulgated by the SAFE and implemented on December 4, 2023, the competent authorities have relaxed the restrictions on the scale of upfront expenses for overseas direct investment and lifted the limit on the cumulative amount of upfront expenses remitted by domestic enterprises for overseas direct investment not exceeding the equivalent of US$3 million, but the cumulative amount of remitted expenses shall not exceed 15% of the total amount of investment proposed by the Chinese side. Moreover, the domestic equity transferor (including institutions and individuals) can directly remit the equity transfer consideration funds paid by domestic entities in foreign currency, as well as the foreign exchange funds raised by domestic enterprises going public overseas, to the settlement account under the capital account. The funds in the settlement account under the capital account can be used for independent foreign exchange settlement. The domestic equity transferor can directly transfer the equity transfer consideration funds paid by foreign-invested enterprises with RMB funds obtained through foreign exchange settlement (sourced from direct foreign exchange settlement or RMB funds in the accounts to be paid) to the domestic equity transferor's RMB account.

PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the "**Constitution**") and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, rules and regulations of departments, rules and regulations of local governments, international treaties of which the PRC government is a signatory, and other regulatory documents. Court verdicts do not constitute binding precedents. However, they may be used as judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (2023 revision) (《中華人民共和國立法法(2023修正)》) (the "**Legislation Law**"), the NPC and the SCNPC are empowered to exercise the legislative power of the State according to the Constitution. The NPC has the power to formulate and amend basic laws governing civil and criminal matters, state organs and other matters. The NPC may authorize the SCNPC to formulate relevant laws, and the SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of the PRC administration and has the power to formulate administrative regulations based on the Constitution and laws, with the exception of matters relating to crimes and penalties, the deprivation of citizens' political rights and the restriction of personal liberty through coercive measures and penalties, and the judicial system.

The people's congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual requirements of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations.

The ministries and commissions of the State Council, PBOC, the Audit Administration and institutions required by law as well as organs endowed with administrative functions directly under the State Council may, in accordance with the laws as well as the administrative regulations, decisions and orders of the State Council and within the limits of their power, formulate rules.

The people's congresses of cities divided into districts and their respective standing committees may formulate local regulations in terms of urban and rural development and management, ecological civilization construction, and historical culture protection based on the specific circumstances and actual requirements of such cities, which will become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions but such local regulations shall conform with the Constitution, laws, administrative regulations, and the relevant local regulations of the relevant provinces or autonomous regions. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned.

The people's governments of the provinces, autonomous regions, and municipalities directly under the central government and the cities divided into districts or autonomous prefectures may enact rules, in accordance with laws, administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people's governments of the provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the city divided into districts or autonomous prefecture within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by its Standing Committee, and to annul any autonomous regulations or separate regulations which have been approved by its Standing Committee but which contravene the Constitution or the Legislation Law. The Standing Committee of the NPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the central government, but which contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the Standing Committee of the NPC. According to the Decision of the Standing Committee of the NPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, the Supreme People's Court of the PRC (the "**Supreme People's Court**") has the power to give general interpretation on questions involving the specific application of laws and decrees in court trials. The State Council and its ministries and commissions are also vested with the power to give interpretation of the administrative regulations and department rules which they have promulgated. At the regional level, the power to give interpretations of the local regulations as well as administrative rules is vested in the regional legislative and administrative organs which promulgate such regulations and rules.

PRC JUDICIAL SYSTEM

Under the Constitution and the PRC Law on the Organization of the People's Courts (2018 revision) (《中華人民共和國人民法院組織法(2018年修訂)》), the PRC judicial system is made up of the Supreme People's Court, the local people's courts and special people's courts.

The local people's courts are comprised of the primary people's courts, the intermediate people's courts and the higher people's courts. The higher people's courts supervise the primary and intermediate people's courts. The people's procuratorates also have the right to exercise legal supervision over the civil proceedings of people's courts of the same level and lower levels. The Supreme People's Court is the highest judicial organ in the PRC. It supervises the judicial administration of the people's courts at all levels.

The Civil Procedure Law of the PRC (2023 revision) (《中華人民共和國民事訴訟法(2023修正)》) (the "**Civil Procedure Law**"), which was adopted in 1991 and amended in 2007, 2012, 2017, 2021 and latest amended in 2023, which came into effect on January 1, 2024, sets forth the criteria for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the county, municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a judicial court where civil actions may be brought, provided that the judicial court is either the plaintiff's or the defendant's domicile, the place of execution or implementation of the contract or the place of the object of the action, etc. or a venue which has actual connection with the dispute to be the People's Court which has jurisdiction, provided that the provisions of this law regarding the level of jurisdiction and exclusive jurisdiction shall not be violated.

A foreign national or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If a foreign country's judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within the PRC.

If any party to a civil action refuses to comply with a judgment or ruling made by a people's court or an award made by an arbitration panel in the PRC, the other party may apply to the people's court for the enforcement of the same. There are time limits of two years imposed on the right to apply for such enforcement. If a person fails to satisfy a judgment made by the court within the stipulated time, the court will, upon application by either party, enforce the judgment in accordance with the law.

If a legally effective judgment or ruling made by a people's court is requested to be executed by a party whose property is not within the territory of the PRC, the party may directly apply to a foreign court with jurisdiction for recognition and enforcement, or the people's court may request recognition and enforcement from a foreign court in accordance with the provisions of international treaties concluded or participated in by the PRC, or in accordance with the principle of reciprocity. The people's court shall recognize the legal effect of judgments or rulings made by foreign courts that have applied for or requested recognition and enforcement, in accordance with international treaties concluded or participated in by the PRC, or in accordance with the principle of reciprocity, if it considers that they do not violate the basic principles of the laws of the PRC and do not harm national sovereignty, security, or social public interests; If it needs to be executed, an execution order shall be issued and executed in accordance with the relevant provisions of this Law.

THE COMPANY LAW, OVERSEAS LISTING TRIAL MEASURES AND GUIDANCE FOR ARTICLES OF ASSOCIATION

A joint stock limited company which was incorporated in the PRC and seeking a listing on the Hong Kong Stock Exchange is mainly subject to the following laws and regulations in the PRC:

- The PRC Company Law (《中華人民共和國公司法》) which was promulgated by the SCNPC on December 29, 1993, came into effect on July 1, 1994, revised on December 25,1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023 respectively and the latest revision came into effect on July 1, 2024;

- The Trial Administrative Measures on the Overseas Securities Offering and Listing of Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") and six relevant guidelines which were promulgated by the CSRC on February 17, 2023 pursuant to Securities Law of the PRC, and were applicable to the direct and indirect overseas share subscription and listing of domestic companies; and

- The Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the "**Guidance for Articles of Association**") which was latest amended on December 15, 2023 by the CSRC. The related Guidance for Articles of Association are set out in the Articles of Association of the Company, the summary of which is set out in the section entitled "Appendix V — Summary of the Articles of Association" in this document.

Set out below is a summary of the major provisions of the Company Law, the Overseas Listing Trial Measures and the Guidance for Articles of Association applicable to the Company.

General

A joint stock limited company refers to an enterprise legal person incorporated under the Company Law with its registered capital divided into shares of equal par value. The liability of its shareholders is limited to the amount of shares held by them and the company is liable to its debts for an amount equal to the total value of its assets.

A joint stock limited company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. Unless otherwise provided by law, the joint stock limited company may not be a contributor that undertakes joint and several liabilities for the debts of the invested companies.

Incorporation

A joint stock limited company may be incorporated by promotion or public subscription.

A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters shall have residence within the PRC. The promoters of a joint stock limited company established by means of stock flotation must convene an inaugural meeting within 30 days after the issued shares have been fully paid up, and must give notice to all subscribers or make an announcement of the date of the inaugural meeting 15 days before the meeting. The inaugural meeting may be convened only with the presence of subscribers who representing more than half of the voting rights in the company. At the inaugural meeting, matters including the adoption of articles of association and the election of members of the board of directors and members of the board of supervisors of the company will be dealt with. All resolutions of the meeting require the approval of subscribers with more than half of the voting rights present at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors must apply to the registration authority for registration of the establishment of the joint stock limited company. A company is formally established, and has the status of a legal person, after the business license has been issued by the relevant registration authority. A company implement public offering of shares shall be registered by the securities regulatory authority under the State Council and announce the document.

According to the Interim Provisional Regulations on the Administration of Issuing and Trading of Shares (《股票發行與交易管理暫行條例》) promulgated by the State Council on April 22, 1993 (which is only applicable to the issuance and trading of shares in the PRC and their related activities), if a company is established by means of public subscription, the promoters of such company are required to sign on the document to ensure that the document does not contain any misrepresentation, serious misleading statements or material omissions, and assume joint and several responsibility for it.

Share Capital

The promoters of a company can make capital contributions in cash or in kind, which can be valued in currency and transferable according to law such as intellectual property rights, land use rights, stock rights or creditor's rights based on their appraised value, except the property that may not be used as capital contributions according to any law or administrative regulation.

If capital contribution is made other than in cash, valuation and verification of the property contributed must be carried out and converted into shares.

The Overseas Listing Trial Measures provides that domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

Under the Overseas Listing Trial Measures, where a domestic enterprise directly issues and lists its domestic unlisted shares overseas, the shareholder who holds its domestic unlisted shares shall apply to convert its domestic unlisted shares into overseas listed shares and list and circulate them on overseas trading places, which shall comply with the relevant provisions of the CSRC, and entrust the domestic enterprise to file with the CSRC. The domestic unlisted shares mentioned in the preceding paragraph refer to the shares that have been issued by domestic enterprises but have not been listed or listed for trading on domestic exchanges. Domestic unlisted shares shall be centrally registered and deposited with domestic securities registration and settlement institutions. The registration and settlement arrangements of overseas listed shares shall be subject to the provisions of overseas listing places.

The share offering price may be equal to or greater than nominal value, but shall not be less than nominal value.

The transfer of shares by shareholders of joint stock limited companies should be conducted via the legally established stock exchange or in accordance with other methods as stipulated by the State Council. The shares issued by a company shall be registered shares.

Shares issued by a company prior to the public offering of its shares shall not be transferred within one year from the date of listing of the shares of the company on a stock exchange. Directors, supervisors and senior management of a company shall not transfer over 25% of the shares held by each of them in the company each year during their term of office determined at the time of taking office and shall not transfer any share of the company held by each of them within one year after the listing date. There is no restriction under the Company Law as to the percentage of shareholding a single shareholder may hold in a company.

Transfers of shares may not be entered in the register of shareholders within 20 days before the date of a shareholders' meeting or within five days before the record date set for the purpose of distribution of dividends.

Allotment and Issue of Shares

All issue of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. It may issue shares at par value or at a premium, but it may not issue shares below the par value.

Domestic enterprises issued and listed overseas shall file with the CSRC in accordance with Overseas Listing Trial Measures, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholder information and other information. Where a domestic enterprise directly issues and is listed overseas, the issuer shall file with the CSRC. If a domestic enterprise is indirectly listed overseas, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC.

Registered Shares

Under the Company Law, the shareholders may make capital contributions in cash, or alternatively may make capital contributions with such valuated non-monetary property as physical items, intellectual property rights, land-use rights,, stock rights and creditor's rights that may be valued in monetary term and may be transferred in accordance with the law. Pursuant to the Overseas Listing Trial Measures, domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

Under the Company Law, the company issues shares shall be in registered form, it shall maintain a register of shareholders, stating the following matters:

- the name and domicile of each shareholder;
- the type and number of shares subscribed for by each shareholder;
- the serial numbers of stocks, if issued in paper form;
- the date on which each shareholder acquired his shares.

Increase of Share Capital

According to the Company Law, when the joint stock limited company issues new shares, resolutions shall be passed by a shareholders' meeting, approving the class and number of the new shares, the issue price of the new shares, the commencement and end of the new share issuance and the class and amount of new shares to be issued to existing shareholders, and if any no par value stock is issued, more than half of the proceeds from the issuance of new shares shall be included in the amount of the registered capital. After the new share issuance has been paid up, the change shall be registered with the company registration authorities and an announcement shall be made.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

- it shall prepare a balance sheet and a property list;
- the reduction of registered capital shall be approved by a shareholders' meeting;
- it shall inform its creditors of the reduction in capital within 10 days and publish an announcement of the reduction in the newspaper within 30 days from the date of the resolution on the reduction;
- creditors may within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide guarantees covering the debts;
- it shall apply to the relevant administration of registration for the registration of the reduction in registered capital.

Repurchase of Shares

According to the Company Law, a joint stock limited company may not purchase its shares other than for one of the following purposes: (i) to reduce its registered capital; (ii) to merge with another company that holds its shares; (iii) to grant its shares for carrying out an employee stock ownership plan or equity incentive plan; (iv) to purchase its shares from shareholders who request and are against the resolution regarding the merger or division with other companies at a shareholders' meeting; (v) use of shares for conversion of convertible corporate bonds issued by a company; and (vi) the share buyback is necessary for a listed company to maintain its company value and protect its shareholders' equity.

The purchase of shares on the grounds set out in (i) and (ii) above shall require approval by way of a resolution passed by the shareholders' meeting. For a company's share buyback under any of the circumstances stipulated in (iii), (v) or (vi) above, a resolution of the company's board of directors shall be made by a two-third majority of directors attending the meeting according to the provisions of the company's articles of association or as authorized by the shareholders' meeting.

Following the purchase of shares in accordance with (i), such shares shall be canceled within 10 days from the date of purchase. The shares shall be assigned or deregistered within six months if the share buyback is made under the circumstances stipulated in either (ii) or (iv). The shares held in total by a company after a share buyback under any of the circumstances stipulated in (iii), (v) or (vi) shall not exceed 10% of the company's total outstanding shares, and shall be assigned or deregistered within three years.

Listed companies making a share buyback shall perform their obligation of information disclosure according to the provisions of the Securities Law. If the share buyback is made under any of the circumstances stipulated in (iii), (v) or (vi) hereof, centralized trading shall be adopted publicly.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Pursuant to the Company Law, transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. No modifications of registration in the share register caused by transfer of registered shares shall be carried out within 20 days prior to the convening of shareholder's meeting or five days prior to the base date for determination of dividend distributions. However, where there are separate provisions by law on alternation of registration in the share register of listed companies, those provisions shall prevail.

Under the Company law, shares issued prior to the public issuance of shares shall not be transferred within one year from the date of the joint stock limited company's listing on a stock exchange. Directors, supervisors and the senior management shall declare to the company their shareholdings in the company and any changes of such shareholdings. They shall not transfer more than 25% of all the shares they hold in the company annually during their tenure. They shall not transfer the shares they hold within one year from the date on which the company's shares are listed and commenced trading on a stock exchange, nor within six months after their resignation from their positions with the company.

Shareholders

Under the Company Law and the Guidance for Articles of Association, the rights of holders of ordinary shares of a joint stock limited company include:

- the right to attend or appoint a proxy to attend shareholders' meetings and to vote thereat;

- the right to transfer shares in accordance with laws, administrative regulations and provisions of the articles of association;

- the right to inspect the company's articles of association, share register, counterfoil of company debentures, minutes of shareholder's meetings, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors and financial and accounting reports and to make proposals or enquiries on the company's operations;

- the right to bring an action in the people's court to rescind resolutions passed by shareholder's meetings and board of directors where the articles of association is violated by the above resolutions;

- the right to receive dividends and other types of interest distributed in proportion to the number of shares held;

- in the event of the termination or liquidation of the company, the right to participate in the distribution of residual properties of the company in proportion to the number of shares held; and

- other rights granted by laws, administrative regulations, other regulatory documents and the company's articles of association.

