OVERVIEW

Who We Are

We are a technology-driven provider of electric control solutions primarily engineered for new energy vehicles ("NEVs"). Serving as the core subsystem within an electric drive or power system, the electric control system converts electrical energy into controlled power output to manage motor or power supply operations and deliver efficient, reliable vehicle performance.

The NEV industry is undergoing a profound structural transition, driven by the deepening of electrification and intelligence. This shift is fundamentally redefining the requirements of Original Equipment Manufacturers ("OEMs") for electric control systems, with priorities now centered on solutions that are integration-ready, reusable across platforms and capable of supporting accelerated vehicle development cycles. Capitalizing on this opportunity, we entered the industry as an NEV-native company, leveraging our forward design capabilities to engineer electric control solutions optimized for next-generation vehicle architectures from the ground up. Unencumbered by legacy design for ICE vehicles or supply chain paradigms, we made deliberate early choices around system-level integration, thermal management, reliability and manufacturability. These foundational decisions have resulted in a modular technology platform that enables efficient, scalable deployment of our solutions across diverse vehicle models and programs.

Upon this foundation, we have built a tiered solution portfolio that encompasses power modules, motor controllers and Power Electronics Building Blocks ("PEBB"). Unlike standalone power modules or motor controllers offered by traditional providers, our portfolio enables customers to select solutions with the appropriate level of system integration based on vehicle design, cost targets and engineering requirements. Based on a proactive and precise grasp of industry trends, we were among the first companies to introduce the PEBB solution and to commercialize it at scale, establishing what has since become a defining industry pathway, according to Frost & Sullivan. The PEBB architecture substantially simplifies electric control system assembly, accelerates platform reuse and shortens development cycles. We have also extended the PEBB architecture to selected lower-power vehicle controllers in the power and chassis domain, including clutch controllers, power supply units such as an on-board charger ("OBC") and a DC-DC converter ("DC-DC"), air conditioning ("AC") compressor controllers and other subsystems, while further offering domain controller solutions that centrally integrate the control functions of multiple electric control units to enhance system-level coordination and deliver higher overall control efficiency across the vehicle.

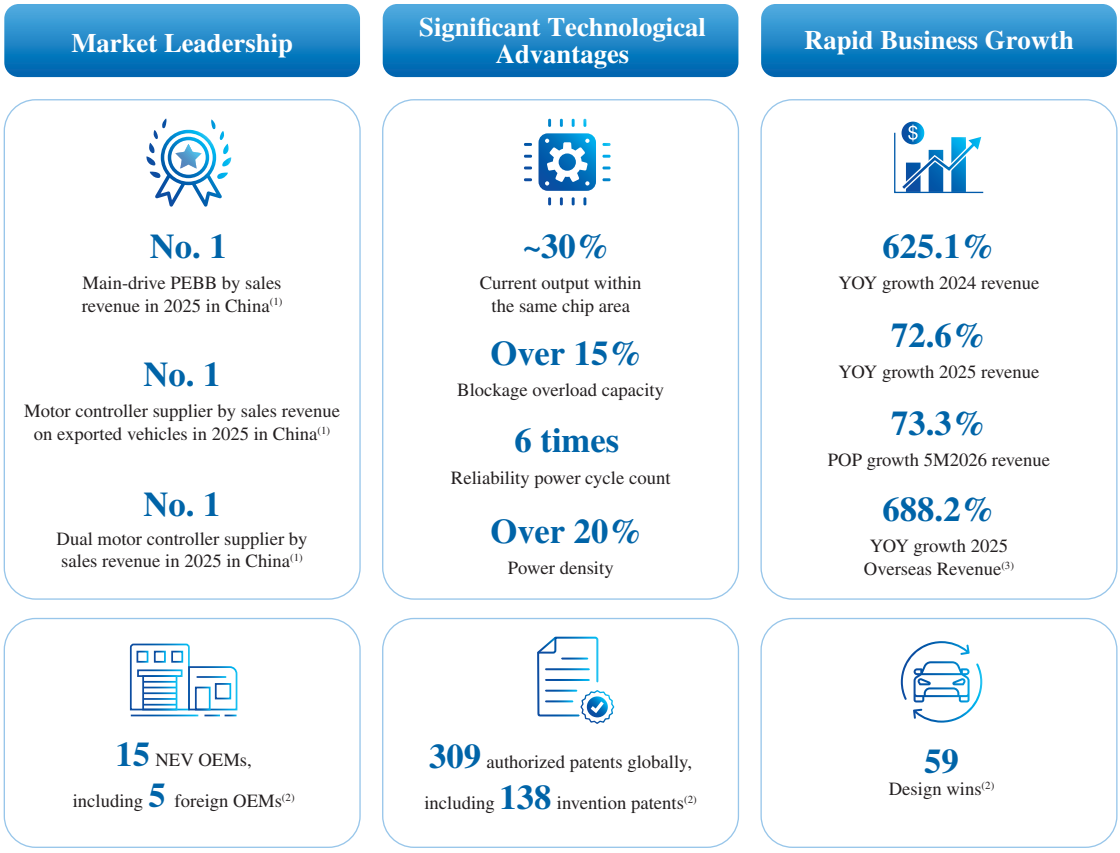
As of May 31, 2026, we had secured 59 design wins with 15 OEMs, either directly or through Tier-1 suppliers. A design win with an OEM typically leads to the integration of our solutions into multiple vehicle models developed by the OEM and extends across each vehicle model's lifecycle. As of May 31, 2026, our solutions had been adopted in 92 vehicle models, of which 74 had entered mass production. We hold leading positions across major solutions by sales revenue in China, where, according to Frost & Sullivan:

- **Motor controllers:** we ranked sixth for motor controllers and first for dual motor controllers in 2025;
- **Main-drive PEBB:** we ranked first in 2025 for main-drive PEBB;
- **Power modules:** we ranked seventh in 2025.

Leveraging the same core technical foundation, we have extended our technologies beyond automotive applications into emerging physical AI applications, such as electric vertical takeoff and landing aircraft ("eVTOL") and embodied intelligence, as well as power systems for AI data centers ("AIDC"). In physical AI applications, our core motor control technologies serve as critical execution-layer components that convert AI-driven commands into precise, reliable and efficient

physical motion. As of the Latest Practicable Date, we were developing products for broader robotic applications, including complete robotic arms and wheeled chassis. In the power system for AIDC, our power electronics technologies support efficient power conversion and distribution, including through solid-state transformers ("SST") which function as active energy routers for voltage transformation, power conversion and intelligent power flow management. These initiatives enable our solution portfolio to support next-generation aircraft propulsion systems, robotic joint actuators and AIDC power supply systems, while expanding our long-term addressable market amid the broader AI-driven industrial transformation.

The following table sets forth our key business highlights:



Notes:

(1) According to Frost & Sullivan.

(2) As of May 31, 2026.

(3) Our overseas revenue only includes revenue from direct transactions with overseas customers.

Our Electric Control Solutions

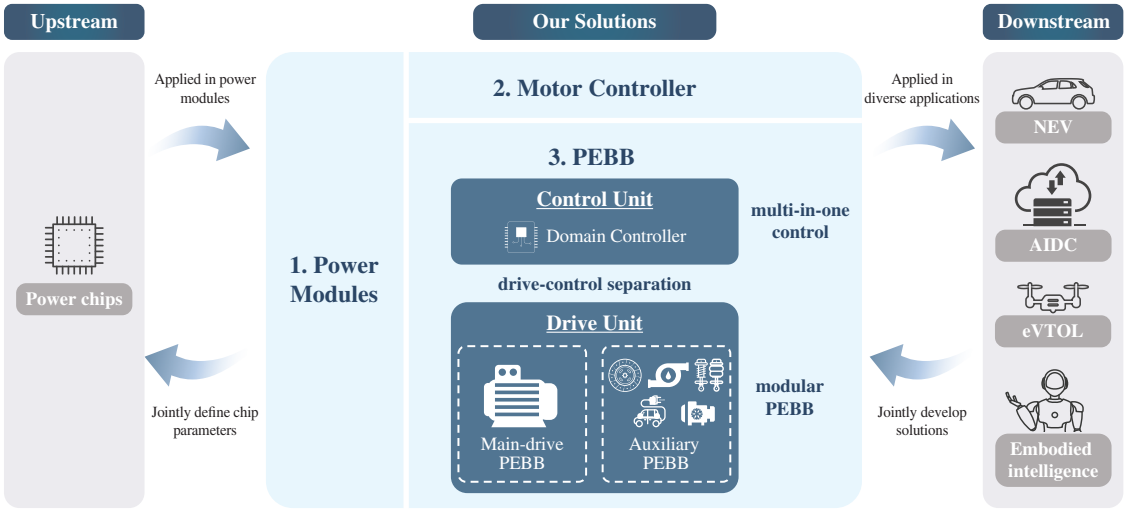
Aligned with the industry's transition toward multi-in-one integration and drive-control separation, we have adopted an NEV-native approach to deliver flexible electric control solutions designed to capture evolving market demand. Multi-in-one integration progresses beyond the traditional three-in-one configuration to achieve deeper electromechanical consolidation with auxiliary subsystems, resulting in higher power density, reduced component count and weight, and improved system efficiency. To this end, drive-control separation represents a functional decoupling in which the control unit is separated from the drive unit, enabling the standardization of hardware into modular building blocks and the centralization of control functions within higher level domain

controllers. This architecture provides OEMs with enhanced flexibility to source optimized drive units while focusing internal resources on vehicle-level integration and software development, supporting accelerated platform iteration, reduced system cost and optimized vehicle performance. In essence, drive-control separation establishes the modular system boundary that enables the next generation of multi-in-one integration, forming compact, standardized and cost-effective drive modules aligned with the industry's broader transition toward platform-based development and software-defined vehicle architectures.

Against this backdrop, we have extended our solution portfolio from traditional power modules and motor controllers to a PEBB portfolio comprising main-drive PEBB, auxiliary PEBB deployed across power and chassis domains and integrated domain controllers. All of our solutions can be flexibly deployed, configured and integrated into the powertrains of NEVs, allowing for efficient cross-platform reuse and accelerated system development for customers.

In the automotive sector, our electric control solutions are primarily deployed in passenger vehicles and have also expanded into commercial vehicle applications, supporting a broad range of NEV powertrain architectures including Battery Electric Vehicles ("BEV"), Hybrid Electric Vehicles ("HEV"), Plug-in Hybrid Electric Vehicles ("PHEV") and Range Extended Electric Vehicles ("REEV"). Regardless of the underlying energy architecture, electric control systems remain one of the core, indispensable systems in NEVs, responsible for power conversion, motor control and system-level coordination. We have further extended our electric control solutions into emerging physical AI applications such as eVTOL and embodied intelligence. These solutions deliver high-performance and high-reliability electric control capabilities for next-generation air vehicles and robotics systems, further expanding the applications of our electric control technologies.