The obligations of a shareholder include the obligation to abide by the Company's articles of association, to pay the subscription moneys in respect of the shares subscribed for and in accordance with the form of making capital contributions, to be liable for the company's debts and liabilities to the extent of the amount of his or her subscribed shares and any other shareholders' obligation specified in the company's articles of association.

Shareholders' Meetings

The shareholders' meeting is the organ of authority of the company, which exercises its powers in accordance with the Company Law.

Under the Company Law, the shareholders' meeting exercises the following principal powers:

- to elect or remove the directors and supervisors and to decide on matters relating to the remuneration of directors and supervisors;

- to examine and approve reports of the board of directors;

- to examine and approve reports of the board of supervisors;

- to examine and approve the company's proposals for profit distribution plans and loss recovery plans;

- to decide on any increase or reduction of the company's registered capital;

- to decide on the issue of bonds by the company;

- to decide on issues such as merger, division, dissolution and liquidation of the company and change of the structure;

- to amend the company's articles of association; and
- other powers as provided for in the articles of association.

Shareholders' annual meetings are required to be held once every year. Under the Company Law, an extraordinary shareholders' meeting is required to be held within two months after the occurrence of any of the following:

- the number of directors is less than the number stipulated by the law or less than two thirds of the number specified in the articles of association;
- the aggregate losses of the company which are not recovered reach one-third of the company's total share capital;
- when shareholders alone or in aggregate holding 10% or more of the company's shares request the convening of an extraordinary meeting;
- whenever the board of directors deems necessary;
- when the board of supervisors proposes; or
- other circumstances as provided for in the articles of associations.

Under the Company Law, shareholders' meetings shall be convened by the board of directors, and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or does not perform his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

Where the board of directors is incapable of performing or not performing its duties of convening the shareholders' meeting, the board of supervisors shall convene and preside over such meeting in a timely manner. In case the board of supervisors fails to convene and preside over such meeting, shareholders alone or in aggregate holding more than 10% of the company's shares for 90 days consecutively may unilaterally convene and preside over such meeting.

Under the Company Law, notice of shareholders' meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. Notice of extraordinary shareholder's meetings shall be given to all shareholders 15 days prior to the meeting. Under the Guidance for Articles of Association, after the notice of the meeting of shareholders is issued, the meeting of shareholders shall not be postponed or cancelled without justifiable reasons, and the proposals listed in the notice of meeting of shareholders shall not be cancelled. In the event of postponement or cancellation, the convener shall make an announcement and explain the reasons at least two working days before the original meeting date.

There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a shareholders' meeting. Pursuant to the Guidance for Articles of Association, the board of directors and the Secretary of the board of directors will cooperate with the meeting of shareholders convened by the board of supervisors or shareholders. The board of directors will provide the register of shareholders on the date of equity registration. Moreover, when a meeting of shareholders is held, all directors, supervisors and the secretary of the board of directors of the company shall attend the meeting, and managers and other senior management personnel shall attend the meeting as nonvoting delegates.

Pursuant to the Company Law, shareholders who individually or jointly hold more than 1% of the company's shares may put forward interim proposals and submit them to the convener in writing 10 days before the meeting of shareholders. The convener shall issue a supplementary notice of the meeting of shareholders within two days after receiving the proposal and announce the contents of the interim proposal.

Under the Company Law, except the classified shareholders, each shareholders present at shareholders' meeting have one vote for each share they hold, save that shares held by the company are not entitled to any voting rights.

Pursuant to the provisions of the articles of association or a resolution of the shareholders' meeting, the accumulative voting system may be adopted for the election of directors and supervisors at the shareholders' meeting. Under the accumulative voting system, each share shall be entitled to vote equivalent to the number of directors or supervisors to be elected at the shareholders' meeting and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the Company Law and the Guidance for Articles of Association, resolutions of the shareholders' meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting. However, resolutions of the shareholders' meeting regarding the following matters shall be adopted by more than two-thirds of the voting rights held by the shareholders present at the meeting: (i) amendments to the articles of association; (ii) the increase or decrease of registered capital; (iii) equity incentive plan; (iv) a listed company purchases or sells major assets within one year or the amount of guarantee exceeds 30% of the company's total audited assets in the latest period; (v) the merger, division, dissolution, liquidation or change in the form of the company; (vi) other matters stipulated by laws, administrative regulations or the Articles of Association, as well as other matters considered by the shareholders' meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the company and should be adopted by a special resolution.

Under the Company Law, meeting minutes shall be prepared in respect of decisions on matters discussed at the shareholders' meeting. The chairman of the meeting and directors attending the meeting shall sign to endorse such minutes. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board

Under the Company Law, a joint stock limited company shall have a board of directors, which shall consist at least more than 3 members. Members of the board of directors may include representatives of the employees of the company, who shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise. The term of a director shall be stipulated in the articles of association, but no term of office shall last for more than three years. Directors may serve consecutive terms if re-elected. A director shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of directors results in the number of directors being less than the quorum.

Under the Company Law, the board of directors mainly exercises the following powers:

- to convene the shareholders' meetings and report on its work to the shareholders' meetings;
- to implement the resolutions passed in shareholders' meetings;
- to decide on the company's business plans and investment proposals;
- to formulate the company's profit distribution proposals and loss recovery proposals;
- to formulate proposals for the increase or reduction of the company's registered capital and the issuance of corporate bonds;
- to prepare plans for the merger, division, dissolution and change in the form of the company;
- to decide the establishment of the internal management body of the company;
- to decide the appointment or dismissal of the manager of the company and the remuneration thereof, and, according to the nomination of the manager, decide on hiring or dismissing deputy managers and financial director of the company as well as their remuneration;
- to formulate the company's basic management system; and
- to exercise any other power under the articles of association or the shareholders' meetings.

Board Meetings

Under the Company Law, meetings of the board of directors of a joint stock limited company shall be convened at least twice a year. Notice of meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of voting rights, more than one-third of the directors or the board of supervisors. The chairman shall convene and preside over such meeting within 10 days after receiving such proposal. Meetings of the board of directors shall be held only if half or more of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for resolutions to be approved by the board of directors. Directors shall attend board meetings in person. If a director is unable to attend a board meeting, he may appoint another director by a written power of attorney specifying the scope of the authorization to attend the meeting on his behalf.

If a resolution of the board of directors violates the laws, administrative regulations or the articles of association, resolution of the shareholders' meeting, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. If it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempted from that liability.

Chairman of the Board

Under the Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and examine the implementation of board resolutions. The vice chairman shall assist the work of the chairman. In the event that the chairman is incapable of performing or not performing his duties, the duties shall be performed by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of the directors shall perform his duties.

Qualification of Directors

The Company Law provides that the following persons may not serve as a director:

- a person who is unable or has limited ability to undertake any civil liabilities;

- a person who has been convicted of an offense of bribery, corruption, embezzlement or misappropriation of property, or the destruction of socialist market economy order; or who has been deprived of his political rights due to his crimes, in each case where less than five years has elapsed since the date of completion of the sentence. If he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension of sentence;

- a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;

- a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law and has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the date of such revocation; or

- a person who is liable for a relatively large amount of debts that are overdue and be listed as an executor of dishonesty by the people's court.

Other circumstances under which a person is disqualified from acting as a director are set out in the Guidance for Articles of Association.

Board of Supervisors

A joint stock limited company shall have a board of supervisors composed of not less than three members. The board of supervisors is made up of representatives of the shareholders and an appropriate proportion of representatives of the employees of the company. The actual proportion shall be stipulated in the articles of association, provided that the proportion of representatives of the employees shall not be less than one third of the supervisors. Representatives of the employees of the company in the board of supervisors shall be democratically elected by the employees at the employees' representative assembly, employees' meeting or otherwise. The directors and senior management may not act concurrently as supervisors.

The board of supervisors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the board of supervisors are elected with approval of more than half of all the supervisors. The chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the chairman of the board of supervisors is incapable of performing or not performing his duties, the vice chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the vice chairman of the board of supervisors is incapable of performing or not performing his duties, a supervisor nominated by more than half of the supervisors shall convene and preside over the meetings of the board of supervisors.

Each term of office of a supervisor is three years and he or she may serve consecutive terms if re-elected. A supervisor shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of supervisors results in the number of supervisors being less than the quorum.

The board of supervisors of a company shall hold at least one meeting every year. According to the PRC Company Law, a resolution of the board of supervisors shall be passed by more than half of all the supervisors.

The board of supervisors exercises the following powers:

- to review the company's financial position;
- to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, regulations, the articles of association or the resolutions of shareholders' meeting;
- when the acts of directors and senior management are harmful to the company's interests, to require correction of those acts;
- to propose the convening of extraordinary shareholders' meetings and to convene and preside over shareholders' meetings when the board of directors fails to perform the duty of convening and presiding over shareholders' meeting under this law;
- to initiate proposals for resolutions to shareholders' meeting;
- to initiate proceedings against directors and senior management;
- other powers specified in the articles of association; and
- Supervisors may attend board meetings and make enquiries or proposals in respect of board resolutions. The board of supervisors may initiate investigations into any irregularities identified in the operation of the company and, where necessary, may engage an accounting firm to assist their work at the company's expense.

Audit Committee

A joint stock limited company may, under the articles of association, set up an audit committee composed of directors in the board of directors, which shall exercise the functions and powers of the board of supervisors. It may not have a board of supervisors or supervisors.

The audit committee shall be composed of at least 3 members, and more than half of the members shall not assume any position other than the director in the company and shall not have any relationship with the company that may affect their independent and objective judgments. Among the members of the board of directors of the company, an employees' representative may become a member of the audit committee.

A resolution made by the audit committee shall be adopted by more than half of the members thereof.

For voting on a resolution of the audit committee, each member shall have one vote.

The discussion methods and voting procedures of the audit committee shall be prescribed in the articles of association, unless it is otherwise provided for by this Law.

A company may set up other committees in the board of directors under the articles of association.

Manager and Senior Management

- Under the Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager is responsible to the board of directors and exercises his functions and powers according to the provisions of the articles of association or the authorization of the board of directors. The manager sat in on the board meeting. The board of directors of a company may decide to appoint a member of the board of directors to concurrently serve as the manager.

According to the Company Law, senior management shall mean the manager, deputy manager(s), person-in-charge of finance, board secretary (in case of a listed company) of a company and other personnel as stipulated in the articles of association.

Duties of Directors, Supervisors and Senior Management

Directors, supervisors and senior management of the company are required under the Company Law to comply with the relevant laws, regulations and the articles of association, and have fiduciary and diligent duties to the company. Directors, supervisors and senior management are prohibited from abusing their powers to accept bribes or other unlawful income and from misappropriating of the company's properties. Directors and senior management are prohibited from:

- embezzlement of company property, misappropriation of the company's capital;
- depositing the company's capital into accounts under his own name or the name of other individuals;
- bribery or acceptance of other illegal income by taking advantage of authority;
- accept and possess commissions paid by a third party for transactions conducted with the company;
- unauthorized divulgence of confidential business information of the company; or
- other acts in violation of their fiduciary duty to the company.

A director, supervisor or senior management who contravenes any law, regulation or the company's articles of association in the performance of his duties resulting in any loss to the company shall be personally liable for the damages to the company.

Finance and Accounting

Under the Company Law, a company shall establish financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council and shall at the end of each financial year prepare a financial and accounting report which shall be audited by an accounting firm as required by law. The company's financial and accounting report shall be prepared in accordance with provisions of the laws, administrative regulations and the regulations of the financial department of the State Council.

Pursuant to the Company Law, the company shall deliver its financial and accounting reports to all shareholders within the time limit stipulated in the articles of association and make its financial and accounting reports available at the company for inspection by the shareholders at least 20 days before the convening of an annual meeting of shareholders. A joint stock limited company which has issued shares to the public must also publish its financial and accounting reports.

When distributing each year's after-tax profits, it shall set aside 10% of its after-tax profits into a statutory common reserve fund (except where the fund has reached 50% of its registered capital).

If its statutory common reserve fund is not sufficient to make up losses of the previous year, profits of the current year shall be applied to make up losses before allocation is made to the statutory common reserve fund pursuant to the above provisions.

After allocation of the statutory common reserve fund from after-tax profits, it may, upon a resolution passed at the shareholders' meeting, allocate discretionary common reserve fund from after-tax profits.

The remaining after-tax profits after making up losses and allocation of common reserve fund shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the articles of association. Shares held by the Company shall not be entitled to any distribution of profit.

The premium received through issuance of shares at prices above par value, share proceeds from the issuance of non-par shares are not included in the registered capital and other projects required by the financial department of the State Council to be allocated to the capital reserve fund shall be allocated to the company's capital reserve fund.

The company's reserve fund shall be applied to make up losses of the company, expand its business operations or be converted to increase the registered capital of the company. To make up the company's losses, the common reserve fund and statutory reserve fund should be used first; If it is still unable to make up for it, the capital reserve fund can be used in accordance with the regulations. Upon the conversion of statutory common reserve fund into increase registered capital, the balance of the statutory common reserve fund shall not be less than 25% of the registered capital of the company before such conversion.

The company shall have no other accounting books except the statutory accounting books. Its fund shall not be deposited in any accounts opened in the name of any individual.

Appointment and Retirement of Accounting Firms

Pursuant to the Company Law, the appointment or dismissal of accounting firms responsible for the auditing of the company shall be determined by board of directors in accordance with provisions of articles of association. When necessary, the board of supervisors may hire an accounting firm to assist in its work, and the expenses shall be borne by the company.

The accounting firm should be allowed to make representations when the Board of Directors or Board of Supervisors conduct a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidences, books, financial and accounting reports and other accounting data to the accounting firm it employs without any refusal, withholding and misrepresentation.

The Guidance for Articles of Association provide that the company guarantees to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the employed accounting firm, and shall not refuse, conceal or falsely report. And the audit fee of the accounting firm shall be decided by the meeting of shareholders.

Distribution of Profits

According to the Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve is drawn.

Amendments to Articles of Association

Any amendments to the company's articles of association must be made in accordance with the procedures set out in the company's articles of association. In relation to matters involving the company's registration, its registration with the authority must also be changed.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved by reason of the following:

(i) the term of its operations set down in the articles of association has expired or other events of dissolution specified in the articles of association occurred; (ii) the shareholders' meeting has resolved to dissolve the company; (iii) the company is dissolved by reason of merger or division; (iv) the business license is revoked, or the company is ordered to close down or be dissolved; or (v) the company is dissolved by the people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all its shareholders, on the grounds that the company suffers significant hardship in its operation and management that cannot be resolved through other means, and the ongoing existence of the company would bring significant losses for shareholders.

In the event of (i), (ii) above, and the property has not been distributed to the shareholders, it may carry on its existence by amending its articles of association or by resolution of the shareholders' meeting. The amendment of the articles of association or the resolution of the shareholders' meeting in accordance with provisions set out above shall require approval of more than two thirds of voting rights of shareholders attending a shareholders' meeting.

Where the company is dissolved in the circumstances described in subparagraphs (i), (ii), (iv), or (v) above, a liquidation group shall be established and the liquidation process shall commence within 15 days after the occurrence of an event of dissolution.

The members of the company's liquidation group shall be composed of directors, unless otherwise stipulated in the Articles of Association or the shareholders' meeting decides to elect another person. If a liquidation group is not established within the stipulated period, interested party may apply to the people's court and request the court to appoint relevant personnel to form the liquidation group. The people's court should accept such application and form a liquidation group to conduct liquidation in a timely manner.

The liquidation group shall exercise the following powers during the liquidation period:

- to liquidate the company's assets and to prepare a balance sheet and an inventory of the assets;
- to notify creditors through notice or public announcement;
- to deal with the company's outstanding businesses related to liquidation;
- to pay any tax overdue as well as tax amounts arising from the process of liquidation;
- to claim credits and pay off debts;
- to distribute the company's remaining assets after its debts have been paid off; and
- to represent the company in civil lawsuits.

The liquidation group shall notify the company's creditors within 10 days after its establishment and issue public notices in newspapers or the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his claim with the liquidation group within 30 days after receiving notification, or within 45 days of the public notice if he did not receive any notification. A creditor shall state all matters relevant to his creditor rights in making his claim and furnish evidence. The liquidation group shall register such creditor rights. The liquidation group shall not make any debt settlement to creditors during the period of claim.

Upon liquidation of properties and the preparation of the balance sheet and inventory of assets, the liquidation group shall draw up a liquidation plan to be submitted to the shareholders' meeting or people's court for confirmation.

The company's remaining assets after payment of liquidation expenses, wages, social insurance expenses and statutory compensation, outstanding taxes and debts shall be distributed to shareholders according to their shareholding proportion. It shall continue to exist during the liquidation period, although it can only engage in any operating activities that are related to the liquidation. The company's properties shall not be distributed to the shareholders before repayments are made in accordance to the foregoing provisions.

Upon liquidation of the company's properties and the preparation of the balance sheet and inventory of assets, if the liquidation group becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to the people's court for bankruptcy liquidation.

After the people's court accepts the bankruptcy application, the liquidation group shall hand over the liquidation affairs to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation, the liquidation group shall submit a liquidation report to the shareholders' meeting or the people's court for verification. Thereafter, the report shall be submitted to the registration authority of the company in order to apply for deregistration. Members of the liquidation group are required to discharge their duties honestly and in compliance with the relevant laws. Members of the liquidation group shall be prohibited from abusing their powers to accept bribes or other unlawful income and from misappropriating the company's properties.

A member of the liquidation group is liable to indemnify the company and its creditors in respect of any loss arising from his intentional or gross negligence.

Overseas Listing

According to the Overseas Listing Trial Measures, where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within 3 working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within 3 working days after the completion of the issuance. If an issuer issues and lists in other overseas markets after overseas issuance and listing, it shall be filed in accordance with the provisions of the first paragraph of this article. Moreover, if the filing materials are complete and meet the requirements, the CSRC shall complete the filing within 20 working days from the date of receiving the filing materials, and publicize the filing information through the website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall inform the issuer of the materials to be supplemented within 5 working days after receiving the filing materials. The issuer shall supplement the materials within 30 working days.

Loss of Share Certificates

If a registered share certificate is lost, stolen or destroyed, the relevant shareholder may apply, in accordance with the relevant provisions set out in the Civil Procedure Law, to a people's court to declare such certificate invalid. After the people's court declares the invalidity of such certificate, the shareholder may apply to the company for a replacement share certificate.

Suspension and Termination of Listing

The Company Law has deleted provisions governing suspension and termination of listing. The Securities Law of the PRC (2019 revision) (《中華人民共和國證券法(2019年修訂)》) has also deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

According to the Overseas Listing Trial Measures, in case of active or compulsory termination of listing, the issuer shall report the specific situation to the CSRC within 3 working days from the date of occurrence and announcement of the relevant matters.

Merger and Demerger

Companies may merge through merger by absorption or through the establishment of a newly merged entity. If it merges by absorption, the company which is absorbed shall be dissolved. If it merges by forming a new corporation, both companies will be dissolved.

SECURITIES LAW AND REGULATIONS

The PRC has promulgated a number of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

The Interim Provisional Regulations on the Administration of Share Issuance and Trading (《股票發行與交易管理暫行條例》) deals with the application and approval procedures for public offerings of equity securities, trading in equity securities, the acquisition of listed companies, deposit, clearing and transfer of listed equity securities, the disclosure of information with respect to a listed company, investigation, penalties and dispute settlement.

The PRC Securities Law took effect on July 1, 1999 and was revised on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019, respectively. This is the first national securities law in the PRC, which is divided into 14 chapters and 226 articles regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities. The PRC Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the PRC Securities Law provides that domestic enterprises shall comply with the relevant provisions of the State Council to list its shares outside the PRC. Currently, the issue and trading of foreign issued shares are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The Arbitration Law of the PRC (2017 revision) (《中華人民共和國仲裁法(2017年修正)》) (the "**Arbitration Law**") was passed by the Standing Committee of the NPC on August 31, 1994, became effective on September 1, 1995 and was amended on August 27, 2009 and September 1, 2017. Under the Arbitration Law, an arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with the Arbitration Law and the Civil Procedure Law. Where the parties have by agreement provided arbitration as the method for dispute resolution, the people's court will refuse to handle the case except when the arbitration agreement is declared invalid.

Under the Arbitration Law and the Civil Procedure Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people's court for enforcement. A people's court may refuse to enforce an arbitral award made by an arbitration commission if there is any irregularity on the procedures or composition of arbitrators specified by law or the award exceeds the scope of the arbitration agreement or is outside the jurisdiction of the arbitration commission.

A party seeking to enforce an arbitral award of PRC arbitration panel against a party who, or whose property, is not within the PRC, may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC. The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (《承認及執行外國仲裁裁決公約》) (the **"New York Convention"**) adopted on June 10, 1958 pursuant to a resolution of the Standing Committee of the NPC passed on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by all other parties to the New York Convention, subject to their right to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of the state to which the application for enforcement is made. It was declared by the Standing Committee of the NPC

simultaneously with the accession of the PRC that (i) the PRC will only recognize and enforce foreign arbitral awards on the principle of reciprocity and (ii) the PRC will only apply the New York Convention in disputes considered under PRC laws to arise from contractual and non-contractual mercantile legal relations.

An arrangement was reached between Hong Kong and the Supreme People's Court for the mutual enforcement of arbitral awards. On June 18, 1999, the Supreme People's Court adopted the Arrangement on Mutual Enforcement of Arbitral Awards between Mainland China and Hong Kong (《關於內地與香港特別行政區相互執行仲裁裁決的安排》), which became effective on February 1, 2000, and Supplementary Arrangements of Supreme People's Court on Reciprocal Enforcement of Arbitration Awards between the Mainland and the Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的補充安排》), which promulgated on December 26, 2020. In accordance with this arrangement, awards made by PRC arbitral authorities under the Arbitration Law can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in the PRC.

JUDICIAL JUDGEMENT AND ITS ENFORCEMENT

According to the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the mainland China and of the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) promulgated by the Supreme People's Court on January 25, 2024 and implemented on January 29, 2024, in the case of effective judgment of a civil and commercial case or civil damages in a criminal case made by the court of China and the court of the Hong Kong Special Administrative Region, any party concerned may apply to the People's Court of China or the court of the Hong Kong Special Administrative Region for recognition and enforcement based on this arrangement.

Shanghai-Hong Kong Stock Connect

On April 10, 2014, CSRC and Hong Kong Securities and Futures Commission (the "**SFC**") issued the Joint Announcement of China Securities Regulatory Commission and Hong Kong Securities and Futures Commission – Principles that Should be Followed when the Pilot Program that Links the Stock Markets in Shanghai and Hong Kong is expected to be implemented and approved in principle the launch of the pilot program that links the stock markets in Shanghai and Hong Kong (hereinafter referred to as "**Shanghai-Hong Kong Stock Connect**") by the Shanghai Stock Exchange (hereinafter referred to as "**SSE**"), the Stock Exchange, China Securities Depository and Clearing Corporation Limited (hereinafter referred to as "**CSDCC**") and Hong Kong Securities Clearing Company Limited ("**HKSCC**"). Shanghai-Hong Kong Stock Connect comprises the two portions of Northbound Trading Link and Southbound Trading Link. Southbound Trading Link refers to the entrustment of China securities houses by China investors to trade stocks listed on the Stock Exchange within a stipulated range via filing by the securities trading service company established by the SSE with the Stock Exchange. During the initial period of the pilot program, the stocks of

Southbound Trading Link consist of constituent stocks of the Stock Exchange Hang Seng Composite Large Cap Index and the Hang Seng Composite MidCap Index as well as stocks of A+H stock companies concurrently listed on the Stock Exchange and the SSE. The total limit of Southbound Trading Link is RMB250 billion and the daily limit is RMB10.5 billion. During the initial period of the pilot program, it is required by SFC that China investors participating in Southbound Trading Link are only limited to institutional investors and individual investors with a securities account and capital account balance of not less than RMB500,000.

On November 10, 2014, CSRC and SFC issued a Joint Announcement, approving the official launch of Shanghai-Hong Kong Stock Connect by SSE, the Stock Exchange, CSDCC and HKSCC. Pursuant to the Joint Announcement, trading of stocks under Shanghai-Hong Kong Stock Connect will commence on November 17, 2014.

On September 30, 2016, CSRC amended the Filing Provision on the Placement of Shares by Hong Kong Listed Companies with Domestic Original Shareholders under Southbound Trading Link (《關於港股通下香港上市公司向境內原股東配售股份的備案規定》) which came into effect on the same day. The act of the placement of shares by Hong Kong listed companies with domestic original shareholders under Southbound Trading Link shall be filed with CSRC. Hong Kong listed companies shall file the application materials and approved documents with CSRC after obtaining approval from the Stock Exchange for their share placement applications. CSRC will carry out supervision based on the approved opinion and conclusion of the Hong Kong side.

This appendix contains a summary of the main provisions of the Articles of Association of the Company adopted on October 25, 2025 which will take effect from the date of [**REDACTED**] of H shares on the Hong Kong Stock Exchange. The main purpose of this appendix is to provide potential [**REDACTED**] with an overview of the Articles of Association of the Company, so it may not contain all the information that is important to potential [**REDACTED**].

SHARES AND REGISTERED CAPITAL

The total number of shares at the time of incorporation was 951,207,879.00 and the capital structure of the Company was: 951,207,879.00 ordinary shares and no other classes of shares.

The shares of the Company shall be issued in the form of share certificates.

The Company shall issue shares in an open, fair and just manner, and each share of the same.

Shares of the same class issued at the same time shall be issued under the same conditions and at the same price per share; subscribers shall pay the same price per share for the shares they subscribe for.

When the Company issues new shares, the Company's shareholders registered on the share register date of the shareholders' meeting approving the issuance of new shares do not have pre-emptive rights, unless such shareholders' meeting has expressly made a pre-emptive subscription arrangement in compliance with the applicable laws and regulations and the provisions of the rules of the securities supervision and regulation of the place where the Company's shares are listed.

INCREASE AND REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

(1) Increase of Capital

The Company may, based on its business and development needs and in accordance with the laws, regulations and the Listing Rules where the Company's shares are listed, increase its capital in the following manners upon resolutions being adopted by the general meetings:

(i) public offering of shares;

(ii) non-public offering of shares;

(iii) distributing bonus shares to its existing shareholders;

(iv) conversion of capital reserve to share capital;

(v) other means required by the laws, administrative regulations and approved by CSRC, SEHK and other related supervisory agencies.

(2) Reduction of Capital

The Company may reduce its registered capital. The Company shall reduce its registered capital in accordance with the procedures stipulated in the Company Law, other relevant regulations of the PRC, the Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The Company shall notify its creditors within 10 days from the date on which the resolution of the shareholders' general meeting on reduction of registered capital is passed and make an announcement on the newspaper or on the information publicity media Company designates within 30 days. The creditors shall have the right to require the Company to repay the debts or to provide the corresponding guarantee within 30 days from the receipt of notification or within 45 days from the date of announcement if they do not receive notification.

Where a company reduces its registered capital, it shall correspondingly reduce the amount of capital contributions or shares in proportion to the capital contributions made or shares held by the shareholders.

(3) Repurchase of Shares

The Company may, under the following circumstances, repurchase its own shares in accordance with provisions of law, administrative regulations, departmental rules, and the Articles of Association:

(i) to reduce the registered capital of the Company;

(ii) to merge with other companies which hold the shares of the Company;

(iii) to utilize its newly added equity incentive shares in employee stock ownership plans or share incentive;

(iv) where the shareholders, who disagree with the resolution in relation to merger or division of the Company made at the general meeting, require the Company to repurchase the shares held by such shareholders;

(v) to use the shares for conversion of corporate bonds issued by the Company which are convertible into shares;

(vi) to safeguard the value of the Company and the interests of the shareholders when necessary;

(vii) any other circumstances permitted by the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed.

The Company may repurchase its shares by open centralized transaction method or other method approved by laws, administrative regulations, the Listing Rules and the CSRC as well as the securities regulatory authorities of the place where the shares of the Company are listed.

When the Company repurchases its own shares under any of the circumstances specified in item (i) or (ii) mentioned above, a resolution adopted by shareholders' general meeting is required. Where the Company repurchases its own shares pursuant to the provisions of items (iii), (v) and (vi), it shall be resolved by a resolution of a meeting of Board of Director attended by more than two-thirds of the directors in accordance with the provisions of the Company's Articles of Association or the authorization of the shareholders' general meeting.

With respect to domestic unlisted shares, in the event that the Company repurchases its shares under the circumstances set out in item (i) thereof, the shares shall be cancelled within 10 days after the date of repurchase; where it falls under the circumstances set out in item (ii) or (iv) thereof, the shares shall be transferred or cancelled within 6 months, where it falls under the circumstances set out in items (iii), (v) and (vi) thereof, the total number of shares of the Company held by the Company shall not exceed 10% of the total number of shares issued by the Company and shall be transferred or cancelled within three years.

With respect to H Shares, after the Company acquires its H Shares, it may, at the Company's option, either cancel them immediately or hold them as treasury shares in accordance with the Hong Kong Listing Rules. If the Directors do not specify that the relevant shares will be held as treasury shares, such shares shall be cancelled. The Company shall deposit treasury shares in a separate account clearly identified as treasury shares within Central Clearing and Settlement System. The Company shall not exercise any rights in respect of the treasury shares, nor shall it declare or distribute any dividends in respect of the treasury shares. Subject to compliance with these Articles and the Hong Kong Listing Rules, the Company may dispose of the treasury shares on such terms and conditions as determined by the Directors.

Where laws, regulations or the securities regulatory authority at the place where the Company's stocks are listed have other provisions on the relevant matters related to the aforementioned share repurchase, such provisions shall prevail.

TRANSFER OF SHARES

The shares of the Company issued before public offering shall not be transferred for one year from the date on which the Company's shares are listed and traded on a stock exchange.