The following chart presents our solution portfolio and its positioning within the industry value chain:



Our electric control solutions, together with the competitive advantages they embody, are mainly reflected in the following areas:

Power modules. As the cornerstone of our business model and solution portfolio, power modules serve as the most critical functional component within motor controllers, responsible for efficient processing, conversion and control of electrical energy. We offer power modules that support NEVs with a wide range of architectures and power classes. Distinguished by high power

density, superior thermal resilience and ease of assembly in motor controller and PEBB, our power modules enable higher system efficiency and power output, ensuring stable operation under demanding conditions, and reducing overall system integration cost and complexity.

Motor controllers. Built on self-developed power modules, motor controllers serve as the core execution units of electric control systems. Our motor controllers deliver high integration, compact size and strong reliability while meeting stringent safety requirements. Supported by advanced proprietary control software, our motor controllers enable efficient energy utilization, precise torque control and stable performance across various operating conditions, contributing to extended driving range, improved driving comfort and broad application adaptability. We offer motor controllers in both single- and dual-motor configurations. In particular, our dual-motor controllers support coordinated control of multiple drive units under high-power density and complex operating conditions, requiring advanced system architecture design, higher integration capability and robust control algorithms, which collectively represent higher technical barriers to entry.

PEBB. PEBB is a standardized, modular and self-contained power-conversion unit that integrates core power electronics into a compact subsystem for flexible system-level deployment, providing OEMs with a cost-efficient, reusable solution option other than a basic power module or a fully customized motor controller. We offer a PEBB portfolio encompassing main-drive PEBB and auxiliary PEBB deployed across power and chassis domains, as well as integrated domain controllers, in line with the industry trends towards multi-in-one integration and drive-control separation.

- ***Main-drive PEBB***. We were among the first to introduce main-drive PEBB in our industry. Built upon our self-developed power modules, main-drive PEBB integrates cooling channels, DC link capacitors, current sensors and copper busbars with flexible configurations of gate drive boards and control boards to form a standardized, configurable building block of electric control system. Our main-drive PEBB features high power density, high integration and broad power coverage. Through continual structural innovation, our main-drive PEBB deployed in dual motor controller achieves a compact volume of only 1.7 liters, representing a size reduction of approximately 30% compared with conventional market solutions, according to Frost & Sullivan.

- ***Auxiliary PEBB***. Leveraging the packaging and manufacturing technologies of high-power main drive applications, we have extended the PEBB architecture to selected lower-power vehicle controllers in the power and chassis domain, including clutch controllers, power supply units such as OBC and DC-DC, AC compressor and other subsystems. The PEBB architecture reduces component count and simplifies manufacturing, while maintaining high reliability, high power density and assembly friendliness. As of the Latest Practicable Date, our motor controllers integrating clutch PEBB had entered mass production, with other auxiliary PEBB completing early development and steadily progressing towards mass production.

- ***Domain controller***. Based on PEBB architecture, we also offer domain controller solutions that centrally integrate the control functions of multiple electric control units, including the main drive motor controller, clutch controller, power supply systems such as OBC and DC-DC, oil pump, suspension and AC compressor. The domain controller's higher level of integration enables coordinated control and system-level optimization across electric control units, while reducing hardware redundancy and maintaining disciplined cost structures, further improving overall vehicle energy efficiency and enhancing driving experience.

Our Research and Development Capabilities

We have established a strong research and development ("R&D") team comprising 373 experienced R&D personnel as of May 31, 2026, supported by experts and strengthened through long-term cooperation with renowned domestic and overseas institutions. We follow a platform-based R&D approach that allows core technologies and know-how to be reused and scaled across our team, underpinned by proprietary power electric design automation ("**PEDA**") toolchains that enhance platform-based development efficiency, a testing and validation system that ensures product reliability across development stages, and a robust product design and validation standard system that supports complex global application scenarios. As of May 31, 2026, we held 309 granted patents in the PRC and overseas, including 138 invention patents, and had 144 patent applications under review.

Proprietary PEDA Toolchain. We have independently developed a highly efficient proprietary toolchain that significantly enhances our R&D efficiency and underpins our superior platform-based R&D capabilities. Leveraging this proprietary toolchain, we have realized power electronics design automation ("PEDA"), which incorporates internally developed tools such as FreqScreen, a frequency-domain EMC modeling tool, ScanTool, a system analysis and design tool, and EMTool, an electromagnetic design tool for module substrates. Our proprietary PEDA tools feature high computational accuracy, significantly faster processing speeds compared with commercial software, and user-friendly data post-processing capabilities. This allows us to define optimal engineering design thresholds that strike a balance between over-design that leads to cost inflation, and under-design that undermines solution reliability. It also helps materially shorten development cycles and reduce R&D costs to support stronger customer program execution capability and rapid business expansion, while transforming accumulated technical know-how into code to drive knowledge standardization and enhance knowledge transfer efficiency across our team.

One-stop Testing and Validation Platform. We operate a testing and validation platform that provides testing, technical analysis and reporting on an end-to-end basis, spanning power chip, power module, PEBB, motor controllers and full powertrain systems. Our testing and validation centers are accredited by the China National Accreditation Service for Conformity Assessment ("CNAS") and have completed over 100 testing projects for customers. Several of our test benches have also obtained additional certifications from leading international OEMs and are recognized for use in their stringent internal standards for performance testing, reliability verification and selected special-purpose tests.

Rigorous Product Design and Validation Standard System. We have also established a rigorous product design and validation standard system exceeding industry benchmarks in areas such as high-temperature and high-humidity environments, coolant channel wear, accelerated vibration testing and power module reliability verification, according to Frost & Sullivan. This system is designed to ensure solution compatibility with complex global application scenarios and support widespread international customer acceptance of our products. Our system is subject to continual iterative upgrades, enabling our products to maintain quality performance and strengthening the recognition of our products among leading overseas OEMs.

Our Market Opportunities

The global automotive industry is experiencing strong growth momentum, driven by the accelerating transition toward vehicle electrification and increasing intelligence. According to Frost & Sullivan, global NEV sales increased from 3.3 million units in 2020 to 17.1 million units in 2024. We operate primarily in the electric control market, which is expanding in tandem with this trend with electric control systems serving as the core propulsion subsystem of NEVs. According to Frost & Sullivan, from 2020 to 2024, the size of the global electric control market for NEV increased from RMB21.6 billion to RMB116.6 billion, representing a CAGR of approximately 52.5%, and is projected to maintain stable growth at a CAGR of approximately 12.1% from 2025 to 2030, reaching a market size of approximately RMB231.2 billion by 2030.

As electrification deepens, legacy distributed electronic architectures are approaching structural limits. OEMs' accelerated adoption of multi-motor configurations, pursuit of higher power density and increasing demand for enhanced functional sophistication are collectively elevating requirements for integrated, cost-efficient and high-reliability electric control solutions. Our PEBB-based architecture directly responds to these industry demands by enabling standardized and flexible integration of multiple control functions, delivering meaningful improvements in system weight, complexity and scalability. Benefiting from China's emergence as the world's largest vehicle exporter, our addressable market is expanding from domestic electrification demand to a broader global customer base.

Leveraging the same technological capabilities that underpin advanced automotive power electronics and control architectures, we have extended our core motor control technologies into select adjacent high-growth applications within the broader physical AI landscape, including motor control for eVTOL and embodied intelligence applications. These targeted adjacencies further enhance our long-term growth potential while maintaining a disciplined focus on areas aligned with our core competencies.

OUR STRENGTHS

Technology-Driven Electric Control Solution Provider with Proven Commercialization Record and Platform Scalability

As a technology-driven provider of electric control solutions for NEVs, we have built a strong market position with a proven track record of pioneering and producing leading technologies. We follow an NEV-native approach and leverage our forward design capabilities to engineer electric control solutions from the ground up — optimized for next-generation vehicle architectures. Unencumbered by legacy design for ICE vehicles or supply chain paradigms, we made deliberate early choices around system-level integration, thermal management, reliability and manufacturability. These foundational decisions have resulted in a modular technology platform that enables efficient, scalable deployment of our solutions across diverse vehicle models and programs.

Our ability to convert technology into market-ready solutions is evidenced by the successful launch of our first motor controller in 2020 and the introduction of the forward-looking PEBB concept in 2021. As we captured the industry's architectural pathway, our solutions gained rapid market traction. As of May 31, 2026, our solutions had been incorporated in 92 vehicle models, of which 74 had entered mass production. Our technological strengths are widely recognized in the industry. Our dual motor controller was awarded the Shanghai Manufacturing Champion Enterprise by the Shanghai Municipal Commission of Economy and Informatization in 2025. We participated in the design and development of the high-efficiency hybrid powertrain system which received the First Prize of the China Machinery Industry Science and Technology Award by the China Mechanical Engineering Society in 2024. In addition, we were awarded the National Specialized and Innovative "Little Giant" by the Ministry of Industry and Information Technology in 2024. We have also been identified by Yole as a key supplier in the silicon carbide ("SiC") sector for many years.

Our early market presence creates critical market headroom. According to Frost & Sullivan, it typically takes industry peers approximately six months to one year to establish a comparable solution portfolio. This lead enables us to sustain leadership through continued innovation while strengthening locked-in collaborations with leading customers.

To support rapid scaling amid rising market demand, we have adopted a platform-based approach that spans R&D, solution design and mass production. This platform-based approach enables us to develop standardized and modular solutions for vehicles at scale, respond quickly to customer requirements, while optimizing cost efficiency and maintaining consistent quality.

Beyond supplying components, we have evolved into a strategic partner for automakers. We collaborate with OEMs and Tier-1 suppliers, working alongside them in the development of key electrification systems. This progression in our customer relationships ensures our solutions are deeply integrated into vehicles and reinforces the long-term value we contribute within the industry value chain.

Tiered Solution Portfolio with Strong Technological Advantages Enabled by Forward Design Capability

Our forward design capabilities form the foundation of a tiered solution portfolio spanning power modules, motor controllers and PEBB. Supported by our proprietary design toolchain and one-stop testing and validation platform, we have cultivated a solution portfolio with strong technological advantages reflected in the following aspects:

Power Modules. Our fundamental innovations optimize thermal and electrical performance to enable more compact and cost-efficient designs at the power module level, laying a solid technological foundation for our electric control architecture. Notably, our power modules support a maximum chip operating temperature of 200°C and demonstrate durability with over 440,000 power cycles at the second level, which — compared with the industry average of 175°C and 50,000 to 60,000 cycles, according to Frost & Sullivan — allow for sustained high-power output, longer service life, higher reliability in driving operations and lower maintenance requirements for NEV applications. Our power modules also integrate key functional components, including current sensors, on-chip temperature sensors and structural support for driver boards — offering a compact yet highly-integrated design that allows for easy assembly with other subcomponents into PEBB and motor controllers, further reducing the manufacturing cost and enhancing reliability of downstream solutions.

Motor Controllers and Main-drive PEBB. Building on module-level technology capabilities, we offer motor controllers and main-drive PEBB, where thermal management, electrical performance and assembly efficiency must be optimized in parallel. Through an innovative four-channel cooling configuration embedded within the PEBB, we enable double-sided liquid cooling for both the power module and the DC link capacitor, improving heat dissipation efficiency and supporting higher power density and reliability. Compared with conventional single-sided architectures, our design supports continuous operation at capacitor temperature of up to 120°C, higher than the industry average of 105°C, without compromising capacitor service life, according to Frost & Sullivan. We also employ laser welding to reduce mechanical interfaces, creating a more compact and robust system. A key differentiator is our coreless current sensor. Smaller in volume, wider in bandwidth and faster in transient response than conventional sensor design, the coreless current sensor enables a more compact PEBB design that significantly improves assembly compatibility into vehicle-level systems. Through structural optimization, the main-drive PEBB deployed in our dual motor controller achieves a compact volume of only 1.7 liters, representing a size reduction of approximately 30% compared with conventional market solutions, according to Frost & Sullivan. In addition, our PEBB has been validated for strong vibration resistance under harsh operating conditions, supporting stable performance in extreme mechanical environments. Leveraging our optimal system architecture, our dual motor controller delivers a benchmark power density of 61.5 kVA/L, opening up greater space for overall vehicle layout and component integration. This combination of compactness, thermal robustness and mechanical reliability enabled our solution to secure design wins from a leading global OEM in 2024 for deployment in a small, irregularly shaped system with stringent technical requirements.

Domain Controllers. Extending our technologies to vehicle-level integration, we developed domain controllers that consolidate multiple control functions — such as motor control, clutch, OBC and suspension control — onto a highly integrated board. This multi-in-one architecture significantly reduces chip count, simplifies wiring and lowers system cost. Coupled with unified multi-domain control software, it enables efficient energy management, improved ride comfort and enhanced operational safety across diverse driving conditions.

Collaborative Partnerships Fostering Customer Loyalty and Long-Term Growth

Our growth trajectory is anchored in a partnership-driven strategy that embeds us deep within our customers' product planning cycles. Rather than acting as a conventional component supplier, we position ourselves as a long-term strategic collaborator, engaging from the earliest product-definition stage and working alongside customers to co-engineer solutions that balance performance, reliability and cost. This approach strengthens mutual trust and enables us to influence the technology direction of next-generation vehicle designs, ensuring that our roadmap evolves in lockstep with our customers' future needs.

Under this approach, our self-developed power module, standardized circuit schematics and configurable software architecture serve as a common technical foundation that customers adopt across multiple product cycles. As customers iterate their vehicle models, our solutions become an integral layer of their long-term technology stack. This structural embeddedness yields high customer stickiness, as our technologies travel with customers across vehicle generations. Notably, our solutions have been adopted by leading vehicle brands including Volkswagen.

Building on our customer engagement approach validated in China, we extend this partnership-driven strategy into global markets. Unlike many overseas peers that offer only traditional product suites with ICE legacy-standard development cycles, we offer highly flexible solution options tailored to the specific performance and cost requirements of individual OEM platforms with agile development processes — an adaptability that is not commonly available in overseas markets, according to Frost & Sullivan. Supported by an international R&D and business development team with a strong cross-cultural background and collaboration ethic, we work closely with leading Tier-1 suppliers such as Schaeffler to integrate our motor control technologies into their solutions designed for OEMs. This approach enables us to accelerate entry into international OEM supply chains while enhancing the competitiveness of both parties. As of May 31, 2026, we had secured design wins from five foreign OEMs, either directly or through relevant Tier-1 suppliers, under this framework. Part of these solutions had progressed into mass production in line with the development and launch schedules of the respective vehicle models as of the Latest Practicable Date.

Furthermore, we are extending this partnership model into emerging high-growth fields such as motor controllers for eVTOL and embodied intelligence within the broader physical AI landscape. Leveraging our technological expertise from the automotive industry, as of the Latest Practicable Date, the customized eVTOL drive systems we co-developed with Vertaxi had successfully passed aircraft component tests and the robot joint PEBB and joint module solution we co-developed with Agibot had entered mass production, marking the initial commercialization of our solutions in emerging application areas.

Well-Established Supplier Ecosystem Strengthening Technological Edge and Supply Chain Stability

We leverage our technology and commercialization capabilities to build close collaborations with globally leading suppliers for key components such as power chips and DC link capacitors. These partnerships allow us to engage suppliers early in the development cycle, co-define specifications based on end-customer needs and pursue customized solutions. Moreover, our collaborations with these suppliers enable us to gain early access to their advanced technologies, which enhances the performance and competitiveness of our solutions and strengthens our market position.

In parallel, we have established strong partnerships with leading domestic suppliers across the semiconductor and power module manufacturing value chain, including automotive chipmakers and module foundry partners in China. Through joint development and customized engineering with domestic suppliers, we have localized the supply of components while ensuring stable, high-quality

delivery. This strategy enhances supply chain autonomy and resilience. According to Frost & Sullivan, we were the first domestic electric control solution supplier in China to achieve large-scale adoption of China-made MCU chips in main-drive motor controllers.

Our strategically managed supplier ecosystem underpins both our operational resilience and international expansion. Collaborations with top-tier suppliers enhance component quality, ensure production flexibility and secure production capacity — all critical in the fast-paced automotive industry characterized by intense competition and stringent delivery requirements. At the same time, partnerships with internationally recognized suppliers lend technical and commercial credibility to our solutions, strengthening our reputation with global OEMs and facilitating our entry into the global market.

Customer-Proximate Production Network and Robust Quality Control System

As of the Latest Practicable Date, we operated four production bases for power modules, motor controllers and PEBB in Liuzhou, Wuhu, Jiaxing and Chongqing. Our strategically located, customer-proximate production network, situated within major automotive value chain clusters in China, allows us to gain first-hand market insights and respond quickly to customer needs. By manufacturing close to customers, we can meet their localized supply requirements promptly, adjust schedules in line with demand changes, and support stable, long-term partnerships.

To drive continual improvement in yield and operational efficiency, our quality control system integrates defect prevention at design stages, manufacturing supervision and after-sales support, implementing a "zero-defect" delivery strategy for optimal customer experience. From the projects outset, we optimize the Advanced Product Quality Planning ("APQP"), front-loading review checkpoints at key milestones to assess component quality, manufacturing readiness and product maturity to shorten the quality control process while enhancing operational efficiency. Further, our R&D team assumes full accountability for product quality and remained involved from design stage through to validation, production and after-sales support. We have established a risk warning and escalation mechanism grounded in big-data analytics, ensuring rapid response to quality issues, root-cause analysis and closed-loop corrective measures.

In addition, we also work closely with upstream suppliers to front-load quality checkpoints. For critical components, we have established a real-time supply quality monitoring mechanism under which key performance indicators are tracked and updated on a daily basis, preempting potential defects at the source and enabling rapid resolution jointly with our suppliers. By bringing forward the safe-launch phase, with key tests conducted earlier and to more stringent standards, we effectively reduce defect risks at ramp-up and mass production stages.

To strengthen our global service capabilities, we have deployed localized after-sales teams in markets such as Germany, Turkey and Brazil. Our local teams provide on-site failure analysis and technical support, promptly resolving customer issues at source. Insights gained from after-sales activities are systematically fed back into the design and manufacturing stages, driving continual quality improvement across the entire value chain. During the Track Record Period, our power module yield exceeded 98.5%, and our motor-controller field failure rate reached down to <50 parts per million ("ppm") — significantly outperforming industry averages of approximately 92-95% and 200-400 ppm, according to Frost & Sullivan.

Experienced Management Team and a Strong Shareholder Base

Our management team possesses deep expertise in power modules and full electric control solutions. Dr. Shen, our Chairman, brings over 20 years of experience in power electronics and corporate management, including nearly a decade with GE Global Research in Germany and China. Dr. Shen possesses a profound technical foundation and R&D capabilities. As of the Latest Practicable Date, he had published 44 academic papers, including 12 IEEE Transactions papers and an academic monograph, and is the inventor of 127 patents in the field of power electronics,

including power module design, thermal management, control algorithms and power converter topology. Complementing this leadership, we have over 20 core operational and R&D executives, all of whom hold master's or doctoral degrees. Over one-third of our core R&D members graduated from prestigious overseas universities, and prior to joining us, more than 90% of them accumulated experience in multinational enterprises within the automotive or power electronics sectors. With an average of more than ten years of professional experience before joining us, our R&D team combines strong academic exposure with deep industry expertise, supported by a technically capable business development team that works closely with R&D to accelerate commercialization, effectively translating innovation into market ready solutions.

We are supported by a high-quality, diversified shareholder base, providing both strategic and financial support for our development. Our strategic investors, such as Schaeffler Holding and Volvo Cars Tech Fund, contribute industry insights, technological collaboration, and access to global automotive networks. Financial investors, including Legend Capital and CS Capital, offer robust capital support and strengthen our corporate governance. This balanced shareholder structure enhances our industry collaboration, market expansion and long-term strategic positioning.

OUR STRATEGIES

Driving continual technological advancement remains our core strategic priority. Rooted in the dynamic landscape of China's NEV industry, we are committed to independent innovation as our primary growth engine. Through foundational breakthroughs, we aim to empower the upgrade of the domestic industrial ecosystem and introduce globally competitive electric control systems — characterized by high efficiency, integration and intelligent control — from China to the world. Looking ahead, we will deepen our capabilities across key technologies, solution innovation, global operations and smart manufacturing. Guided by sustained R&D, we will also extend electric control technologies beyond automotive industry into broader physical AI fields such as electric control systems for intelligent transportation and embodied intelligence, and advanced power supplies for intelligent computing data centers, delivering scalable, high-performance power solutions to these emerging markets.

To achieve these objectives, our strategies primarily include the following:

Diversifying Solutions Through Technological Innovation

Our growth strategy is centered on the continued development and application of power electronics technologies. We will further increase R&D investment across power modules, motor controllers and PEBB. By leveraging our proprietary design toolchain and testing and validation platform, we aim to accelerate iteration across our solution portfolio, improving R&D efficiency and time-to-market. Concurrently, we are advancing the application of new components and production processes to enhance key product features such as power density, efficiency and reliability, providing a solid technical foundation for sustainable growth.

Building on these capabilities, we are expanding our product portfolio in line with industry trends, with a strategic focus on PEBB. We are extending our offerings beyond the power domain into areas such as chassis control, enabling cross-domain integration and the development of more integrated control units. This allows us to offer scalable solutions that better address customers' system-level requirements across different vehicle platforms.

Through forward design engagement and close collaboration with customers, we maintain visibility into OEM product planning, technology roadmaps and evolving market demand. We participate in joint research and early-stage co-definition with customers to align product development with their requirements for performance, cost and the product development schedule. While deepening cooperation with existing customers, we are expanding collaboration with domestic and international OEMs and Tier-1 suppliers, supporting the steady expansion of our customer base.