The Directors, Supervisors and senior officers of the Company shall report to the Company their shareholdings and changes thereof and shall not transfer more than 25% of the total number of their shares of the same class in the Company per annum during their terms of office as determined when they take office. The shares of the Company they hold shall not be transferred within one year from the date when the Company's shares are listed and traded on the stock exchange. The aforesaid persons shall not transfer their shares in the Company within half a year after they terminate service with the Company.

If there are other provisions on the transfer restrictions of overseas listed shares in the Listing Rules or the relevant regulations of the securities regulatory authority in the place where the Company's stocks are listed, such provisions shall prevail.

FINANCIAL ASSISTANCE FOR THE PURCHASE OF THE SHARES OF THE COMPANY

The Company or its subsidiaries (including the subsidiary enterprises of the Company) shall not, by any means of gifts, guarantees, or loans, provide any financial assistance to purchasers or potential purchasers of the Company's shares, except for the Company's implementation of the employee stock ownership plan or approved by the shareholders' meeting/board of directors in accordance with the provisions of this Article.

SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

(1) Share Certificates

The Company's shares take the form of share certificates.

The share certificates issued by the Company have a nominal value in RMB, with each share having a nominal value of RMB1.

(2) Register of Members

The Company shall establish a register of members in accordance with certificates from the share registrar. The register of members is sufficient evidence of the shareholders' shareholdings in the Company. A shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class of shares he/she holds. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

The shareholders of the Company shall enjoy the following rights:

(i) the right to receive dividends and other distributions in proportion to their shareholdings;

(ii) the right to request, convene, preside over, attend or appoint a proxy to attend general meetings and to exercise the voting rights in accordance with the law;

(iii) the right to supervise the Company's business operations, to present proposals and to raise enquiries;

(iv) the right to transfer, give as a gift or pledge shares held by them in accordance with laws, administrative regulations and the Articles of Association;

(v) the right to inspect and duplicate the Articles of Association, the register of members, minutes of general meetings, resolutions of Board meetings, resolutions of Board of Supervisors and financial accounting reports, and to make proposals or inquiries regarding the Company's operations.;

(vi) in the event of the termination or liquidation of the Company, the right to participate in the distribution of remaining assets of the Company in proportion to the shareholdings;

(vii) for shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, the right to demand the Company to buy back their shares; and

(viii) other rights under laws, administrative regulations, departmental rules, normative documents, listing rules of the places where the shares of the Company are listed and the Articles of Association.

RESTRICTIONS ON THE RIGHTS OF CONTROLLING SHAREHOLDER

Controlling shareholders and de facto controllers of the Company shall not use their connected relationships to undermine the interests of the Company. Any violation of this provision which causes loss to the Company shall render the controlling shareholder and the de facto controller liable for compensation. If the controlling shareholder or the de facto controller of the Company instructs any director or senior manager to engage in conduct that undermines the interests of the Company or its shareholders, the controlling shareholder or de facto controller giving such instruction shall be jointly and severally liable with such director or senior manager.

The controlling shareholder and the de facto controller of the Company shall have an obligation of fiduciary to the Company and the other shareholders of the Company. The controlling shareholder shall exercise their rights as capital contributors in strict accordance with the law. The controlling shareholder shall not use profit distribution, asset restructuring, external investment, capital occupation, loan guarantee or connected transaction to undermine the legitimate rights and interests of the Company and the other shareholders of the Company, and shall not use their control position to undermine the interests of the Company and the other shareholders of the Company.

GENERAL MEETINGS

(1) General Provisions for Convening General Meetings

The general meeting shall be the authority of power of the Company and shall exercise the following functions and powers in accordance with laws:

(i) to decide on the business policies and investment plans of the Company;

(ii) to elect and change Directors and Supervisors who are not employees' representatives, and decide on the remunerations of Directors and Supervisors;

(iii) to consider and approve reports of the Board;

(iv) to consider and approve the Company's annual financial budget plan and final accounts plan;

(v) to consider and approve the Company's profit distribution plans and loss recovery plans;

(vi) to resolve on the increase or reduction of the registered capital of the Company;

(vii) to resolve on the issuance of corporate bonds;

(viii) to resolve on the merger, division, dissolution, liquidation or change in the form of the Company;

(ix) to amend the Articles of Association;

(x) to consider and approve the guarantees which shall be approved at the general meeting;

(xi) to resolve on the Company's appointment, dismissal or non-reappointment of accounting firms that undertake the Company's audit business;

(xii) to consider the purchase or sale of significant assets by the Company (including its controlled subsidiaries) within one year that exceed 30% of the Company's latest audited total assets;

(xiii) to consider and approve the change of use of proceeds;

(xiv) to consider share incentive schemes and employee stock ownership plans;

(xv) to consider other matters and transactions which shall be resolved at the general meeting in accordance with laws, administrative regulations, departmental rules, Listing Rules and relevant requirements of securities regulatory authorities of the places where the shares of the Company are listed or the Articles of Association.

The general meeting may authorize the board of directors to adopt resolutions on the issuance of corporate bonds.

General meetings consist of annual general meetings and extraordinary general meetings. The annual general meeting shall be held once a year within six months after the end of the previous accounting year.

The Company shall convene an extraordinary general meeting within two months upon occurrence of the following events:

(i) when the number of Directors falls below the minimum requirement of the Company Law, or is less than two thirds of the number specified by the Articles of Association;

(ii) when shareholder(s) severally or jointly holding more than ten percent of the Company's shares request(s) to convene such meeting;

(iii) when the Board considers necessary;

(iv) when the Audit Committee proposes to convene such meeting; and

(v) other circumstances stipulated by laws, administrative regulations, departmental rules, normative documents, the Listing Rules and the listing rules of the places where the shares of the Company are listed or the Articles of Association.

Convening Shareholder's General Meeting

Independent director may propose to the board of directors to hold an extraordinary general meeting. For the aforesaid proposal, the board of directors shall, in accordance with laws, administrative regulations and the Articles of Association, give a written feedback on whether or not it agrees to hold an extraordinary general meeting within 10 days of receipt of the proposal. Where the Board of Directors agrees to hold an extraordinary general meeting, it will send out a notice thereon within 5 days after the relevant resolution of the Board of Directors is made. If the Board of Directors does not agree to hold an extraordinary general meeting, it shall state reasons and make an announcement.

Shareholder(s) holding, individually or in aggregate, ten percent (10%) or more of the Company's shares may request the Board of Directors to hold an extraordinary general meeting and shall put forward the proposal in written form. The Board of Directors, together with the Audit Committee, shall, in accordance with laws, administrative regulations and the Articles of Association, give a written feedback to the shareholder(s) on whether or not it agrees to hold an extraordinary general meeting within 20 days of receipt of such request.

Where the Board of Directors agrees to hold an extraordinary general meeting, it shall send out a notice thereon within 10 days after the relevant resolution of the Board of Directors is made; any change to the original proposal in the notice is subject to the consent of the shareholder(s).

If the Board of Directors does not agree to convene such meeting, or fails to give a response within ten days after receipt of the request, shareholder(s) holding 10% or more of the shares of the Company separately or in aggregate shall have the right to propose to the Audit Committee to convene an extraordinary general meeting, and shall put forward such request to the Audit Committee in writing.

If the Audit Committee agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be issued within five days after receipt of the request and any changes to the original proposal contained in the notice shall be subject to the approval of the relevant shareholder(s).

If the Audit Committee fails to issue a notice convening the shareholders' general meeting by the prescribed period, the Audit Committee shall be deemed to refuse to convene and preside over such meeting, and shareholder(s) holding 10% or more of the shares of the Company separately or in aggregate for no less than 90 consecutive days shall have the right to convene and preside over the meeting on their own.

(2) Proposals of General Meetings

The proposals put forward to the shareholders' general meetings shall fall within the scope of functions and powers of the shareholders' general meeting, have clear issues for discussion and specific matters to be resolved, and comply with the laws, administrative regulations, the Listing Rules and the Articles of Association.

When the Company convenes a general meeting, the Board of Directors, the Audit Committee and shareholders holding 1% or more of the shares of the Company separately or in aggregate shall be entitled to put forward proposals to the Company.

Shareholders individually or jointly holding 1% or more of the shares of the Company may submit ad hoc proposals to the Board of Directors of a shareholders' general meeting in writing ten days prior to shareholders' general meeting. The Board of Directors shall issue a supplementary notice of the shareholders' general meeting to announce the information of such ad hoc proposals within 2 days after receipt thereof, and submit such ad hoc proposals to General Meetings.

Except as provided in the preceding paragraph, the convener of a shareholders' general meeting shall not amend the proposals set out in the notice of the shareholders' general meeting or put up any new proposals after the issuance of the notice of the shareholders' general meeting.

(3) Notices of General Meetings

The Company shall convene an annual general meeting by notifying the shareholders in writing 20 days prior to the meeting and an extraordinary general meeting by notifying the shareholders in writing 15 days prior to the meeting, unless otherwise agreed by the written consent of all shareholders to waive the relevant notice requirements.

When calculating the time limit of the notice, the date of the general meeting convened shall not be included but the issue date of such notice shall be included. If there are other provisions in laws, regulations, or the securities regulatory authorities of the place where the Company's stocks are listed, such provisions shall apply.

After the notice of the shareholders' general meeting is issued, the meeting shall not be postponed or cancelled and the proposals set out in the notice shall not be cancelled without proper reasons. In the case of any postponement or cancellation of the meeting, the Company and the convenor shall make an announcement, according to the provisions in laws, regulations, or the securities regulatory authorities of the place where the Company's stocks are listed, at least two working days prior to the original date of the convening and state the reasons therefor. If the convening is postponed, the date of the postponed convening shall be stated in the announcement.

(4) Holding of General Meetings

All shareholders registered on the record date or their proxies shall be entitled to attend the general meeting. They shall exercise their voting rights in accordance with the relevant laws, regulations, the listing rules of the places where the shares of the Company are listed and the Articles of Association of the Company.

Shareholder may attend the general meeting in person, or appoint one or more proxies (who does not have to be a shareholder) to attend and vote on his/her behalf.

If such shareholder is a recognized clearing house (or its nominee(s)) as defined in the relevant regulations from time to time in Hong Kong, the clearing house shall be entitled to appoint a proxy or corporate representative to attend general meetings of the issuer and meetings of creditors, and such proxy or corporate representative shall have the same statutory rights as other shareholder s, including the right to speak and vote.

A general meeting shall be presided over by the chairman of the Board of Directors. If the chairman is unable or fails to discharge his/her duties, more than a half of the directors shall designate a director to preside over the meeting.

If a shareholders' meeting is convened by the Audit Committee, the convener of the Audit Committee shall preside over the meeting. If the convener of the Audit Committee is unable or fails to perform his/her duties, a member of the Audit Committee nominated by a majority of all Audit Committee members shall preside over the meeting.

If a general meeting is convened by the shareholders themselves, the convener shall nominate a representative to preside over the meeting. If the convener is unable to recommend a representative to act as chairman and preside over the meeting, the shareholder (including its proxy) holding the largest number of voting shares among the convener shall act as chairman and preside over the meeting.

When a general meeting is convened, if the presider of the meeting contravenes the rules of procedure, rendering the meeting impossible to proceed, with the consent from more than half of the attending shareholders with voting rights, one person may be nominated at the general meeting to serve as the presider and the meeting may proceed.

Individual shareholders attending a general meeting in person shall produce their identity cards or other valid proof or evidence of their identities, and in the case of attendance by proxies, the proxies shall produce valid proof of their identities and the proxy forms from shareholders.

For a corporate shareholder, its legal representative or a proxy appointed by such legal representative shall attend the general meeting. In the case of attendance by legal representatives, they shall produce their identity cards and valid proof of their capacities as legal representatives and, in the case of attendance by proxies of such legal representatives, such proxies shall produce their identity cards and the letters of authorization issued by such legal representatives according to the laws.

(5) Voting at and Resolutions of the General Meetings

Resolutions of the general meetings include ordinary resolutions and special resolutions.

Ordinary resolution at a general meeting shall be adopted by more than one half of the voting rights held by shareholders (including their proxies) attending the general meeting. Special resolution at a general meeting shall be adopted by more than two thirds of the voting rights held by shareholders (including their proxies) attending the general meeting.

The following matters shall be resolved by way of ordinary resolutions at a general meeting:

(i) the work reports of the Board of Directors;

(ii) the appointment and dismissal of the non-employee representative Board members and their remuneration.

(iii) the profit distribution plans and plans for making up losses;

(iv) the provision of guarantees to shareholders or de facto controllers of the Company;

(v) the annual financial budget plan and final accounts plan of the Company;

(vi) The appointment, dismissal and remuneration of accounting firms that undertake the Company's audit business;

(vii) the matters other than those that laws, administrative regulations, the Listing Rules, the listing rules of the places where the shares of the Company are listed or the Articles of Association require to be adopted by special resolution.

The following matters shall be resolved by way of special resolutions at a general meeting:

(i) Amendments to the Articles of Association;

(ii) increase or reduction of the registered capital of the Company;

(iii) division, merger, dissolution, liquidation or change in the corporate form of the Company;

(iv) purchase or disposal of major assets or guarantee of the Company within one year with the amount exceeding 30% of the latest audited total assets of the Company;

(v) share incentive schemes or employee stock ownership plans;

(vi) issuance of corporate bonds;

(vii) other matters as required by laws, administrative regulations, departmental rules, the Listing Rules, the listing rules of the places where the shares of the Company are listed or the Articles of Association, and matters which, as resolved by way of an ordinary resolution at a general meeting, will have a material impact on the Company and need to be approved by way of special resolutions.

Shareholders (including proxies) shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share.

When the shareholders' meeting considers major matters affecting the interests of small and medium-sized investors, the votes of small and medium-sized investors shall be counted separately. The results of the separate vote counting shall be publicly disclosed in a timely manner in accordance with laws, administrative regulations, departmental rules, normative documents, the listing rules of the stock exchange where the Company's shares are listed, or the Articles of Association..

Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting and shall not be deposited in the Central Clearing and Settlement System.

Where any shareholder is required by the Listing Rules to abstain from voting on any particular matter or is restricted to voting only for or only against any particular matter, such shareholder shall abstain from voting or casting his vote in accordance with such requirement; any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted in the voting result.

When the general meeting considers matters relating to a connected transaction, the connected shareholders shall not participate in the vote, and the number of voting shares represented by them shall not be counted in the total number of valid voting shares. The resolution of the general meeting shall fully disclose the voting by the unconnected shareholders.

DIRECTORS AND BOARD OF DIRECTORS

(1) Directors

Directors shall be elected or replaced by the general meeting, and may further be removed from their office prior to the conclusion of the term thereof by the general meeting. Directors shall have a term of three years, renewable upon expiry if re-elected.

A director's term of office shall commence from the date when he/she takes office and end upon expiry of the term of the current session of the Board of Directors. The existing director shall continue to perform the duties of a director in accordance with laws, administrative regulations, departmental rules, the regulatory rules of the place where the Company's shares are listed and the Articles of Association after the expiry of his/her term if no re-election is held in time.

The general manager and senior officers may concurrently serve as directors, provided that the total number of directors who concurrently serve as the general manager and senior management members shall not be more than half of the total number of directors of the Company.

A director who, directly or indirectly, enters into a contract or conducts a transaction with the Company shall report the matters relating to such contract or transaction to the Board or the shareholders' general meeting and shall procure that the contract or transaction is approved by the Board or the shareholders' general meeting in accordance with the provisions of the Articles of Association.

(2) Board of Directors

The Company shall have a Board of Directors which shall be accountable to the general meeting.

The Board of Directors is composed of seven directors, with one chairman. The Board shall include at least three independent directors, who must constitute not less than one-third of the total number of directors, among whom at least one independent director must possess appropriate accounting or related financial management expertise or appropriate professional qualifications as prescribed by the stock exchange on which the Company's shares are listed.

The Board shall exercise the following powers and duties:

(i) to convene a general meeting and report its work to such meeting;

(ii) to implement the resolutions of a general meeting;

(iii) to decide on the operation plans and investment plans for the Company;

(iv) to prepare the Company's annual financial budget and final-account plans;

(v) to prepare the Company's profit distribution plans and loss recovery plans;

(vi) to prepare the plan for the Company to increase or reduce its registered capital, issue bonds or other securities and listing plans;

(vii) to prepare plans of the Company with respect to material acquisitions and acquisitions of the Company's shares or merger, division, dissolution or change in the form of the Company;

(viii) within the scope of authorisation by the shareholders' meeting, to decide on matters such as foreign investment, acquisition and sale of assets, pledge of assets, external guarantee matters, entrusted financial management, connected transactions, and external donations;

(ix) to decide on the establishment of the internal organizations;

(x) to decide to appoint or remove the manager, secretary of the Board; to decide to appoint or remove the deputy general manager, financial controller and other senior management members of the Company nominated by the general manager, and decide on the remunerations and rewards and punishments thereof;

(xi) to formulate the Company's basic management system;

(xii) to prepare plans to amend the Articles of Association;

(xiii) to manage the disclosure of information of the Company;

(xiv) to propose to the general meeting with respect to the appointment or replacement of the accounting firm for the audit of the Company;

(xv) to receive the work report of the general manager of the Company and examine such work; and

(xvi) to consider and approve transactions that, under the regulatory rules of the place where the Company's shares are listed, require Board decision (including, without limitation, discloseable transactions and connected/related-party transactions);

(xvii) to exercise any other duties and powers specified in laws, administrative regulations, departmental rules and the listing rules of the places where the shares of the Company are listed or the Articles of Association.

Save as otherwise provided by law, administrative regulations, departmental rules, the listing rules of the stock exchange on which the Company's shares are listed or the Articles of Association that certain resolutions referred to in the preceding paragraph must be approved by at least two-thirds of the directors, all other resolutions may be approved by a simple majority of the directors.

The Board of Directors of the Company shall establish the audit committee, the remuneration committee, the nomination committee and may establish such other committees as it considers necessary. All members of special committees shall comprise directors. All of the special committees shall be accountable to the Board of Directors and shall perform their duties in accordance with the Articles of Association and the Board's mandate. The proposal of each special committee shall be submitted to the Board of Directors for deliberation and decision.

The Board of Directors is responsible for formulating work protocols of the special committees and regulating the operation of the special committees.

SECRETARY TO THE BOARD

The Company shall have a secretary of the Board of Directors, who shall be responsible for the preparation of shareholders' general meetings and Board meetings, the safekeeping of documents and the management of the Company's shareholder records. The Board Secretary shall be nominated by the Chairman and appointed and dismissed by the Board. A Director or other senior management member of the Company may concurrently serve as the Board Secretary.

The secretary of the Board of Directors shall comply with laws, regulations, departmental rules, the regulatory rules of the place where the Company's shares are listed, and relevant provisions of the Articles of Association.

AUDIT COMMITTEE

The Company shall establish an Audit Committee under its Board of Directors to exercise the powers and functions statutorily vested in the Board of Supervisors under the Company Law.

The Audit Committee shall be composed exclusively of non-executive directors, the majority of whom shall be independent directors; at least one member must be an independent director who possesses appropriate professional qualifications recognised under the listing rules of the stock exchange on which the Company's shares are listed or has appropriate accounting or related financial management expertise, and the committee shall be chaired by an independent director.

GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS

The general manager, deputy general managers, board secretary and chief financial officer of the Company shall be the senior management personnel, all of whom shall be appointed or dismissed by the Board of Directors.

The manager serves for a term of three years, subject to re-appointment upon the expiry of the term.

The manager shall report to the Board and have the following duties and powers:

(i) to take charge of the production operations and management tasks of the Company and organize the implementation of the Board's resolutions, and to report work to the Board;

(ii) to organize the implementation of the Company's annual operating plan and investment plan;

(iii) to devise the set-up of the Company's internal management structure;

(iv) to devise the basic management policy of the Company;

(v) to formulate the specific rules of the Company;

(vi) to propose the appointment or dismissal of vice general managers and the chief financial officer;

(vii) transaction matters not reaching the standard requiring review and approval by the shareholders' general meeting or the Board as stipulated in Articles of Association; and

(viii) other duties as granted by the Company's Articles of Association and the Board.

The general manager attend the board meetings.

FINANCIAL AND ACCOUNTING SYSTEM

The Company formulates its financial and accounting system in accordance with laws, administrative regulations, and relevant national departments. If there are other provisions in the Listing Rules or the securities regulatory authorities of the place where the Company's stocks are listed, such provisions shall apply.

The Company shall prepare its annual financial accounting report and have it audited and verified in accordance with the law at the end of each fiscal year.

The Company will not establish separate accounting books except for statutory accounting books. The assets of the Company shall not be stored in any individual's account.

PROFIT ALLOCATION

The Company shall allocate 10% of the annual after-tax profits as the statutory reserve fund of the Company. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocations is required.

If the statutory reserve fund of the Company is insufficient to make up for the losses of the preceding year, the profits of the current year shall first be used to make up the said losses before any statutory reserve fund is withdrawn as per the provision of the preceding paragraph.

After withdrawing the statutory reserve fund out of its after-tax profits, the Company may also allocate some of its after-tax profits into its discretionary reserve if so resolved by the shareholders' general meeting.

After making up for the losses and making contributions to the common reserve fund, any remaining profits after tax shall be distributed to the shareholders in proportion to their respective shareholdings, except it is stipulated in the Articles of Association of the Company that profit distributions shall not be made in accordance with the shareholding proportion.

DISSOLUTION AND LIQUIDATION OF THE COMPANY

The Company shall be dissolved for the following reasons:

(i) the business term stipulated in the Articles of Association has expired or other circumstances for dissolution specified in the Articles of Association arise;

(ii) the general meeting has resolved to dissolve the Company;

(iii) the merger or division of the Company requires a dissolution;

(iv) the business license is revoked, or the Company is ordered to close down or is dissolved according to laws;

(v) if the Company suffers significant hardship in its operation and management, and the ongoing existence would bring significant losses for shareholders that cannot be resolved through other means, the shareholders holding more than ten percent of the total voting rights of the Company may request the People's Court to dissolve the Company.

In the case of item (i) and (ii) mentioned above and the Company has not distribute properties to the shareholders, the Company may survive by amending the Articles of Association or the resolution of the general meeting, which shall be approved by more than two-thirds of the voting rights represented by the shareholders present at the general meeting.

Where the Company is dissolved under the circumstances set out in items (i), (ii), (iv) and (v) above, it shall be liquidated. The directors are the liquidation obligors. the Company shall establish a liquidation group to commence liquidation within fifteen days upon the occurrence of the circumstances for dissolution. The liquidation group shall be composed of the directors, unless otherwise provided in these Articles of Association or another person is appointed by a resolution of the shareholders' general meeting. If the liquidation group is not established within the prescribed time limit for liquidation, or if the liquidation group fails to proceed with liquidation after its establishment, interested parties may apply to the People's Court to designate relevant personnel to form a liquidation group to carry out liquidation.

The liquidation team shall exercise the following functions and power during the period of liquidation:

(i) liquidating he properties of the Company, and preparing the balance sheets and asset checklists separately;

(ii) informing creditors by a notice or public announcement;

(iii) disposing of and liquidating the unfinished businesses of the Company;

(iv) clearing off the outstanding taxes and the taxes incurred from the process of liquidation;

(v) clearing off credits and debts;

(vi) distributing the residual properties after settling such debt; and

(vii) participating in the civil litigation on behalf of the Company.

The liquidation team shall, within 10 days of its formation, notify the creditors, and shall, within 60 days, make public announcements in the newspaper or on the National Enterprise Credit Information Publicity System and in the manner required by the stock exchange on which the Company's shares are listed.. Creditors shall, within 30 days of the receipt of the notice or within 45 days of the release of the public announcement in the case of failure to receive said notice, file their creditors' rights with the liquidation team.

After the liquidation team has liquidated the properties of the Company and has prepared the balance sheets and checklists of properties, it shall prepare a plan of liquidation, and report it to the shareholders' general meeting or the People's Court for confirmation.

The remaining assets that result from paying off the liquidation expenses, wages of employees, social insurance premiums and statutory compensation, the outstanding taxes and the debts of the Company may be distributed according to the ratios of shareholding of the shareholders.

During the liquidation period, the Company still exists but shall not carry out any business activities not related to liquidation. The property of the Company shall not be distributed to shareholders until all liabilities have been paid off in accordance with the provisions of the preceding paragraph.

AMENDMENT TO ARTICLES OF ASSOCIATION

Under any one of the following circumstances, the Company shall amend the Articles of Association:

(i) after amendment has been made to the Company Law, the relevant laws or administrative regulations, the contents of the Articles of Association shall conflict with the amended laws or administrative regulations;

(ii) the changes that the Company have undergone are not in consistence with the records made in the Articles of Association; and

(iii) the shareholders' special resolution decides that the Article of Association should be amended.

1. FURTHER INFORMATION ABOUT OUR COMPANY

A. Incorporation

On June 16, 2016, our Company, Aulton New Energy Automotive Technology Co., Ltd., was established as a limited liability company in Guangzhou, the PRC, with a registered capital of RMB130,000,000. On March 19, 2025, our Company was converted into a joint stock company with limited liability.

We have established a place of business in Hong Kong at 40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong, and have been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on September 18, 2025. Mr. CHENG Ching Kit (鄭程傑) has been appointed as our agent for the acceptance of services of process and notices on behalf of our Company in Hong Kong.

As we are incorporated in the PRC, we are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and our Articles of Association is set out in "Regulatory Overview" of this document and Appendix VI to this document.

B. Changes in the Share Capital of our Company

Please refer to "History, Development and Corporate Structure" for changes in the share capital of the Company.

Save as disclosed above, there has been no alteration in the share capital of the Company during the two years immediately preceding the date of this document.

C. Resolutions of the Shareholders of our Company

On October 25, 2025 the shareholders of our Company passed, among other things, the following resolutions:

(i) the issue of H Shares with a nominal value of RMB1.0 each and the [**REDACTED**] of such H Shares on the Stock Exchange;

(ii) the amount of the H Shares to be issue shall be no more than 10% of the total share capital as enlarged immediately following the [**REDACTED**] (before the exercise of the [**REDACTED**]);

(iii) the grant of the [**REDACTED**] in respect of no more than 15% of the number of H Shares issued pursuant to the [**REDACTED**];

(iv) subject to the filing procedure with the CSRC, upon completion of the [**REDACTED**], [**REDACTED**] Unlisted Shares in aggregate will be converted into H Shares on a one-for-one basis;

(v) subject to the completion of the [**REDACTED**], the Articles of Association have been approved and adopted, which shall only become effective from the [**REDACTED**], and our Board has been authorized to amend the Articles of Association in accordance with any comments from the Stock Exchange and the relevant PRC regulatory authorities; and

(vi) approving our Board to handle all matters relating to, among other things, the issue of H Shares and the [**REDACTED**] of H Shares on the Stock Exchange.

D. Conversion

In preparation of the [**REDACTED**], we have applied for, the Conversion of the Unlisted Shares into H Shares, details of which are set out in ''Share Capital'' in this document. The Conversion of the Unlisted Shares into H Shares is still subject to the filing of the CSRC and the approval by the Stock Exchange.

E. Subsidiaries of Our Company

(i) Subsidiaries

Certain details of our principal subsidiaries are set forth in the Accountants' Report in Appendix I to this document.

(ii) Changes in the share capital of subsidiaries

The following changes in the share capital of our subsidiaries took place during the two years immediately preceding the date of this document:

(i) Quanzhou Aulton New Energy Technology Co., Ltd. (泉州奧動新能源科技有限公司)

On June 4, 2024, Quanzhou Aulton New Energy Technology Co., Ltd. was incorporated in Quanzhou, the PRC, with an registered share capital of RMB10,000,000.

(ii) Guangzhou Aulton New Energy Investment Co., Ltd. (廣州奧動新能源投資有限公司)

On March 21, 2024, Guangzhou Aulton New Energy Investment Co., Ltd. was incorporated in Guangzhou, the PRC, with an registered share capital of RMB10,000,000.

(iii) Guangdong Aoyao New Energy Co., Ltd. (廣東奧曜新能源有限公司)

On April 13, 2025, Guangdong Aoyao New Energy Co., Ltd. was incorporated in Guangzhou, the PRC, with an registered share capital of RMB50,000,000.

(iv) Dali Aulton New Energy Co., Ltd. (大理奧動新能源科技有限公司)

On March 26, 2025, Dali Aulton New Energy Co., Ltd. was incorporated in Dali, the PRC, with an registered share capital of RMB5,000,000.

(v) AULTON NEW ENERGY (HONG KONG) HOLDINGS LIMITED (奧動新能源(香港)控股有限公司)

On April 8, 2025, AULTON NEW ENERGY (HONG KONG) HOLDINGS LIMITED was incorporated in Hong Kong, with an registered share capital of USD10,000.

Save as disclosed above, there has been no alteration in the share capital of any of our subsidiaries within the two years immediately preceding the date of this document.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of Our Material Contracts

We have entered into the following material contracts (not being contracts entered into in the ordinary course of business) within two years preceding the date of this document and a copy of each has been delivered to the [**REDACTED**] of Companies in Hong Kong for registration:

(i) the [**REDACTED**]; and

(ii) [●].