In addition to the automotive sector, we plan to selectively apply our experience in automotive-grade power modules and motor control systems to adjacent high-growth application areas including AIDC and physical AI. In the AIDC sector, leveraging our experience in medium- and high-voltage applications and our capabilities in medium-voltage system engineering, high-frequency power electronics productization and system integration, we are able to engage early with customers on demand alignment, solution specification and prototype validation. This enables us to better capture evolving AIDC power architecture requirements and enhance the potential for our SST solutions to be embedded into customers' long-term system architectures. We expect to introduce 35kV/10kV SST prototypes and are actively collaborating with leading global hyperscalers, new cloud computing service providers, relevant suppliers across the AIDC power architecture value chain and computing chip suppliers to explore SST-based power solutions addressing the growing needs for power efficiency, system reliability and computing-power coordination in AIDC scenarios. In Physical AI applications, including eVTOL and embodied intelligence, we are collaborating with leading domestic and overseas embodied intelligence companies and selected industry participants to extend our electric control technologies into motion and power solutions, including joint drive-control systems, robotic arms and wheeled chassis, to address requirements for power-to-weight ratio, reliability, control precision and energy efficiency, and to support joint product validation and go-to-market initiatives.

Executing a Global Strategy with Efficient, Localized Operations and Delivery

Building on technologies and products that have been validated in the Chinese market, we have adopted a globalization strategy that focuses on establishing localized operating capabilities in overseas markets to serve customers more effectively, rather than relying solely on centralized delivery from China. We are continually strengthening our presence in Europe and Japan and expanding into other key markets such as Southeast Asia. Our overseas expansion follows a dual approach: working directly with leading international OEMs and Tier-1 suppliers to participate in global supply chains, while supporting leading Chinese automakers as they expand their operations overseas by providing localized technical support and services.

Meanwhile, we are planning to establish overseas manufacturing capabilities, as local production can reduce cross-border coordination complexity, enhance supply flexibility and improve responsiveness to customer needs. In parallel, we intend to build a localized overseas supply chain system, including suitably qualified regional suppliers for critical materials and components, and strengthening local logistics and warehousing support, to improve cost efficiency and supply continuity. Over time, we expect to operate under a global structure in which China serves as our headquarters, while overseas facilities provide regional manufacturing and service delivery. This coordinated network will enable flexible capacity allocation across regions, localized support for international customers and enhanced supply chain resilience, all while maintaining unified technology and quality standards worldwide.

In addition, we plan to continue building regional engineering and after-sales teams in key international markets to provide on-site support for customers, and work more closely with OEMs and Tier-1 suppliers throughout the product lifecycle, thereby improving responsiveness and accelerating issue resolution. By embedding technical resources near customer locations, we also expect to deepen customer engagement, enhance delivery reliability and support the broader globalization of our business.

Advancing Lean Operations to Forge Enduring Advantages in Cost, Quality and Delivery

We are strengthening our operating system with a focus on disciplined execution, scalability and efficiency. By integrating lean manufacturing principles with standardized processes and digital management tools, we aim to enhance productivity, cost control and product quality as our operations scale. To support our global operations, we plan to upgrade our information technology infrastructure and build an end-to-end digital management platform connecting key business processes from order receipt to delivery, improving visibility, coordination and quality control across the supply chain and enabling more timely and informed decision-making.

In parallel, we continue to strengthen our domestic production capabilities through the deployment of automation, intelligent production lines, optimized factory layouts and the introduction of lean practices to achieve sustainable cost efficiency at scale while maintaining

consistent product quality. We are also enhancing the resilience of our global supply chain by deepening cooperation with international suppliers and developing qualified local alternatives and backup arrangements for critical components, supporting supply stability and the reliable execution of our global operations.

Pursuing Strategic Investment and Ecosystem Collaboration to Support Sustainable Development

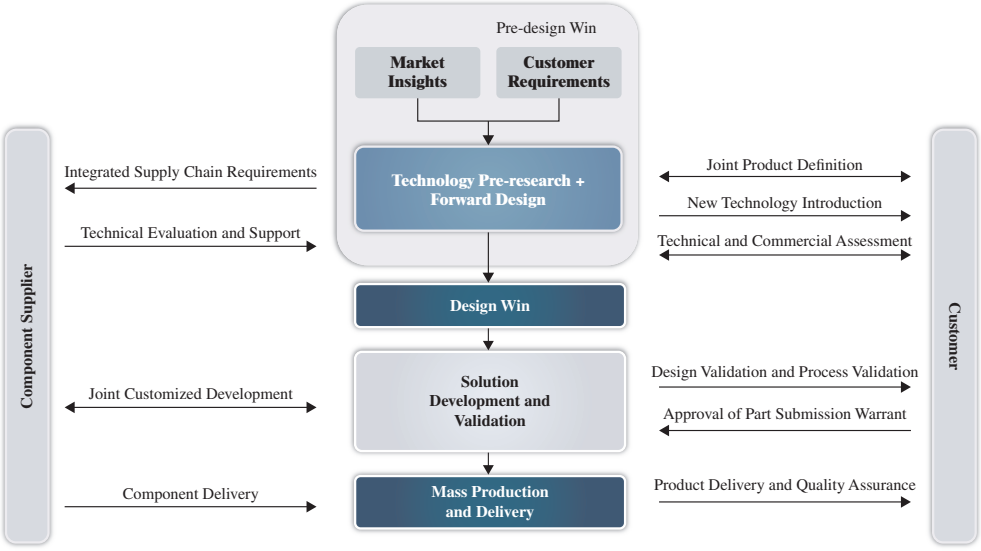
We plan to explore strategic investment, acquisition and partnership opportunities with upstream and downstream participants that possess differentiated technologies or established market positions. These initiatives are intended to complement our existing capabilities and expand our presence in selected areas such as power semiconductors, advanced packaging and related application fields. By integrating external capabilities where appropriate, we aim to enhance our solution portfolio and improve our competitive positioning in a measured and sustainable manner. As of the Latest Practicable Date, we had not identified any specific acquisition or strategic investment target.

In parallel, we recognize the importance of collaboration in addressing increasingly complex technological and application requirements. We therefore intend to deepen cooperation with selected global industry participants and research institutions through joint research initiatives and solution co-development. Such collaborations are designed to facilitate technology exchange, accelerate product development and support the identification of emerging opportunities associated with ongoing industry evolution.

OUR BUSINESS MODEL

Our business model is anchored in a flexible, tiered solution portfolio that meets customers at their precise point of need. Before the introduction of PEBB, industry electric control solutions were delivered either in the form of standalone power modules that require significant in-house integration capabilities, or that of fully integrated motor controllers that allowed only limited customization. Ranging from power modules and motor controllers to modular PEBB, our offerings allow customers to select the level of integration that best suits their vehicle models and cost requirements. For customers with in-house motor control development capabilities, our power modules and PEBB may be adopted as core building blocks to support system development and platform deployment, whereas OEMs and other customers seeking turnkey solutions may procure our system-level motor controllers for immediate implementation. This tiered structure enables customers to balance cost, performance and time-to-market considerations, broadens our addressable customer base and reinforces our strategic position across the industry value chain.

The following chart illustrates our typical business process in providing solutions:



Guided by market insights and customer requirements, we leverage our forward design capabilities to conduct technology pre-research, focusing on developing foundational technologies for electric control solutions. At this stage, we work closely with customers to jointly define the product, introduce new technologies into their vehicle design, and perform technical and commercial assessments to ensure feasibility and commercial viability. In parallel, we collaborate with upstream suppliers to conduct technical evaluations, ensuring that our design is supported by high-quality components and an integrated supply chain.

Upon securing a design win, we advance to solution development and validation, which includes rigorous design and process validation to tailor specifications for integration into vehicles. Meanwhile, we engage in joint customized component development with suppliers to guarantee supply chain readiness and alignment with production needs. Following successful validation, we proceed to mass production and delivery, where we emphasize quality assurance, efficient production and timely delivery.

OUR SOLUTIONS

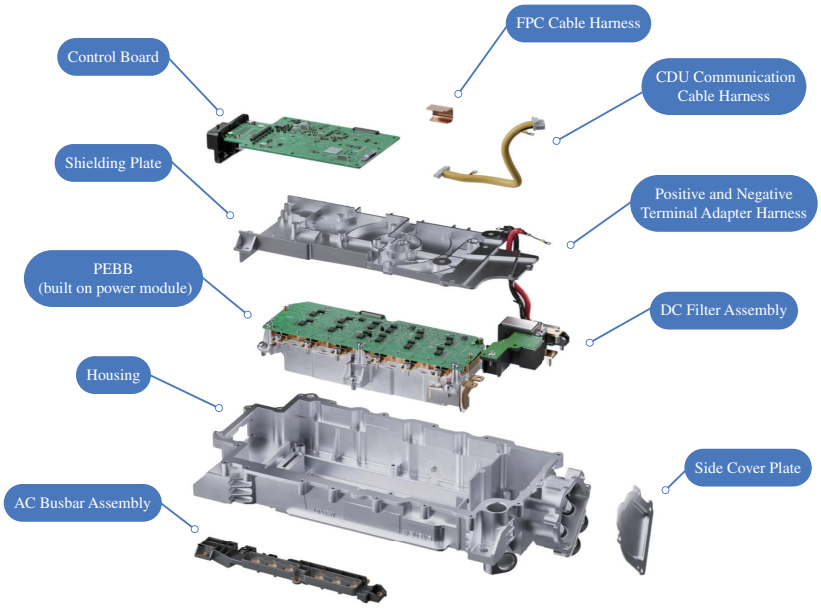
We offer a tiered portfolio of electric control solutions covering (i) power modules, which serve as the core execution units for power conversion and management; (ii) motor controllers, which provide integrated drive control through combined power, sensing and algorithmic functions that manage motor operation with precision and efficiency; and (iii) PEBB, including main-drive PEBB, auxiliary PEBB deployed across power and chassis domains, as well as integrated domain controllers. Our solution portfolio offers a standardized yet scalable technical foundation for customers to configure system-level solutions across different vehicle platforms, power classes and application requirements, while reducing development complexity and shortening time-to-market.

In the automotive sector, our electric control solutions are primarily deployed in passenger vehicles and have also expanded into commercial vehicle applications, supporting a broad range of NEV powertrain architectures including BEV, HEV, PHEV and REEV. Leveraging the same modular principles and expertise rooted in our power module capabilities, we have also extended our solutions into emerging physical AI applications such as eVTOL and embodied intelligence, delivering high-performance PEBB solutions beyond automotive applications.

The chart below summarizes the key architectural features of our solutions and their respective roles within the overall system architecture.

	Core Functions	Main Structural Components	Architecture Role
Power Module	Achieves efficient conversion and transmission of electrical energy through high-speed switching power devices	Power semiconductor chips (IGBT/SiC MOSFET/FRD), insulated substrates, terminals, housing, etc.	Core execution unit for energy conversion and management
PEBB	Largely consistent with the core functions of a motor controller	Integrated sub-system component built on power modules, bus capacitors and thermal management components, configurable with current sensors and drive control boards (integrating software and control algorithms)	Modularized control unit integrating core motor controller functions
Motor Controller	Converts DC power from the traction battery into three-phase AC power, and precisely controls motor operating modes and output performance	PEBB, vehicle-level interfaces, communication interfaces, housing, etc.	Control unit enabling efficient and precise conversion of electrical energy into traction output

The diagram below illustrates the architecture of a typical motor controller and reflects the representative relationship among power modules, PEBB and the motor controller.



Note: The chart illustrates the typical architecture of our motor controller solutions. Our PEBB solution may be delivered in alternative configurations, either integrated with or separated from the control and drive boards, depending on customer requirements.

We have achieved rapid growth during the Track Record Period. The following table sets forth our revenue breakdown by business line for the years/periods indicated:

	Year ended December 31,						Five months ended May 31,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)						*(unaudited)*			
Motor controllers	138,176	86.5	956,539	82.5	1,519,596	76.0	428,936	77.8	776,005	81.1
PEBB	9,661	6.0	178,885	15.4	346,695	17.3	68,827	12.5	165,278	17.3
Power modules	448	0.3	4,310	0.4	69,142	3.5	26,543	4.8	13,151	1.4
R&D services and others[(1)]	11,551	7.2	19,218	1.7	64,781	3.2	27,287	4.9	1,604	0.2
Total	**159,836**	**100.0**	**1,158,952**	**100.0**	**2,000,214**	**100.0**	**551,593**	**100.0**	**956,038**	**100.0**

Note:

(1) We provide certain R&D services upon customers' requests to develop, test and validate electric control solutions that meet their specific requirements. Our services mainly include customized development, design verification and product validation, development of related components, tooling and molds, and provision of sample units.

As of May 31, 2026, we had secured 59 design wins with 15 OEMs, either directly or through Tier-1 suppliers. As of the same date, our solutions had been adopted in 92 vehicle models of 25 vehicle brands, of which 74 vehicle models had entered mass production.

The following table sets forth the key operating metrics of our electric control solutions for the years/periods indicated:

	Year ended December 31,			Five months ended May 31,
	2023	2024	2025	2026
Sales volume				
– Motor controller (unit)	31,925	308,619	614,436	312,398
– PEBB (pack)	2,180	87,519	305,477	102,423
– Power module (piece)	497	6,608	106,152	20,989
Average selling price				
– Motor controller (RMB)	4,328	3,099	2,473	2,484
– PEBB (RMB)	4,432	2,044	1,135	1,614
– Power modules (RMB)	901	652	651	627
Design wins obtained in each year/period	19	15	16	3
Vehicle models which entered mass production in each year/period[(1)]	5	26	27	15

Note:

(1) The number of vehicle models that entered mass production in each year/period represents the additional vehicle models that commenced mass production during the respective years or periods, excluding models that had entered mass production in prior years/periods and models based on upgrades or iterations of previous-generation vehicles.

The decrease in our average selling price from 2023 to 2025 was primarily driven by intensified competition in the NEV market, together with product-specific changes in configuration and sales mix across our major product lines. At the industry level, continued pricing pressure has led to a decline in vehicle selling prices, which has been transmitted upstream to component suppliers. According to Frost & Sullivan, the average selling price of new energy passenger vehicles in China decreased from approximately RMB184.0 thousand in 2023 to RMB161.0 thousand in 2025. Against this backdrop, OEMs have exercised greater cost discipline, resulting in broad-based price pressure across electric control products, including both motor controllers and PEBB solutions. Meanwhile, industry concentration has been increasing, further intensifying competition among suppliers. According to Frost & Sullivan, by installation volume in 2025, the combined market share of the top ten NEV electric control suppliers in China reached 70.4%, while the top five PEBB suppliers accounted for 92.9% of the market, reflecting a more consolidated and competitive industry landscape.

In addition to such industry-wide pricing pressure, the decrease in our average selling price for motor controllers from 2023 to 2025 was driven by a higher sales contribution of single-motor controllers, which, with simpler architecture, fewer components and higher energy efficiency, are increasingly adopted in entry-level and mid-range BEV models for daily urban use. During the Track Record Period, our sales volume of single-motor controllers accounted for approximately 3.0%, 25.8%, 30.4% and 24.8% of the total motor controller sales volume in 2023, 2024, 2025 and the five months ended May 31, 2026, respectively. As a result, such increasing contribution from single-motor controllers, which typically carry approximately half the price of dual-motor controllers, has correspondingly exerted a dilutive effect on the average selling price of motor controllers. Our average selling price for motor controllers remained relatively stable through the five months ended May 31, 2026.

In addition to industry competition, the decrease in our average selling price for PEBB from 2023 to 2025 was also attributable to changes in solution configuration mix. Given the highly customized nature of our PEBB solutions, pricing varies with system architecture, integration level

and performance requirements. Our average selling price was relatively high in 2023, primarily because sales volume consisted predominantly of prototype or sample units, which were not representative of our normalized pricing profile. In 2024, PEBB entered the initial stage of broader commercialization, with a wider range of projects progressing into early mass production and ramp-up. In 2024 and 2025, an increasing proportion of customers opted for PEBB solutions with relatively simpler structures and narrower functional scope for integration into their self-developed powertrain systems, resulting in a decline in our overall average selling price. In the five months ended May 31, 2026, the product mix shifted toward PEBB solutions with more complex architectures and higher integration levels, resulting in an increase in our average selling price.

The average selling price of power modules decreased from 2023 to 2024, primarily because sales in 2023 consisted predominantly of prototype or sample units, which were not representative of our normalized pricing profile. In 2024, our power modules transitioned into mass production, and pricing stabilized thereafter, remaining relatively stable through 2025 and the five months ended May 31, 2026.

While our solutions are designed to support a broad range of NEV types, the distribution of NEV types supported by our solutions primarily reflects the types of NEVs developed by OEMs in response to market demand, rather than any strategic focus by us on particular NEV categories. The following table sets forth our revenue breakdown by type of NEV for the years/periods indicated:

	Year ended December 31,						Five months ended May 31,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)									
PHEV	55,416	34.7	689,046	59.5	1,368,638	68.4	409,326	74.2	595,042	62.2
BEV	15,541	9.7	155,972	13.5	315,826	15.8	90,657	16.4	222,204	23.2
REEV	7,039	4.4	151,458	13.1	176,920	8.8	50,626	9.2	88,851	9.3
HEV	68,874	43.1	139,744	12.1	1,861	0.1	–	0.0	43,544	4.6
Others[(1)]	12,966	8.1	22,732	2.0	136,969	6.9	984	0.2	6,397	0.7
Total	**159,836**	**100.0**	**1,158,952**	**100.0**	**2,000,214**	**100.0**	**551,593**	**100.0**	**956,038**	**100.0**

Note:

(1) Primarily including modules and structural parts, as well as products and components for non-automotive applications such as eVTOL and embodied intelligence.

Power Modules

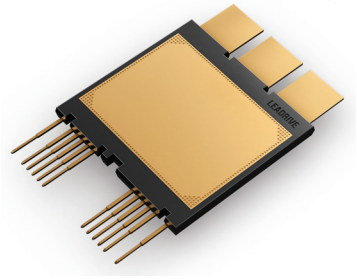
As the foundation of our technology capabilities and solution portfolio, power modules serve as the core execution unit of electric control systems in NEVs, enabling high-efficiency power conversion and management between the battery, motor and peripheral components. Our power modules serve as the core power conversion units in PEBB and motor controllers. As configurable and modular components, they are not restricted to use in products manufactured by us. Based on customer requirements and application scenarios, our power modules may be integrated into our own PEBB or motor controllers, supplied to customers for in-house integration into their electric control systems, or applied in other power electronics applications beyond motor control. Through continual innovation in materials, processes and packaging technologies, our power modules deliver high performance in power density, thermal resilience, compactness and integration capabilities, enabling stable operation under demanding vehicle conditions, as well as easy integration into PEBB and motor controllers.

- ***High Power Density***. Our power module portfolio incorporates both Si-based IGBT and SiC MOSFET devices, each supporting high power density under different operating conditions. Si-based IGBT devices remain the mainstream choice for automotive traction applications and deliver high current-handling capability, robust short-circuit performance and strong thermal stability, enabling high power density within well-optimized module designs. As vehicle electronic architectures evolve towards higher voltage platforms, the adoption of SiC technology is accelerating. SiC MOSFET devices enhance switching frequency and reduce conduction and switching losses, and can operate at higher junction temperatures, making them suitable for applications requiring even higher power density and efficiency. With the same module area, SiC devices enable greater output power and more compact system layouts in space-constrained automotive environments.

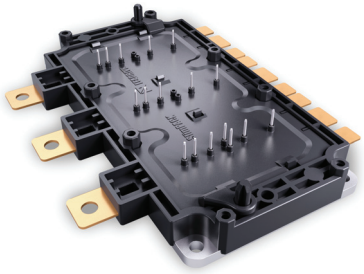
- ***Superior Thermal Resilience***. Our power modules are designed to deliver high thermal performance and long-term reliability. With packaging options in both gel-filled and plastic-sealed forms, and advanced double-sided cooling options, our latest version of power modules achieve outstanding heat dissipation and support maximum chip operating temperatures up to 200°C, surpassing the industry average of 175°C, according to Frost & Sullivan. This high thermal tolerance enables stable performance under demanding vehicle conditions, reduces strain on the cooling system, and allows OEMs greater flexibility in thermal management layout. Additionally, our OreoPACK modules are capable of operating within a temperature range of 65°C to 185°C and achieving over 440,000 power cycles at the second level, an operational durability far exceeding the industry average of 50,000 to 60,000 cycles, according to Frost & Sullivan. This robust cycling performance ensures long service life and reduces maintenance costs for OEMs.

- ***Compact and Highly Integrated Design***. Through high power density design, optimized low-inductance busbar layouts and advanced cooling structures, our power modules achieve significantly reduced size while maintaining stable performance. For example, our double-sided, liquid cooled, plastic-sealed OreoPACK comes in a size of only one ninth of a standard HPD module, while our latest SlimPACK II comes in a size of only half of a standard HPD module, according to Frost & Sullivan. The compact size of our power modules enhances vehicle-level energy efficiency, extends the driving range of vehicles and provides OEMs with greater freedom in overall vehicle design.

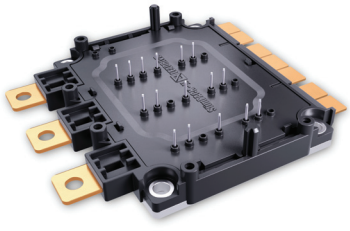
For example, our OreoPACK adopts a double-sided cooling structure and is fully compliant with the AQG324 reliability standard, featuring a low stray inductance of 7.5 nH, and is intended for demanding electric vehicle traction applications where thermal robustness is required. Our SlimPACK is designed for both PHEV and BEV platforms, featuring a compact module volume of 0.242 L and a low stray inductance of 5.4 nH, making it suitable for space-constrained automotive integration. The SlimPACK II represents a new-generation compact power module that further enhances power density through a single-chip design capable of continuous operation at junction temperatures of up to 200°C, enabled by a PinFin direct water-cooling architecture and laser-welded structure to support higher thermal capability and more demanding integration requirements.