B. Our Material Intellectual Property Rights

(i) Patents

As of the Latest Practicable Date, the following patents have been registered in the name of the relevant member of our Group which are considered by us to be or may be material to our business:

No.	Patent Name	Patent Type	Patent Holder	Patent Number	Application Date
1.	Locking Device and Electric Vehicle (鎖止裝置及電動汽車)	Invention	Shanghai Dianba	2016110412204	November 21, 2016
2.	Electrical Connection Device (電連接裝置)	Invention	Shanghai Dianba	2016111376050	December 12, 2016
3.	Unlocking Device, Battery Swapping Mobile Platform, and Quick-Change System (解鎖裝置、換電移動平台和快換系統)	Invention	Shanghai Dianba	2016112570490	December 30, 2016

No.	Patent Name	Patent Type	Patent Holder	Patent Number	Application Date
4.	Battery Swapping Platform, Mobile Swapping Platform, and Quick-Change System for Replacing Electric Vehicle Batteries (用於更換電動汽車電池的換電平台、換電移動平台和快換系統)	Invention	Shanghai Dianba	2016112598871	December 30, 2016
5.	Battery Swapping Mobile Device and Quick-Change System (換電移動裝置和快換系統)	Invention	Shanghai Dianba	2016112581955	December 30, 2016
6.	A Conveyor Belt Tensioning Device, Drive Control System, and Unlocking Device (一種傳送帶張緊裝置、驅動控制系統以及一種解鎖裝置)	Invention	Shanghai Dianba, the Company	2017100528406	January 24, 2017
7.	A Dual-Extension Mechanism, Battery Transfer Device, and On-Board Power Battery Quick-Change System (一種雙伸出機構、電池轉運裝置及車載動力電池快換系統)	Invention	Shanghai Dianba, the Company	2017100524250	January 24, 2017
8.	A palletizer mobile device (一種碼垛機移動裝置)	Invention	Shanghai Dianba, the Company	2017100526006	January 24, 2017
9.	Low-voltage terminal and electrical connector incorporating the same (低壓極柱及包含其的電連接器)	Invention	Shanghai Dianba, the Company	201710488955X	June 23, 2017
10. . . .	Vehicle-end electrical connector (車端電連接器)	Invention	Shanghai Dianba, the Company	2017104889583	June 23, 2017
11. . . .	Container battery swapping station and its installation method (集裝箱換電站及其安裝方法)	Invention	Shanghai Dianba, the Company	2017107926423	September 5, 2017
12. . . .	Charging/swapping station information output method and system, and charging/swapping station recommendation method and system (充換電站信息輸出方法及系統和充換電站推薦方法及系統)	Invention	the Company, Shanghai Dianba	2017111484191	November 17, 2017

No.	Patent Name	Patent Type	Patent Holder	Patent Number	Application Date
13. . . .	Battery locking/unlocking system, electric vehicle battery swapping control system, and its control method (電池鎖止解鎖系統、電動汽車換電控制系統及其控制方法)	Invention	Shanghai Dianba, the Company	2017112442247	November 30, 2017
14. . . .	Palletizer control method and system, electric vehicle battery swapping control method and system (碼垛機的控制方法及系統、電動汽車換電控制方法及系統)	Invention	Shanghai Dianba, the Company	2017112427463	November 30, 2017
15. . . .	Battery Swapping Trolley, Swapping Control System, and Its Control Method (換電小車、換電控制系統及其控制方法)	Invention	Shanghai Dianba, the Company	2017112403670	November 30, 2017
16. . . .	Shuttle-Type Battery Pack Replacement Equipment and Swapping Station Incorporating the Same (穿梭式電池包更換設備及包含其的換電站)	Invention	Shanghai Dianba, the Company	2017112442213	November 30, 2017
17. . . .	Swapping Station Service End and Swapping Processing Method, Swapping Station Swapping Method and System (換電站服務端及換電處理方法、換電站的換電方法及系統)	Invention	the Company, Shanghai Dianba	2017114459914	December 27, 2017
18. . . .	Locking Mechanism for Battery Packs, Quick-Change Bracket Assembly, and Electric Vehicle (用於電池包的鎖止機構、快換支架組件以及電動車)	Invention	Shanghai Dianba, the Company	2017114788216	December 29, 2017
19. . . .	Locking Mechanism for Battery Packs, Locking Assembly, Quick-Change Bracket Assembly, and Electric Vehicle (用於電池包的鎖止機構、鎖組件、快換支架組件及電動車)	Invention	Shanghai Dianba, the Company	2017114788748	December 29, 2017

No.	Patent Name	Patent Type	Patent Holder	Patent Number	Application Date
20. . . .	Swapping Device and Its Installation Method (換電裝置及其安裝方法)	Invention	Shanghai Dianba, the Company	2017114829663	December 29, 2017
21. . . .	Battery Mounting Base and Electric Vehicle Incorporating the Same (電池固定座及含其的電動車)	Invention	Shanghai Dianba, the Company	2017114868969	December 29, 2017
22. . . .	Pallet, Battery Swapping Equipment, and Positioning System (卡板、換電設備和定位系統)	Invention	the Company	2018103860031	April 26, 2018
23. . . .	Electric Vehicle Battery Swapping Positioning System and Method (電動汽車換電定位系統及方法)	Invention	the Company	2018111605631	September 30, 2018
24. . . .	Emergency Handling Method and System for Battery Packs in Energy Storage Systems (儲能系統中電池包的應急處理方法及系統)	Invention	the Company	2018116384349	December 29, 2018
25. . . .	Electric Vehicle Battery Swapping Equipment and Positioning Method for the Equipment (電動車的換電設備以及換電設備的定位方法)	Invention	the Company	2019103759990	May 7, 2019
26. . . .	Shuttle-Type Battery Swapping Equipment and Battery Swapping Station Incorporating the Same (穿梭式換電設備及包含其的換電站)	Invention	the Company	2019108002506	August 28, 2019
27. . . .	Battery Swapping Station Search Method and System (換電站的查找方法及系統)	Invention	the Company	201910862019X	September 12, 2019
28. . . .	Information Management Method, System, and Readable Storage Medium for Electric Vehicle Batteries (電動車電池的信息管理方法、系統及可讀存儲介質)	Invention	the Company	2019108620039	September 12, 2019

No.	Patent Name	Patent Type	Patent Holder	Patent Number	Application Date
29. . . .	Method and System for Handling Electric Vehicle Battery Swap Range (電動汽車換電里程的處理方法和系統)	Invention	the Company	2019109081134	September 25, 2019
30. . . .	Bracket Assembly and Battery Swap Station/Energy Storage Station Incorporating the Same (支架組件及包括其的換電站、儲能站)	Invention	the Company	2019113705361	December 26, 2019
31. . . .	Assembly Method for Modular Battery Swap Station (模塊化換電站的裝配方法)	Invention	the Company	201911368099X	December 26, 2019
32. . . .	Shuttle Vehicle and Shuttle Vehicle Control Method (穿梭車及穿梭車控制方法)	Invention	the Company	202010076930	January 23, 2020
33. . . .	Battery Swap Device and Battery Swap Station Incorporating the Same (換電設備及包含其的換電站)	Invention	the Company	2020100769692	January 23, 2020
34. . . .	Battery Swap Device and Battery Swap Device Control Method (換電設備及換電設備控制方法)	Invention	the Company	2020100854426	January 23, 2020
35. . . .	Battery Swap Device and Battery Swap Device Control Method (換電設備及換電設備控制方法)	Invention	the Company	2020100769885	January 23, 2020
36. . . .	Battery Swap Device (換電設備)	Invention	the Company	202010076989X	January 23, 2020
37. . . .	Battery Swapping Equipment (換電設備)	Invention	the Company	202010085439	January 23, 2020
38. . . .	Battery Swapping System and Battery Swapping Station Including the Same (換電系統及包括其的換電站)	Invention	the Company	2020100769372	January 23, 2020
39. . . .	Battery Swapping System and Battery Swapping Station Including the Same (換電系統及包括其的換電站)	Invention	the Company	202010076918X	January 23, 2020

No.	Patent Name	Patent Type	Patent Holder	Patent Number	Application Date
40. . . .	Quick-Change Battery Box and Electric Vehicle Including the Same (快換電池箱及包含其的電動汽車)	Invention	the Company	2020106334872	July 2, 2020
41. . . .	Electrical Connection Device (電連接裝置)	Invention	Shanghai Dianba, the Company	2020106417517	June 23, 2017
42. . . .	Limit Detection Device, Battery Swapping Station, and Battery Swapping Control Method (限位檢測裝置、換電站及換電控制方法)	Invention	the Company	2020109254831	September 3, 2020
43. . . .	Battery Swapping Channel Door Device and Battery Swapping Station Including the Same (換電通道門裝置及包括其的換電站)	Invention	the Company	2020109176279	September 3, 2020
44. . . .	Battery Swapping Station and Its Battery Transfer Control Method (換電站及其電池轉運控制方法)	Invention	the Company	2020109176137	September 3, 2020
45. . . .	Supporting device, battery mounting bracket, and electric vehicle (支撐裝置、電池固定座及電動車)	Invention	Shanghai Dianba, the Company	202010807409X	December 29, 2017
46. . . .	Charging position, charging rack, charging anomaly detection method, battery swapping station, and energy storage station (充電位、充電架、充電異常判斷方法、換電站及儲能站)	Invention	Shanghai Dianba, the Company	202011023996X	July 27, 2017
47. . . .	Positioning and alignment equipment, battery replacement platform, and battery swapping station (定位擺正設備、電池更換平台和換電站)	Invention	the Company	2020110661010	September 30, 2020
48. . . .	Battery swapping station and its swapping control method (換電站及其換電控制方法)	Invention	the Company	2020110658963	September 30, 2020

No.	Patent Name	Patent Type	Patent Holder	Patent Number	Application Date
49. . . .	Battery swapping station and its swapping control method (換電站及其換電控制方法)	Invention	the Company	2020110625705	September 30, 2020
50. . . .	Battery swapping station and its battery transfer control method and control system (換電站及其電池轉運的控制方法和控制系統)	Invention	the Company	2020110659468	September 30, 2020
51. . . .	Battery swapping equipment control method, system, electronic device, and storage medium (換電設備控制方法、系統、電子設備和存儲介質)	Invention	the Company	202011065935X	September 30, 2020
52. . . .	Battery swapping equipment control method, system, electronic device, and storage medium (換電設備控制方法、系統、電子設備和存儲介質)	Invention	the Company	2020110659311	September 30, 2020
53. . . .	Battery pack locking control, unlocking control methods, and systems (電池包的鎖止控制、解鎖控制方法及系統)	Invention	the Company	2020110630101	September 30, 2020
54. . . .	Battery swapping control methods, systems, media, and electronic devices based on swapping equipment (基於換電設備的換電控制方法、系統、介質及電子設備)	Invention	the Company	2020111587927	October 26, 2020
55. . . .	Limiters, limiting devices, battery packs, battery pack assemblies, electric vehicles (限位件、限位裝置、電池包、電池包總成、電動汽車)	Invention	the Company	202011408661X	December 2, 2020
56. . . .	Electric Vehicles (電動汽車)	Invention	the Company	202011407805X	December 2, 2020
57. . . .	Queued Vehicle Identification Methods, Systems, Equipment, and Media for Battery Swapping Stations (換電站的排隊車輛識別方法、系統、設備及介質)	Invention	the Company	2020116442888	December 31, 2020

No.	Patent Name	Patent Type	Patent Holder	Patent Number	Application Date
58. . . .	Battery Swapping Processing Methods, Systems, Equipment, and Readable Storage Media (換電處理方法、系統、設備及可讀存儲介質)	Invention	the Company	2020116236077	December 31, 2020
59. . . .	Vehicle Mileage Processing Methods, Systems, Electronic Devices, and Storage Media (車輛里程的處理方法、系統、電子設備及存儲介質)	Invention	the Company	2020116187102	December 31, 2020
60. . . .	Queue Quantity Identification Methods, Systems, Equipment, and Media for Battery Swapping Stations (換電站排隊數量的識別方法、系統、設備及介質)	Invention	the Company	2020116188073	December 31, 2020
61. . . .	Queued Vehicle Quantity Identification Methods, Systems, Equipment, and Media for Battery Swapping (換電排隊車輛的數量識別方法、系統、設備及介質)	Invention	the Company	202011623697X	December 31, 2020
62. . . .	Shuttle-Type Battery Pack Replacement Equipment and Battery Swapping Stations Incorporating the Same (穿梭式電池包更換設備及包含其的換電站)	Invention	Shanghai Dianba, the Company	2021105364358	November 30, 2017
63. . . .	Shuttle-type battery pack replacement equipment and battery swapping station incorporating the same (穿梭式電池包更換設備及包含其的換電站)	Invention	Shanghai Dianba, the Company	2021105364324	November 30, 2017
64. . . .	Battery swapping method for battery swapping station (換電站的換電方法)	Invention	Shanghai Dianba, the Company	2021105351574	November 30, 2017

No.	Patent Name	Patent Type	Patent Holder	Patent Number	Application Date
65. . . .	Shuttle-type battery pack replacement equipment and battery swapping station incorporating the same (穿梭式電池包更換設備及包含其的換電站)	Invention	Shanghai Dianba, the Company	2021105351201	November 30, 2017
66. . . .	Shuttle-type battery pack replacement equipment and battery swapping station incorporating the same (穿梭式電池包更換設備及包含其的換電站)	Invention	Shanghai Dianba, the Company	2021105364432	November 30, 2017
67. . . .	Shuttle-type battery pack replacement equipment and battery swapping station incorporating the same (穿梭式電池包更換設備及包含其的換電站)	Invention	Shanghai Dianba, the Company	2021105351536	November 30, 2017
68. . . .	Lock shaft detection unit, battery locking/unlocking system, battery swapping control system and method (鎖軸檢測單元、電池鎖止解鎖系統、換電控制系統及方法)	Invention	Shanghai Dianba, the Company	2021108978351	November 30, 2017
69. . . .	Battery Locking/Unlocking System, EV Battery Swapping Control System and Its Control Method (電池鎖止解鎖系統、電動汽車換電控制系統及其控制方法)	Invention	Shanghai Dianba, the Company	2021108967183	November 30, 2017
70. . . .	Unlocking Method (解鎖方法)	Invention	the Company	2021111659563	September 30, 2021
71. . . .	Locking Mechanism for Battery Packs, Locking Assembly, Quick-Change Bracket Assembly and Electric Vehicle (用於電池包的鎖止機構、鎖組件、快換支架組件及電動車)	Invention	Shanghai Dianba, the Company	2021113023552	December 29, 2017

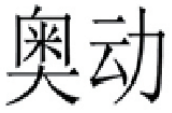
No.	Patent Name	Patent Type	Patent Holder	Patent Number	Application Date
72. . . .	Locking Mechanism for Battery Packs, Locking Assembly, Quick-Change Bracket Assembly and Electric Vehicle (用於電池包的鎖止機構、鎖組件、快換支架組件及電動車)	Invention	Shanghai Dianba, the Company	2021113020569	December 29, 2017
73. . . .	Locking Assembly (鎖組件)	Invention	Shanghai Dianba, the Company	2021113020535	December 29, 2017
74. . . .	Locking Device and Electric Vehicle (鎖止裝置及電動汽車)	Invention	Shanghai Dianba	2021115301779	November 21, 2016
75. . . .	Elevating Platform, Swapping Station and Battery Swapping Control Method (可升降平台、換電站以及換電控制方法)	Invention	the Company	2021116739437	December 31, 2021
76. . . .	Battery Pack for Electric Vehicles and Electric Vehicle Incorporating the Same (電動汽車用電池包及包含其的電動汽車)	Invention	the Company	2021116736602	December 31, 2021
77. . . .	Quick-Change Bracket Assembly with High Locking Stability and Electric Vehicle Incorporating the Same (鎖止穩定性高的快換支架組件及包含其的電動汽車)	Invention	the Company	2021116680344	December 31, 2021
78. . . .	Battery Pack for Electric Vehicles and Electric Vehicle (電動汽車用電池包及電動汽車)	Invention	the Company	2021116679648	December 31, 2021
79. . . .	Locking Mechanism, Locking Component, and Electric Vehicle (鎖止機構、鎖止組件和電動汽車)	Invention	the Company	2021116673478	December 31, 2021
80. . . .	Electric Vehicle Battery Swapping Component and Swapping Station (電動車輛換電組件和換電站)	Invention	the Company	2021116680325	December 31, 2021