OreoPACK



SlimPACK



SlimPACK II

Motor Controllers

Motor controllers serve as the core execution units of NEV electric control systems, responsible for controlling motor operation by converting electrical energy into torque and speed output based on vehicle operating conditions. We integrate self-developed power modules or PEBB into a higher-level system solution by further incorporating mechanical housing, vehicle-level interfaces and other structural components. In such configurations, the power module performs the fundamental power switching and energy conversion functions, while the motor controller provides closed-loop motor control, system coordination and communication with other vehicle systems, resulting in a fully integrated, system-level electric control solution. Built on self-developed power modules, our motor controllers deliver high integration, compact size and strong reliability while meeting stringent safety requirements. Supported by advanced proprietary control software, our motor controllers enable efficient energy utilization, precise torque control and stable performance across a wide range of operating conditions, contributing to extended driving range, improved driving comfort and broad application adaptability.

- ***Hardware architecture***. Our third-generation dual motor controller achieves high power density by consolidating dual drive and control, clutch actuation and sensor signal processing onto a single main control board, with all functions executed by a single MCU. This design reduces the number of parts and wiring complexity, lowers cost and improves packaging efficiency. With a benchmark power density of 61.5 kVA/L, our controllers enable more powerful drive systems without enlarging the vehicle's electronic compartment.

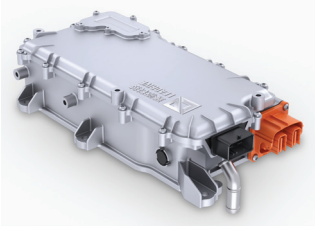
- ***Software development***. Our self-developed motion control system significantly enhances dynamic responsiveness and coordination, particularly for hybrid platforms requiring precise integration of the engine, electric motors and transmission. Leveraging a high-precision torque control algorithm and a multi-drive sub-controller coordination framework, the system optimizes power delivery while reducing drivetrain wear. Through systematic optimization across on-the-spot turning, active piston shutdown control, rapid high-voltage fast charging and lateral slip power-balancing strategies, these proprietary software architectures enhance driving comfort, operational efficiency and safety, elevating the overall experience for end users.

Our motor controllers deliver high functional safety and operational reliability. At the hardware level, we incorporate electromagnetic compatibility ("**EMC**") modeling early in the design process, combined with compact high-order filters and optimized system and PCB layouts to minimize interference and ensure stable operation in complex environments. On the software side, we implement a proprietary operating system and security framework to ensure compliance with safety regulations and data protection. The diagnostic system monitors power stages, verifies sensor plausibility, checks communication integrity and detects faults to safeguard system performance. We have optimized online model estimation for accurate and timely fault prediction and developed redundant drive and control strategies to maintain power output under fault conditions, reducing warranty risk for OEMs and minimizing downtime for end users. Leveraging these capabilities, our motor controller certified at Automotive Safety Integrity Level C ("ASIL C") entered mass production in 2023. In addition, our motor controllers are designed to be capable of achieving functional safety levels of up to Automotive Safety Integrity Level D ("ASIL D"), the highest level under automotive functional safety standards, as certified by independent third-party institutions.

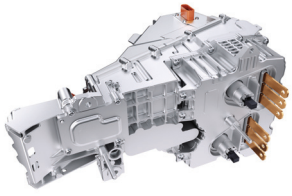
Built on our self-developed power modules, we offer both single motor controllers and dual motor controllers to address different OEM program requirements. Single motor controllers are designed to control a single traction motor that operates as an independent electromagnetic actuator within the powertrain and are primarily applied in BEVs with front- or rear-axle drive configurations. In such architectures, the controller regulates motor torque and speed based on driver demand through a self-contained control loop, as propulsion is solely provided by the electric

motor and system coupling is limited. Dual motor controllers, by contrast, integrate the control of two traction motors within a unified control framework and are typically adopted in HEVs and PHEVs, where the motors are mechanically and/or energetically coupled with each other and with the internal combustion engine. As a result, the controller must coordinate torque allocation, energy flow and operating states across multiple electric machines and engine interactions, rather than controlling each motor independently. In addition, dual motor systems operate under more demanding and variable working conditions, including frequent mode switching, wider operating envelopes and more intensive load dynamics. This system-level control requirement leads to higher functional integration and increased complexity in hardware architecture, control algorithms, software validation and overall system design compared with single motor controllers.

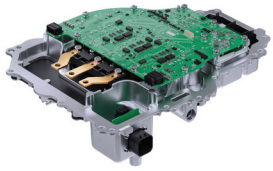
Our third-generation dual motor controller for A-class and above PHEVs achieves a peak output of 2 × 160 kVA within a compact 5.2-liter package, delivering a power density of 61.5 kVA/L, and focuses on compact integration and system-level coordination to meet the packaging and performance requirements of hybrid platforms. Our dual motor controller for A-class and above HEVs adopts an EMC design meeting Class 5 requirements and reserves Boost step-up functionality. Its functional safety complies with ASIL C requirements, making it well-suited for the stringent performance and safety standards of modern hybrid vehicle applications. Our second-generation single motor controller for A0-class and above BEVs achieves a peak power output of 100 kVA within an ultracompact 2.2-liter package, resulting in a power density of 45.5 kVA/L, and supports tighter vehicle packaging constraints while providing stable drive performance for next-generation pure electric passenger vehicles.



Dual Motor Controller for PHEV



Dual Motor Controller for HEV



Single Motor Controller for BEV

Building on our experience in automotive-grade motor controllers, we have extended the application of our motor control technologies beyond the automotive sector to emerging areas including eVTOL. eVTOL applications impose stringent requirements on power-to-weight ratio, control precision, reliability and fault tolerance, which align closely with the core capabilities developed through our automotive programs. By adapting hardware design and control software to meet the specific operating conditions and certification requirements of eVTOL platforms, we have enabled our motor controller solutions to support non-automotive electric propulsion systems, broadening the application scope of our technology. As of the Latest Practicable Date, in collaboration with Vertaxi, an innovative air taxi startup, our customized eVTOL drive systems had successfully passed aircraft component tests.

PEBB

Our PEBB portfolio forms the core of our platform-based electric control solutions. Before the introduction of PEBB, industry electric control solutions were delivered either in the form of standalone power modules that require significant in-house integration capabilities, or that of fully integrated motor controllers that allowed only limited customization. To achieve a balance between standardization and customization, we were among the first companies to introduce the PEBB solution and to achieve its large-scale commercialization, shaping what has since become a defining technological and commercial pathway in the industry, according to Frost & Sullivan.

The essence of PEBB lies in a flexible "power building block" architecture that allows OEMs to rapidly configure, scale and repurpose solutions. In particular, PEBB may function either as a subset of motor controller components or as an independent solution, depending on the system architecture and customer needs. In particular:

- In its basic form, a PEBB integrates a power module with DC-link capacitors, thermal management and current sensing components. The power module performs the core energy-conversion function, while the supporting components ensure electrical stability, heat dissipation and operational monitoring, enabling the PEBB to serve as a standardized, vehicle-ready power stage within a motor controller architecture.

- When configured with drive and control boards, a PEBB integrates switching execution, local control, protection and system interfacing functions on top of its power-conversion capability. Under such configuration, the PEBB may operate as an independent power-conversion subsystem interfacing directly with vehicle- or domain-level controllers.

- Where an OEM vehicle architecture supports direct PEBB integration with a higher degree of drive-control separation, a PEBB may substitute a conventional motor controller at the system level, with control intelligence centralized at the vehicle or domain controller and the PEBB serving as the standardized execution layer for power conversion and actuation.

The PEBB architecture enables the control unit, including the MCU and algorithm layer, to be independently designed by OEMs. This aligns with the NEV industry's shift toward drive-control separation, reducing thermal and electromagnetic interference while providing greater flexibility in software upgrades, computational scaling and cross-platform reuse. In parallel, the same PEBB architecture is also adopted in our motor controller solutions, allowing the motor controller's power conversion section to be standardized as a reusable PEBB unit. This decouples power hardware design from control software and vehicle-specific interfaces, reducing redesign effort across platforms while enhancing thermal, electrical and reliability performance at the system level. Such standardized architecture can also be applied in other vehicle power-related domains beyond the main traction drive.

We have extended our PEBB architecture from high-power main drive applications to lower-power vehicle controllers, and further to domain controllers that integrate multiple electric control units to support the industry shift toward domain-centralized architectures. On this basis, we are leveraging our capabilities in automotive-grade electric control technologies to extend our PEBB platform into emerging physical AI sectors such as embodied intelligence. In collaboration with AgiBot, a humanoid robotics company, we developed an integrated robot joint PEBB and joint module solution, which entered mass production in May 2026. As of the Latest Practicable Date, we had secured orders from AgiBot for over 20,000 units for delivery during the remainder of 2026. Our solution delivers high-power density, highly reliable controller hardware combined with advanced motion control algorithms, enabling optimized posture control and robust safety protection for robotic joints, empowering customers to enhance the performance and security of their robotic products.

As of the Latest Practicable Date we have built a portfolio of 66 patents for PEBB-related technologies, covering structural compactness, thermal management, coreless current sensor design and multi-layered efficiency enhancement technologies. The following table sets out the material PEBB-related patents we held as of the same date:

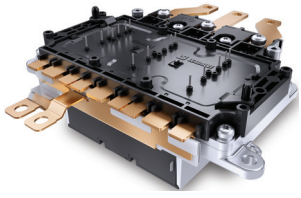
Patent Name (Type)	Type of Patent (Patent No.)	Validity Period	Technology Focus
An integrated dual-channel control power module component and integrated unit .	Utility model (2024222605922)	From September 14, 2024, valid for 10 years	Compact structural design

Patent Name (Type)	Type of Patent (Patent No.)	Validity Period	Technology Focus
An integrated packaging structure and application module for liquid cooling and power density	Utility model (202320959376X)	From April 25, 2023, valid for 10 years	Thermal management
A coreless current sensor, power module and motor controller	Utility model (2023216947167)	From June 30, 2023, valid for 10 years	Coreless current sensor design
A method, device and system for reducing pulse-width modulation sampling errors	Invention (2021104078931)	From April 15, 2021, valid for 20 years	Multi-layered efficiency enhancement technology

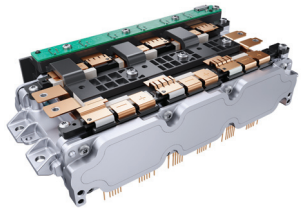
Main-Drive PEBB

In main drive systems, PEBB builds on power modules to integrate cooling channels, DC link capacitors, current sensors and copper busbars with flexible configurations of gate drive boards and control boards — forming a configurable unit that can be readily integrated into system-level solutions for vehicle platforms. Harnessing all the advantages of our power modules and benefiting from a compact structure, assembly-friendly hardware design and coreless current sensors, our PEBB delivers high power density, high integration and broad power coverage. Through our optimized structural design, the main-drive PEBB for dual motor controllers achieves a compact volume of only 1.7 liters, representing a size reduction of approximately 30% compared with conventional market solutions, according to Frost & Sullivan. These attributes streamline the system-level assembly process, while simplifying vehicle design with reduced wiring harness and connection points to maximize vehicle space utilization.

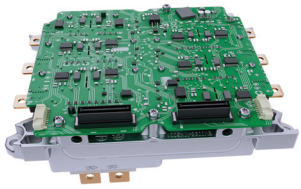
We offer a range of main-drive PEBB configurations tailored to different vehicle platforms. For example, the single-sided low thermal resistance PEBB adopts a compact structure optimized for space-constrained A-class and above BEV applications. The double sided liquid cooled PEBB features enhanced thermal management to support the more demanding operating conditions of A-class and above PHEVs. The distributed drive PEBB adopts a modular and distributed architecture, enabling higher power scalability and flexibility across both hybrid and BEV drive systems.



Single-sided Low Thermal Resistance PEBB



Double-sided Liquid-cooled PEBB



Distributed Drive PEBB

Auxiliary PEBB

Beyond main drive systems, we apply the same PEBB design principles to a range of lower-power automotive subsystems. By applying packaging and thermal integration techniques developed for our high-power PEBB, our auxiliary PEBB supports a consistent platform architecture across multiple subsystems, while enhancing power density, thermal performance and ease of installation. As of the Latest Practicable Date, our motor controllers integrating clutch PEBB had entered mass production, with other auxiliary PEBB completing early development and steadily progressing towards mass production.

Domain Controller

A domain controller in an NEV refers to a centralized electric control unit responsible for managing and coordinating communication between various subsystems within the vehicle. In line with the industry trend towards integrated power domain and chassis domain architectures, we have developed the domain controller that consolidates the control functions of multiple electric control units, including the main drive motor controller and clutch controller. This level of functional concentration reduces the number of independent control units within the vehicle, shortens signal transmission paths and enables coordinated control among related subsystems, resulting in more responsive system behavior, reduced wiring complexity and improved overall system efficiency. Depending on customer requirements, our domain controllers can be paired with self-designed PEBB incorporating power modules to form a fully integrated hardware and software control platform, enhancing electrical and thermal matching and supporting more centralized vehicle architectures.

For OEMs, the domain controller delivers tangible benefits: space and weight savings that support vehicle design freedom, streamlined system architecture that accelerates development cycles, and reduced material and assembly costs that enhance overall competitiveness. With their modular and standardized design, they not only simplify integration but serve as a building block within future domain control architectures, positioning us at the forefront of the integration trend that is reshaping NEV design worldwide.

OUR TECHNOLOGIES

Our fundamental proprietary technologies represent the backbone of our business and serve as the enabling layer for power modules, PEBB and motor controllers.

Power Module Technologies

Underlying Technologies. Our power modules are built on a series of underlying material and process innovations that enhance thermal performance, electrical efficiency and long-term reliability. These innovations improve heat dissipation, raise temperature tolerance and reduce energy loss, allowing the power modules to be smaller, more powerful and more durable under demanding automotive conditions. Our power modules can operate continuously and stably at junction temperatures (the temperature at the semiconductor's PN junction region) of up to 200°C, which is above the typical industry level of 175°C, according to Frost & Sullivan. They also maintain rated performance under overload conditions such as stall events without derating, while also delivering high durability under repeated power-cycling stress. Our OreoPACK modules can operate within a temperature range of 65°C to 185°C and achieve over 440,000 power cycles at the second level, far exceeding the industry average of 50,000 to 60,000 cycles, according to Frost & Sullivan.

- ***Large-area Copper Sintering Technology***. Large-area copper sintering is a bonding technology that firmly attaches the chip to the substrate in a power module, allowing heat to escape more efficiently than traditional soldering. The stronger, more stable bond improves heat dissipation, reduces wear from repeated temperature changes and helps the module perform reliably under high loads common in NEV applications. This enables smaller and more compact module designs with higher current capability and longer service life, even under frequent thermal stress and overload conditions.

  Large-area copper sintering can be used to interconnect both chips and Active Metal Brazed ("**AMB**") substrates. We have pioneered the industry's largest copper sintering process for AMB substrates and cooling channels, achieving a connection area exceeding 60 x 80 mm^2. This breakthrough required optimization of materials, processes and equipment, setting a high technical standard for large-area copper sintering technology.

- ***Double-sided Cooling***. Conventional single-sided cooling relies on a single heat dissipation path, which constrains thermal efficiency and can result in uneven temperature distribution across the power modules. By contrast, a double-sided cooling configuration removes heat directly from both top and bottom surfaces of the device and shortens the heat dissipation path, enabling more uniform heat flow, lower thermal resistance and improved thermal stability during continuous and high-load operation.

  This enhanced heat dissipation capability allows devices to operate at higher continuous current levels without derating and provides a wider thermal safety margin under demanding NEV duty cycles. By more effectively controlling peak junction temperatures, double-sided cooling supports longer device lifespan, improved operating efficiency and higher power density at the module level. In addition, the reduced cooling requirements enable a more compact thermal stack and simpler mechanical integration, making double-sided cooling an important enabler of reliable high-power modules.

  Our double-sided cooling modules deliver these benefits without the grinding process typically required by other manufacturers. Through precise soldering control, we maintain product flatness and thickness within strict tolerances (less than 100 μm), significantly lowering manufacturing costs. Furthermore, we are the only company in the industry to achieve large-scale mass production of double-sided modules using this approach, according to Frost & Sullivan. During the Track Record Period, our power module exceeded 98.5%, significantly outperforming industry averages of approximately 92-95%, according to Frost & Sullivan.

Assembly-friendly and Highly-integrated Design. Our power modules adopt a highly integrated, assembly-friendly design that incorporates current sensing, on-die temperature sensing and structural support for the driver board directly within the module, in addition to the switching devices and power substrate. Such architecture design achieves a high level of functional integration. For example, our double-sided liquid cooled, plastic-sealed OreoPACK is just one ninth the size of a standard HPD module, while our latest SlimPACK II is only half the size of a standard HPD module, according to Frost & Sullivan.

This level of functional integration not only shortens the assembly flow for PEBB and motor controllers but also lowers material and labor costs associated with conventional multi-component layouts. The reduced number of interfaces improves electrical and thermal consistency, enhances vibration robustness and contributes to higher overall system reliability. The compact, self-contained architecture also increases installation flexibility in a vehicle's systems, enabling tighter packaging, more efficient thermal pathways and streamlined production for high-volume automotive applications.

Motor Controller and Main-Drive PEBB Technologies

Through our advanced underlying technical architecture, we achieved high power density and strong control performance in our PEBB, while also enhancing the performance of the corresponding motor controllers.

Compact Structure and Advanced Thermal Management. Our main-drive PEBB incorporates a four-channel parallel cooling scheme, enabling direct double-sided liquid cooling for both the power module and the DC link capacitor. This reduces heat buildup along key current paths, lowers peak device temperatures and supports higher continuous current operation under traction-level loading. The symmetrical cooling design improves heat distribution and enables smaller chip sizes and reduced capacitor requirements, supporting higher power density and a more compact overall design. In addition, replacing traditional bolted joints with laser-welded power interconnects reduces electrical losses and improves resistance to vibration.

Coreless Current Sensor Design. A distinctive feature of our main-drive PEBB and motor controller is our proprietary coreless current sensor technology. Without a traditional magnetic core, the technology significantly reduces sensor size, improves response speed and enables a narrower PEBB design, supporting tighter drivetrain integration and enhancing the overall sensing performance and reliability of the electric control system. Implementing a coreless sensing architecture requires precise mechanical design and tailored control algorithms to maintain accuracy and stability under vibration, temperature changes and varying load conditions. Supported by our in-house power module and embedded control capabilities, we became the first electric control system manufacturer globally to achieve mass production of a coreless current sensing solution, according to Frost & Sullivan.

Efficiency Enhancement Technologies. Through a combination of technical solutions, our main-drive PEBB delivers high system efficiency at the same cost level. At the hardware level, innovative packaging of power devices reduces conduction and light-load switching losses. At the software level, our multivariable-optimized Maximum Torque Per Loss ("MTPL") control strategy reduces energy consumption under standard test conditions. At the system level, designs, such as variable drive resistance and, in select solutions, an advanced three-level topology, enable more efficient power conversion and smoother energy flow. Together, these deliver an improvement of more than 1% in CLTC efficiency, thereby extending real-world driving range and energy savings.

Domain Controller Technologies

High Integration Through Multi-function Co-board Design. Our domain controller adopts a highly integrated co-board architecture that consolidates the main-drive motor controller with multiple vehicle subsystems, including clutch controllers, power supply units such as OBC and DC-DC, oil pump controllers, suspension controllers and AC compressor. This co-board layout reduces the number of control chips and wiring harnesses required at vehicle level, simplifies electrical interfaces and lowers overall system cost. The unified hardware platform also ensures consistent thermal and electrical performance across subsystems which improves packaging efficiency and facilitates cross-platform standardization for OEMs.

Multi-Domain Integrated Software Framework. The domain controller operates on a software architecture that supports the seamless integration of multiple control domains on a single hardware platform. The framework enables high-speed data exchange between subsystems and coordinates torque control, energy management and body functions at the system level. This integrated design enhances vehicle-level efficiency, improves ride comfort through more precise cross-domain interaction and strengthens functional safety by reducing latency and inconsistencies between originally separate controllers. The unified software stack also provides a scalable foundation for future algorithm upgrades and OEM customization.

RESEARCH AND DEVELOPMENT

R&D is at the core of our long-term growth strategy. We have adopted a platform-based R&D approach with a shared technology foundation, supported by proprietary digital tools, standardized workflows, internal knowledge management systems, a proprietary PEDA toolchain and an integrated testing and validation platform.

Our R&D activities are carried out across three locations with clearly defined responsibilities. Our Shanghai R&D center serves as the core hub for innovation, driving the adoption of advanced technologies across our solution portfolio. Our Hangzhou R&D center concentrates on advanced software development, including control algorithms and system software for motor controllers and integrated solutions. In addition, we have established an R&D center in Aachen, Germany which supports our R&D activities for localized solution development. Together, these R&D centers support the continual advancement and scalable deployment of our technologies across different products and application scenarios. During the Track Record Period, our research and development expenses amounted to RMB126.5 million, RMB205.7 million, RMB205.8 million, RMB81.7 million and RMB95.1 million, respectively. As of the Latest Practicable Date, we had not entered into any material R&D collaborations with third parties.