No.	Patent Name	Patent Type	Patent Holder	Patent Number	Application Date
81. . . .	Battery Pack for Electric Vehicles with Piston Rod Guidance and Electric Vehicle Incorporating the Same (具有頂桿導向的電動車輛用電池包及包含其的電動車輛)	Invention	the Company	2022103466968	March 31, 2022
82. . . .	Traveling Device and Swapping Equipment Incorporating the Same (行走裝置及包含其的換電設備)	Invention	the Company	2022103520943	April 2, 2022
83. . . .	Chassis-Type Swapping Equipment (底盤式的換電設備)	Invention	the Company, Shanghai Dianba	2022103520820	April 2, 2022
84. . . .	Flexible Transmission Mechanism, Drive Device Incorporating the Same, Battery Swapping Equipment, and Battery Swapping Station (撓性傳動機構、包含其的驅動裝置、換電設備及換電站)	Invention	the Company	2022103513634	April 2, 2022
85. . . .	Unlocking Rod Elevation Detection Device and Battery Swapping Equipment (解鎖桿升降檢測裝置及換電設備)	Invention	the Company	2022103513329	April 2, 2022
86. . . .	Battery Pack Support Device and Battery Swapping Equipment (電池包的承載裝置和換電設備)	Invention	the Company	2022103513564	April 2, 2022
87. . . .	Clamping Plate, Battery Swapping Equipment, and Positioning System (卡板、換電設備和定位系統)	Invention	the Company	2022104359944	April 26, 2018
88. . . .	Shuttle Vehicle and Shuttle Vehicle Control Method (穿梭車及穿梭車控制方法)	Invention	the Company	2022104823977	January 23, 2020
89. . . .	Shuttle Vehicle and Shuttle Vehicle Control Method (穿梭車及穿梭車控制方法)	Invention	the Company	2022104823962	January 23, 2020
90. . . .	Electric Vehicle Battery Swapping Positioning System and Method (電動汽車換電定位系統及方法)	Invention	the Company	2022105019738	September 30, 2018

No.	Patent Name	Patent Type	Patent Holder	Patent Number	Application Date
91. . . .	Charging System for Battery Swapping Station or Energy Storage Station (用於換電站或儲能站的充電系統)	Invention	the Company	202210519326X	December 28, 2020
92. . . .	Clamping Lane Control Method and System, Electronic Device, and Storage Medium (夾車道控制方法及系統、電子設備及存儲介質)	Invention	the Company	202210602431X	January 23, 2020
93. . . .	Battery Swapping Control Method, System, Electronic Device, and Storage Medium (換電控制方法、系統、電子設備及存儲介質)	Invention	the Company	202210605538X	January 23, 2020
94. . . .	Battery Swapping Control Method, System, Electronic Device, and Storage Medium (換電控制方法、系統、電子設備及存儲介質)	Invention	the Company	202210665134X	January 23, 2020
95. . . .	Battery Swapping Control Method and System, Electronic Device, and Storage Medium (換電控制方法及系統、電子設備及存儲介質)	Invention	the Company	2022110152594	January 23, 2020
96. . . .	Battery Swapping Control Method and System, Electronic Device, and Storage Medium (換電控制方法及系統、電子設備及存儲介質)	Invention	the Company	2022110176442	January 23, 2020
97. . . .	Battery Swapping Equipment and Its Assembly Method (換電設備及其裝配方法)	Invention	the Company	202211539297X	December 1, 2022
98. . . .	Electric Vehicle (電動車輛)	Invention	the Company	2022117371412	December 30, 2022
99. . . .	Quick-Change Bracket and Electric Vehicle Incorporating the Same (快換支架及包含其的電動車輛)	Invention	the Company	2022117411782	December 30, 2022
100. . .	A Battery Swapping Platform (一種換電平台)	Invention	the Company, Shanghai Dianba	2023118723358	December 29, 2023

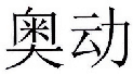
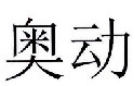
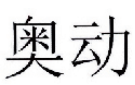
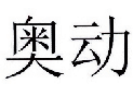
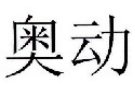
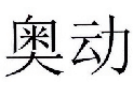
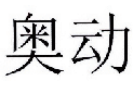
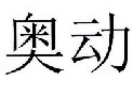
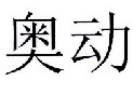
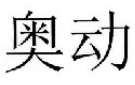
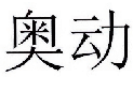
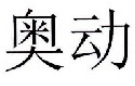
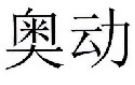
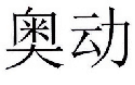
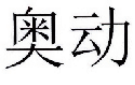
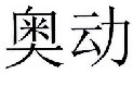
(ii) Trademarks

As of the Latest Practicable Date, the following trademarks have been registered in the name of the relevant member of our Group which are considered by us to be or may be material to our business:

No.	Trademark	Place of Registration	Name of Registered Proprietor	Registration No.	Expiry Date
1.		PRC	the Company	19950777	September 20, 2027
2.		PRC	the Company	19951126	June 27, 2027
3.		PRC	the Company	23345083	April 13, 2028
4.		PRC	the Company	23345203	December 6, 2028
5.		PRC	the Company	23345942	March 27, 2028
6.		PRC	the Company	23348936	December 6, 2028
7.		PRC	the Company	23350354	March 20, 2028
8.		PRC	the Company	23350364	December 13, 2028
9.		PRC	the Company	23350741	January 13, 2029
10. . . .		PRC	the Company	23350770	March 13, 2028
11. . . .		PRC	the Company	23352781	March 20, 2028
12. . . .		PRC	the Company	29610923	February 27, 2030

No.	Trademark	Place of Registration	Name of Registered Proprietor	Registration No.	Expiry Date
13. . . .		PRC	the Company	29614991	July 6, 2029
14. . . .		PRC	the Company	29616722	February 27, 2030
15. . . .	Aulton	PRC	the Company	29621872	January 27, 2029
16. . . .	Aulton	PRC	the Company	29625600	January 20, 2029
17. . . .		PRC	the Company	29628723	November 13, 2030
18. . . .	奥动	PRC	the Company	29630551	January 20, 2029
19. . . .		PRC	the Company	29630565	February 27, 2030
20. . . .	Aulton	PRC	the Company	29630581	January 20, 2029
21. . . .	Aulton	PRC	the Company	29631909	August 20, 2029
22. . . .	奥动	PRC	the Company	29632298	January 20, 2029
23. . . .		PRC	the Company	29805196	February 27, 2030
24. . . .		PRC	the Company	29805197	May 6, 2029
25. . . .	Aulton	PRC	the Company	29805198	March 6, 2029
26. . . .	Aulton	PRC	the Company	29805199	May 6, 2029
27. . . .	奥动	PRC	the Company	29805200	March 6, 2029
28. . . .	奥动	PRC	the Company	29805201	May 20, 2029
29. . . .		PRC	the Company	31033227	February 27, 2029

No.	Trademark	Place of Registration	Name of Registered Proprietor	Registration No.	Expiry Date
30. . . .		PRC	the Company	57004325	January 13, 2034
31. . . .		PRC	the Company	57030833	July 6, 2032
32. . . .		PRC	the Company	57278043	January 27, 2033
33. . . .		PRC	the Company	57278044	September 27, 2032
34. . . .		PRC	the Company	63482000	April 6, 2034
35. . . .	奥动	PRC	the Company	63497921	September 27, 2032
36. . . .	奥动	PRC	the Company	63499521	September 13, 2032
37. . . .	奥动	PRC	the Company	63499541	November 20, 2032
38. . . .	奥动	PRC	the Company	63499911	October 6, 2032
39. . . .	奥动	PRC	the Company	63499924	October 6, 2032
40. . . .	奥动	PRC	the Company	63502105	September 13, 2032
41. . . .	奥动	PRC	the Company	63502635	December 27, 2032
42. . . .	奥动	PRC	the Company	63504646	September 27, 2032
43. . . .	奥动	PRC	the Company	63505687	November 27, 2032
44. . . .	奥动	PRC	the Company	63506036	October 6, 2032
45. . . .	奥动	PRC	the Company	63507081	September 27, 2032

No.	Trademark	Place of Registration	Name of Registered Proprietor	Registration No.	Expiry Date
46. . . .		PRC	the Company	63509297	November 27, 2032
47. . . .		PRC	the Company	63510367	September 27, 2032
48. . . .		PRC	the Company	63511552	September 13, 2032
49. . . .		PRC	the Company	63512308	September 13, 2032
50. . . .		PRC	the Company	63512766	September 13, 2032
51. . . .		PRC	the Company	63513092	October 6, 2032
52. . . .		PRC	the Company	63513116	September 27, 2032
53. . . .		PRC	the Company	63514573	September 27, 2032
54. . . .		PRC	the Company	63516105	September 27, 2032
55. . . .		PRC	the Company	63516148	September 13, 2032
56. . . .		PRC	the Company	63516193	September 27, 2032
57. . . .		PRC	the Company	63516216	September 27, 2032
58. . . .		PRC	the Company	63516261	September 13, 2032
59. . . .		PRC	the Company	63517236	September 27, 2032
60. . . .		PRC	the Company	63517357	September 13, 2032
61. . . .		PRC	the Company	63517421	September 27, 2032
62. . . .		PRC	the Company	63518779	September 13, 2032

No.	Trademark	Place of Registration	Name of Registered Proprietor	Registration No.	Expiry Date
63. . . .	奥动	PRC	the Company	63522951	September 13, 2032
64. . . .	奥动	PRC	the Company	63522958	October 6, 2032
65. . . .	奥动	PRC	the Company	63523276	September 13, 2032
66. . . .	奥动	PRC	the Company	63523350	September 27, 2032
67. . . .	奥动	PRC	the Company	63523888	September 13, 2032
68. . . .	奥动	PRC	the Company	63525319	October 6, 2032
69. . . .	奥动	PRC	the Company	63525368	September 13, 2032
70. . . .	奥动	PRC	the Company	63525457	September 27, 2032
71. . . .	奥动	PRC	the Company	63697021	June 13, 2033
72. . . .	奥动	PRC	the Company	63714225	July 6, 2033
73. . . .	奥动	PRC	the Company	63722865	October 20, 2032
74. . . .	奥动	PRC	the Company	63725502	August 20, 2033
75. . . .	奥动	PRC	the Company	63732113	August 20, 2033
76. . . .	Aulton	PRC	the Company	66254852	January 20, 2033
77. . . .	奥动	PRC	the Company	66400178	February 13, 2034
78. . . .	换	PRC	the Company	66701482	April 6, 2034
79. . . .	奥动	PRC	the Company	67128099	July 13, 2033

No.	Trademark	Place of Registration	Name of Registered Proprietor	Registration No.	Expiry Date
80. . . .	奥动	PRC	the Company	67515370	July 20, 2033
81. . . .	奥动	PRC	the Company	67518544	May 6, 2033
82. . . .	奥动	PRC	the Company	67523730	June 20, 2033
83. . . .	奥动	PRC	the Company	67525932	May 6, 2033
84. . . .		PRC	the Company	70018181	August 13, 2034
85. . . .	Aulton	PRC	the Company	70035130	October 27, 2033
86. . . .		PRC	the Company	70035197	August 20, 2033
87. . . .	Aulton	PRC	the Company	70039055	August 20, 2033
88. . . .		PRC	the Company	70040493	August 20, 2033
89. . . .		PRC	the Company	70042138	October 27, 2033
90. . . .	Aulton	PRC	the Company	70043765	August 27, 2033
91. . . .	Aulton	PRC	the Company	70045166	August 20, 2033
92. . . .		PRC	the Company	70045184	August 20, 2033
93. . . .	Aulton	PRC	the Company	70045370	August 27, 2033
94. . . .		PRC	the Company	70048351	November 13, 2033
95. . . .		PRC	the Company	70048362	June 13, 2034
96. . . .		PRC	the Company	70051817	June 6, 2033
97. . . .	Aulton	PRC	the Company	70054743	August 20, 2033
98. . . .	Aulton	PRC	the Company	70057447	August 20, 2033
99. . . .	奥动	PRC	the Company	70106867	August 13, 2034

No.	Trademark	Place of Registration	Name of Registered Proprietor	Registration No.	Expiry Date
100. .	奥动	PRC	the Company	73820599	May 13, 2034
101. .		HK	the Company	305494456	January 22, 2031
102. .	奥动	HK	the Company	306601374	July 3, 2034
103. .	Aulton	HK	the Company	306601383	July 3, 2034

(iii) Domain Name

As of the Latest Practicable Date, the following domain names have been registered in the name of the relevant member of our Group which are considered by us to be or may be material to our business:

No.	Registrant	Domain Name	Expiry Date
1. . . .	The Company	aulton.com	September 25, 2026
2. . . .	The Company	aulton.net.cn	August 20, 2026
3. . . .	The Company	aulton.cc	March 11, 2026

(iv) Software Copyrights

As of the Latest Practicable Date, the following software copyrights have been registered in the name of the relevant member of our Group which are considered by us to be or may be material to our business:

No.	Copyright	Owner	Place of registration	Registration number	Date of first publication
1 . .	Passenger Vehicle Chassis Battery Swapping System Software V1.0 (乘用車底盤換電系統軟件V1.0)	Shanghai Dianba	Chinese Mainland	2017SR227634	March 31, 2017
2 . .	Battery Quick-Swap Equipment Control System V1.0 (電池快換設備控制系統V1.0)	Shanghai Dianba	Chinese Mainland	2015SR114303	June 3, 2010

No.	Copyright	Owner	Place of registration	Registration number	Date of first publication
3 . .	Pure Electric Commercial Vehicle (Bus) Battery Swapping System Software V1.0 (純電動商用車(公交)換電系統軟件V1.0)	Shanghai Dianba	Chinese Mainland	2018SR244091	January 1, 2015
4 . .	Passenger Vehicle Chassis Battery Swapping System Software V2.0 (乘用車底盤換電系統軟件V2.0)	Shanghai Dianba	Chinese Mainland	2018SR306837	August 31, 2017
5 . .	Operational Connectivity Platform (運營通平台)	the Company	Chinese Mainland	2024SR0263732	October 17, 2023
6 . .	Odoo New Energy Driver-End Battery Swapping App Software (HarmonyOS Edition) (奧動新能源司機端換電App軟件(鴻蒙版))	the Company	Chinese Mainland	2025SR0148685	September 30, 2024

3. FURTHER INFORMATION ABOUT OUR DIRECTORS

A. Particulars of Directors' Contracts

Each of the Directors has entered into a service contract or a letter of appointment with our Company. The principal particulars of these service contracts and letters of appointment comprise (i) the terms of the services and (ii) termination provisions in accordance with their respective terms. The service contracts and letters of appointment may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations.

Save as disclosed above, none of our Directors has or is proposed to have a service contract with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation).

B. Directors' Remuneration

The aggregate amount of remuneration paid to our Directors (including salaries, remuneration, pension, discretionary bonus, benefits-in-kind and other welfare) for the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026 were RMB1.57 million, RMB1.05 million, RMB1.77 million and RMB0.95 million, respectively.

For each of the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026, the aggregate amount of fees, salaries, allowances, discretionary bonus, pension schemes contribution and other benefits in kind (if applicable) paid to the five highest-paid individuals of our Group were RMB11.68 million, RMB6.95 million, RMB12.54 million and RMB5.30 million, respectively.

Based on the current arrangements in force as of the Latest Practicable Date, it is estimated that under the arrangements currently in force, the aggregate amounts of remuneration payable by our Company to our Directors for the year ending December 31, 2026 is approximately RMB3.35 million in aggregate (excluding any discretionary bonus).

During the Track Record Period, no remuneration was paid by us to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company. No compensation was paid by us to, or receivable by, our Directors, former Directors or the five highest-paid individuals for each of the Track Record Period for the loss of any office in connection with the management of the affairs of any members of our Group. Furthermore, none of the Directors had waived or agreed to waive any emoluments during the same periods.

Save as disclosed above, no other payments have been made or are payable in respect of the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026 by any member of our Group to any of our Directors.

4. DISCLOSURE OF INTERESTS

A. Directors or Chief Executive

Save as disclosed below, immediately following Conversion of the Unlisted Shares into H Shares and upon completion of the [**REDACTED**] (and assuming the [**REDACTED**] is not exercised), none of our Directors or chief executive of our Company has any interest and/or short position in our Shares, underlying Shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which has been taken or is deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Listing Rules to be notified to our Company and the Stock Exchange.

		As of the Latest Practicable Date		Following the completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares[1]			
Name of Shareholder	Nature of interest	Number of Unlisted Shares	Approximate percentage of shareholding in our total share capital	Number of Shares	Description of Shares	Approximate percentage of shareholding in the relevant class of Shares	Approximate percentage of shareholding in our total share capital[1]
Mr. Cai Dongqing ("**Mr. Cai**")[2] .	Beneficial owner	372,035,637	39.11%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	Interest in controlled corporations	9,388,934	0.99%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Zhang Jianping	Beneficial owner	125,900,000	13.24%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
				[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

(L) All interests stated above are long positions.

(1) The calculation is based on the assumption that (i) the [**REDACTED**] is not exercised, (ii) [**REDACTED**] Unlisted Shares will be converted into H Shares, and (iii) the total number of the Shares in issue will be [**REDACTED**] H Shares and [**REDACTED**] Unlisted Shares immediately after completion of the [**REDACTED**].

(2) As of the Latest Practicable Date, Mr. Cai acted as the general partner of Zhuhai Aoli. Under the SFO, Mr. Cai is deemed to be interested in the entire Shares held by Zhuhai Aoli.

B. Substantial shareholders of our Company

Save as disclosed in the section headed "Substantial Shareholders" in this document, as of the Latest Practicable Date, our Directors are not aware of any other person who will, immediately following the Conversion of Unlisted Shares into H Shares and upon completion of the [**REDACTED**] have an interest or short position in our Shares or the underlying Shares which are required to be disclosed to our Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO.

C. Substantial shareholders of other members of our Group

So far as our Directors are aware, as at the Latest Practicable Date, the following person (other than our Directors or chief executive of our Company) was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of other members of our Group.

Name of members of our Group	Name of Shareholder	Approximate percentage shareholding
Guangzhou Aulton	BP ADVANCED MOBILITY LIMITED	20%
Beijing Aulton	Beijing Electric VEHICLE Co., Ltd. (北京新能源汽車股份有限公司)	30%

D. Disclaimers

Save as disclosed in this document:

(i) none of our Directors or chief executive of our Company has any interests and short positions in the shares, underlying shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in Appendix C3 to the Listing Rules to be notified to us and the Stock Exchange, in each case once our Shares have been [**REDACTED**];

(ii) none of our Directors is a director or employee of a company which is expected to have an interest in our Shares falling to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO once our Shares have been [**REDACTED**] on the Stock Exchange;

(iii) none of our Directors nor any of the parties listed in "— 6. Other Information — G. Qualification of Experts" in this Appendix is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our business;

(iv) none of our Directors nor any of the parties listed in "— 6. Other Information — G. Qualification of Experts" in this Appendix is interested in our promotion, or in any assets which have, within two years immediately preceding the issue of this document, been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company;

(v) none of the parties listed in the paragraph headed "— 6. Other Information — G. Qualification of Experts" in this Appendix: (a) is interested legally or beneficially in any of our Shares or any shares in any of our subsidiaries; or (b) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities; and

(vi) none of our Directors or their respective associates or any Shareholders of our Company (who to the knowledge of our Directors owns more than 5% of our issued share capital) has any interest in our five largest suppliers or our five largest customers.

5. EMPLOYEE INCENTIVE SCHEME

The following is a summary of the principal terms of the Employee Incentive Scheme effective from October 25, 2025 (the "**Adoption Date**"). The terms of the Employee Incentive Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as the Employee Incentive Scheme will not involve the grant of options by us to subscribe for Shares after the [**REDACTED**].

(i) Purpose

The purpose of the Employee Incentive Scheme is to further refine the corporate governance structure, improve the incentive of the employees and attract and retain talents by aligning the interests of shareholders with individual employee interests.

(ii) Administration

The Employee Incentive Scheme is subject to the approval of the general meeting of the Company and the administration of the Board.

(iii) Eligibility

The participants of the Employee Incentive Scheme shall be determined by the Board based on the Company's actual circumstances. The participants of the Employee Incentive Scheme shall be senior management, middle management, and core technical or business personnel of the Company or its subsidiaries. Other personnel who do not fall within the aforementioned scope but have made significant contributions to the Company's business development, investment and financing, R&D, or corporate reputation may be approved to participate in this scheme upon Board approval (collectively "**Eligible Participants**").

(iv) Sources

Zhuhai Aoli No. 3 and Zhuhai Aoli No. 4 (hereinafter collectively referred to as the "**Employee Incentive Scheme Platforms**") were established as the shareholding platforms for the Employee Incentive Scheme.

The Eligible Participants under the Employee Incentive Scheme would be granted awards ("**Awards**") to subscribe for partnership interests in the Employee Incentive Scheme Platforms and, upon the exercise of the Award, become limited partners thereof and be indirectly interested in the incentive Shares held by Employee Incentive Scheme Platforms. As of the Latest Practicable Date, each of Zhuhai Aoli No. 3 and Zhuhai Aoli No. 4 held 10,000,000 and 10,000,000 Shares respectively, each representing 1.05% and 1.05% of our total issued share capital.

(v) Maximum Number of Shares Involved

The total number of Shares underlying the Awards granted under the Employee Incentive Scheme shall not exceed 12,532,674 Shares (the "**Scheme Limit**"), representing approximately [**REDACTED**]% of the issued share capital of our Company immediately upon the completion of the [**REDACTED**] assuming the [**REDACTED**] is not exercised. Any change to the Scheme Limit shall be subject to the approval of the Company's general meeting.

(vi) Grantees

The grantee of the Awards (the "**Grantee**") shall be determined by the Board.

(vii) Grant of Awards

The Company shall enter into an award grant agreement with the Grantee.

(viii) Duration

This Plan shall take effect from Adoption Date and shall remain in effect until all Awards granted to the Grantees are exercised. The exercise period for all Awards granted under this scheme (whether vested or unvested) shall not exceed 18 months from the [**REDACTED**].

(ix) Vesting and Exercise of Awards

The vesting date (the "**Vesting Date**") refers to the date twelve months after the [**REDACTED**]. On the Vesting Date, all Awards granted to the Grantees shall vest in full at once and, unless otherwise specified in the scheme, shall no longer be subject to service period or performance assessment conditions.

Upon [**REDACTED**], the Company will adopt a centralized exercise arrangement. The exercise period of the Awards will be determined pursuant to the awards exercise notice to be issued by the Company or as otherwise decided by the Board based on the Company's circumstances. The Grantee may apply to exercise any vested and exercisable Awards held by him/her before the end of the exercise period.

On the day immediately following the expiry of the exercise period, all unexercised Awards (including those for which no application has been submitted or payment has not been completed) shall automatically lapse and be forfeited by the Company without compensation, and the Grantee shall cease to have any rights thereto.

(x) Exercise Price

The exercise price of each Award is calculated based on the price of RMB1 per RMB1 of our Company's registered capital that the Grantee will be indirectly interested in upon the exercise of the Award.

(xi) Rights of the Shares

Whether the Awards are exercised or not, the executive partner of the Employee Incentive Scheme Platforms shall control the voting rights of the Shares of the Company held by the Employee Incentive Scheme Platforms. The Grantees do not possess management rights of the Employee Incentive Scheme Platforms.

(xii) Lock-up Periods and Restrictions of Transfer

The lock-up period are 18 months after the [**REDACTED**]. The Grantee must comply with restrictions on share reduction under the Listing Rules and relevant laws and regulations.

(xiii) Outstanding Awards granted under the Employee Incentive Scheme

As of the date of this document, the Company has conditionally granted Awards to a total of 60 Grantees, comprising of one Director, three members of senior management, four other connected persons of the Company and 52 other Grantees under the Employee Incentive Scheme. All of the granted Awards are outstanding and subject to vesting and exercise as of the date of document.

(xiv) Details of the Awards granted under the Employee Incentive Scheme

Below are the details of Awards granted under the Employee Incentive Scheme:

Name of Grantee	Position held with our Group	Number of Shares underlying the Awards Granted
Directors and senior management		
CHEN Shaowen (陳紹文)	Executive Director	544,474
YANG Ye (楊燁)	Deputy general manager	405,166
CAI Shuying (蔡淑瑩)	Chief financial officer	500,000
JIANG Chao (蔣超)	Secretary to the Board and Joint Company Secretary	571,076
Connected Persons of the Company other than Directors and senior management		
QU Wengeng (屈文庚)	Director of subsidiaries of the Company	553,368
KUI Feng (隗鋒)	Director of subsidiaries of the Company	753,368
YAN Ming (閆銘)	Director and general manager of subsidiaries of the Company	537,803
LI Qiang (李強)	A former director of subsidiaries of the Company in the past 12 months	150,000
Other Grantees		
50 current employees and two former employees of our Group		7,634,919
Total		**11,650,174**

6. OTHER INFORMATION

A. Estate Duty

We have been advised that no material liability for estate duty under the PRC law is likely to fall upon our Company or any member of our Group.

B. Litigation

As of the Latest Practicable Date, save as disclosed in this document, we were not involved in any material litigation, arbitration or administrative proceedings, and so far as our Directors are aware, no such material litigation, arbitration or administrative proceedings are pending or threatened against any member of our Group.

C. Sole Sponsor

The Sole Sponsor has declared its independence pursuant to Rule 3A.07 of the Listing Rules.

The Sole Sponsor has made an application on our behalf to the Stock Exchange for the [**REDACTED**] of, and permission to [**REDACTED**], the H Shares to be converted from the Unlisted Shares and the H Shares to be issued pursuant to the [**REDACTED**] (including any H Shares which may fall to be issued pursuant to the exercise of the [**REDACTED**]).

We have entered into an engagement agreement with the Sole Sponsor, pursuant to which we agreed to pay a total amount of HK$5,000,000 to the Sole Sponsor to act as our sponsor to our Company in the [**REDACTED**].

D. Compliance Adviser

We have appointed Octal Capital Limited as our compliance adviser in compliance with Rule 8A.33 of the Listing Rules.

E. Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred material preliminary expenses.

F. Promoters

The promoters of our Company comprised of 31 Shareholders immediately before our conversion into a joint stock limited liability company on March 19, 2025. For details of our promoters, please refer to "History, Development and Corporate Structure — Conversion into Joint Stock Company with Limited Liability".

Save as disclosed in this document, within the two years immediately preceding the date of this document, no cash, securities or other interest have been paid, allotted or given to the above promoters in connection with the [**REDACTED**] or related transactions in this document.

G. Qualification of Experts

The qualifications of the experts, as defined under the Listing Rules, who have given their opinions or advice in this document, are as follows:

Name	Qualification
CMB International Capital Limited . .	Licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
KPMG	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Commerce & Finance Law Offices . .	Legal advisor as to PRC laws
China Insights Industry Consultancy Limited	Independent industry consultant

H. Consents of Experts

Each of the experts as referred to in "— 6. Other Information — G. Qualification of Experts" in this Appendix has given, and has not withdrawn, its respective written consents to the issue of this document with the inclusion of its reports and/or letter and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

As of the Latest Practicable Date, none of the experts named above has any shareholding interests in any member of our Group or the right (other than the penal provisions) of sections 44A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

I. Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are effected on the H Share register of members of our Company, including in circumstances where such transaction is effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further information in relation to taxation, see "Appendix III — Taxation and Foreign Exchange" in this document.

J. No Material Adverse Change

Save as disclosed in this document, our Directors confirm that there has been no material adverse change in our financial or operational position since April 30, 2026 and up to the Latest Practicable Date.

K. Binding effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

L. Related Party Transactions

Within the two years immediately preceding the date of this document, we have entered into the related party transactions as described in Note 35 to the financial information in the Accountants' Report set out in Appendix I to this document.

M. Agency Fees or [REDACTED] Paid or Payable

Save as disclosed in this document, no [**REDACTED**], discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of any member of our Group within the two years preceding the date of this document.

N. Miscellaneous

Save as disclosed in this document:

(i) within the two years immediately preceding the date of this document, we have not issued or agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;

(ii) no share or loan capital of our Group, if any, is under option or is agreed conditionally or unconditionally to be put under option;

(iii) we have not issued or agreed to issue any founder shares, management shares or deferred shares;

(iv) our Company has no outstanding convertible debt securities or debentures;

(v) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;

(vi) within the two years immediately preceding the date of this document, no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any capital of our Company;

(vii) there is no arrangement under which future dividends are waived or agreed to be waived;

(viii) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months; and

(ix) none of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought.

O. Bilingual Document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

(i) the written consents referred to under the paragraph headed "Statutory and General Information — 6. Other Information — H. Consents of Experts" in Appendix VI to this document; and

(ii) copies of the material contracts referred to in the paragraph headed "Statutory and General Information — 2. Further Information about Our Business — A. Summary of Our Material Contracts" in Appendix VI to this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the Stock Exchange's website (**www.hkexnews.hk**) and the Company's website (**www.aulton.com**) up to and including the date which is 14 days from the date of this document:

(i) the Articles of Association;

(ii) the Accountants' Report from KPMG, the text of which is set out in Appendix I to this document;

(iii) the report on the unaudited [**REDACTED**] financial information of the Group from KPMG, the text of which is set out in Appendix II to this document;

(iv) the audited consolidated financial statements of our Group for the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026;

(v) the legal opinions issued by Commerce & Finance Law Offices, our PRC Legal Adviser, in respect of the general matters and property interests of our Group;

(vi) the written consents referred to under the paragraph headed "Statutory and General Information — 6. Other Information — H. Consents of Experts" in Appendix VI to this document;

(vii) the material contracts referred to in "Statutory and General Information — 2. Further Information about Our Business — A. Summary of Our Material Contracts" in Appendix VI to this document;

(viii) the service contracts and the letters of appointment with our Directors referred to in "Statutory and General Information — 3. Further Information about our Directors — A. Particulars of Directors' Contracts" in Appendix VI to this document;

(ix) the PRC Company Law, the PRC Securities Law and the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies together with their unofficial English translations; and

(x) the industry report issued by CIC, the summary of which is set forth in the section headed "Industry Overview" in this document.