R&D Team

Our R&D team consists of dedicated talent with profound industry expertise, focusing on developing and commercializing our solutions, which help maintain our technological advantages and market competitiveness. As of May 31, 2026, our R&D team comprised 373 experienced professionals with strong academic backgrounds and substantial domestic or overseas experience with reputable technology companies. As of the same date, our team averaged more than six years of industry experience and more than 46.9% held a master's degree or higher. Leveraging this talent base, our R&D team brings deep expertise in power modules and electric control systems, with capabilities spanning module design, packaging and testing as well as electric control, motor and vehicle integration.

R&D Process

Our product development process follows a structured and industry-standard approach for electric control systems, comprising four core phases: (i) ***project kickoff and conceptual design***, during which we define product positioning and objectives through market research, assess technical feasibility and cost, select system architecture and key technologies, address critical technical challenges through preliminary research and prototyping, conduct initial FMEA and prepare a preliminary bill of materials; (ii) ***sample development and validation***, where initial concepts are converted into engineering data, validated through analysis, cross-functional reviews and laboratory testing at the A-sample stage, followed by off-tooling sample production and verification of functionality, performance, reliability, durability, safety and regulatory compliance; (iii) ***trial production***, involving small-batch manufacturing under near-mass-production conditions to validate production processes, equipment and supply chain stability, finalize tooling and work instructions and train operators; and (iv) ***mass production launch and ramp-up***, in which production capacity is progressively increased to meet market demand while closely monitoring early market feedback and quality data to support continuous product improvement.

Proprietary PEDA Toolchain

We have independently developed a suite of PEDA toolchains for a wide range of application scenarios. Our proprietary PEDA tools feature high computational accuracy, significantly faster processing speeds compared with commercial software, and user-friendly data post-processing capabilities. This allows us to define optimal engineering design thresholds that avoid both over-design that leads to cost inflation and under-design that undermines solution reliability, striking a dynamic balance between cost-efficiency and solution reliability. It also helps materially shorten development cycles and reduce R&D costs to support stronger customer program execution capability and rapid business expansion, while transforming accumulated technical know-how into code to drive knowledge standardization and enhance knowledge transfer efficiency across our team.

Among our proprietary PEDA toolchain, FreqScreen is a frequency-domain electromagnetic compatibility modeling tool that assesses EMC performance at the design stage and supports filter optimization for power modules, PEBB and motor controllers, enabling earlier identification of EMC risks and reducing downstream development issues. ScanTool provides system-level analysis of efficiency, thermal performance and dynamic behavior across representative operating conditions of power modules, PEBB and motor controllers, allowing early decisions on topology, power rating and cooling strategy without detailed physical prototypes. EMTool optimizes power module electrical layout and thermal models by capturing parasitic effects such as inductance and resistance, improving electrothermal simulation accuracy. The automated double-pulse testing platform delivers consistent, high-quality switching and thermal data of power modules under controlled conditions, replacing manual testing to improve accuracy and shorten development cycles. The automated DC-link capacitor design tool accelerates iteration by calculating parasitic inductance and current sharing that are difficult to estimate manually, improving reliability of PEBB and motor controllers by reducing electrical stress in high-power operation. The software

automation validation platform integrates model-in-the-loop (MIL), signal hardware-in-the-loop (S-HIL) and power hardware-in-the-loop (P-HIL) methodologies to enable extensive control software testing without full physical systems, reducing risk and accelerating time to market for PEBB, motor controllers and integrated power systems.

Testing and Validation Platform

Complementing our proprietary PEDA toolchain, we operate a one-stop testing and validation platform that, accredited by the China National Accreditation Service for Conformity Assessment ("CNAS"), integrates conceptual design, virtual simulation and physical validation. The platform applies to a full spectrum of power drive products and solutions, from power chips, power modules, PEBB and motor controllers through to full powertrain systems, enabling early design validation, reduced reliance on physical samples and faster transition from prototype to mass production.

We have established advanced reliability and module characterization capabilities to assess the lifespan and stability of power modules and electric control systems under extreme operating conditions. Through simulations of high and low temperatures, thermal shock and power cycling at both packaging and chip levels, we are able to identify risks such as material aging, solder joint failure and chip corrosion. Our testing procedures comply with international standards and include CNAS-accredited AQG324 reliability tests. We also maintain thermal and electrical performance testing capabilities to support product development and supplier evaluation.

Product Design and Validation Standard System for Global Application Scenarios

We have established a rigorous product design and validation standards system to ensure reliable performance across diverse global operating environments. Drawing on extensive overseas deployments and insights into varying climates and usage conditions, we apply enhanced testing standards tailored to regional requirements and actively participate in the formulation of national and industry standards.

SALES AND MARKETING

During the Track Record Period, we primarily sold our products and solutions to customers located in China, with certain vehicle models ultimately sold by such customers to overseas markets. We also directly cooperated with overseas Tier-1 suppliers during the Track Record Period. The following table sets forth our revenue breakdown by geographic region based on the location of the customer (instead of the ultimate destination that our products would have reached) for the years/periods indicated:

	Year ended December 31,						Five months ended May 31,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)						*(unaudited)*			
Chinese Mainland	148,485	92.9	1,145,922	98.9	1,897,511	94.9	528,510	95.8	888,125	92.9
Other countries/regions[(1)]	11,351	7.1	13,030	1.1	102,703	5.1	23,083	4.2	67,913	7.1
Total	**159,836**	**100.0**	**1,158,952**	**100.0**	**2,000,214**	**100.0**	**551,593**	**100.0**	**956,038**	**100.0**

Note:

(1) Primarily including the European Union and India.

In line with market practice, we primarily collaborate with OEM customers who assemble and install automotive parts during the construction of a new vehicle, and Tier-1 suppliers who supply components, modules or systems directly to OEMs. In our engagement with OEMs, we typically enter into framework agreements under which the OEM designates specific Tier-1 suppliers to work directly with us. Together with these Tier-1 suppliers, we co-develop customized solutions that address the OEM's specific technical and program requirements. This collaboration model enables us to gain an in-depth understanding of our OEM customers' needs and to foster long-term trusting relationships. The salient terms of our framework agreements with OEMs are generally in line with those with Customer D, except that we may offer a one-year warranty period for our products sold to certain OEM customers and provide technical support during the relevant period. See "— Our Customers."

Alternatively, we provide our solutions to Tier-1 suppliers who integrate our products into their system level offerings for onward provision to OEM customers. Through direct collaboration with these independent Tier-1 suppliers, we are able to extend the reach of our solutions to a broader base of OEMs and support the continued expansion of our global footprint.

Our agreements with Tier-1 suppliers generally become effective upon execution by both parties and remain in force until terminated by either party upon prior written notice. We deliver products directly to locations designated by our customers. Prices are typically fixed, with payment terms negotiated on an agreement-by-agreement basis. In the event of serial defects, we accept returns of defective products and reimburse customers for related external and internal costs. We generally provide a three-year warranty for our products sold to Tier-1 suppliers, subject to extension under specific conditions set out in the agreements. All information exchanged between the parties is subject to confidentiality obligations. The agreements may be terminated by the non-defaulting party in the event of a breach, or automatically upon completion of the agreed deliverables.

The following table sets forth our revenue breakdown by type of customers for the years/periods indicated:

	Year ended December 31,						Five months ended May 31,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)									
OEM	96,136	60.2	1,030,205	88.9	1,728,369	86.4	474,414	86.0	788,612	82.5
Tier-1 suppliers	59,831	37.4	128,521	11.1	271,532	13.6	76,631	13.9	166,887	17.5
Other Customers[(1)]	3,869	2.4	226	0.0	313	0.0	548	0.1	539	0.1
Total	**159,836**	**100.0**	**1,158,952**	**100.0**	**2,000,214**	**100.0**	**551,593**	**100.0**	**956,038**	**100.0**

Note:

(1) Mainly including customers in the eVTOL and embodied intelligence sectors, universities and research institutes as well as Tier-2 and Tier-3 automotive parts suppliers.

Marketing and After-Sales Services

Our solutions are primarily sold in Chinese Mainland and Europe. Our marketing strategy focuses on strengthening our market position and expanding brand influence through targeted outreach and active industry engagement. We promote our solutions and technology capabilities through technical forums, collaborative initiatives and targeted engagement with different customer segments and regions, supported by coordinated sales and technical activities. We provide after-sales services covering technical support, on-site troubleshooting and lifecycle management,

with dedicated engineering teams working closely with OEM customers to monitor product performance and address technical issues. Leveraging our CNAS-certified testing and validation platforms, we provide rapid analysis, corrective measures and ongoing software, algorithm and calibration support to ensure long-term product reliability and customer collaboration.

Pricing

We adopt a market-oriented pricing framework that integrates multiple factors in determining quotations for our solutions, including cost of solutions, technological requirements, prevailing market benchmarks, industry competition, scale of customer demand, competitor pricing and the strategic value of long-term partnerships. We may adjust our pricing policy from time to time to ensure alignment with technological advancements, evolving customer preferences and changes in the competitive landscape.

OUR PRODUCTION

Production Bases

As of May 31, 2026, we operated four production bases in China, located in Liuzhou, Wuhu, Jiaxing and Chongqing. Our production bases provide manufacturing capabilities for power modules, PEBB and motor controllers, supporting the stable and scalable supply of our core offerings while enhancing production efficiency and quality control.

The following table sets forth the key information of our production bases as of May 31, 2026:

Production Base	Commencement Date	Main Products	No. of Production Lines	Gross Floor Area
				(sq.m.)
Liuzhou	May 2020	Motor controller and PEBB	4	11,426
Wuhu	November 2024	Motor controller	2	13,890
Jiaxing	March 2024	Motor controller, power module and PEBB	4	55,470
Chongqing	July 2025	Motor controller and PEBB	1	9,600

Based on the architecture of our products, PEBB and motor controllers can share a same production line, while power modules require a separate production line due to differences in process and technical requirements. The following table sets forth the designed production capacity, actual production volume and utilization rate of our production bases by business line for the years/periods indicated:

	Year ended December 31,									Five months ended May 31,		
	2023			2024			2025			2026		
	Designed production capacity[1]	Actual production volume[2]	Utilization rate[3]	Designed production capacity[1]	Actual production volume[2]	Utilization rate[3]	Designed production capacity[1]	Actual production volume[2]	Utilization rate[3]	Designed production capacity[1]	Actual production volume[2]	Utilization rate[3]
	(production unit in thousand units/pieces/packs; utilization rate in percent)											
Motor controller[4]	113	42	37.3	494	374	75.7	959	631	65.8	455	297	65.3
Power module[5]	–	–	–	171	69	40.3	264	195	73.9	104	93	89.5

	Year ended December 31,									Five months ended May 31,		
	2023			2024			2025			2026		
	Designed production capacity[1]	Actual production volume[2]	Utilization rate[3]	Designed production capacity[1]	Actual production volume[2]	Utilization rate[3]	Designed production capacity[1]	Actual production volume[2]	Utilization rate[3]	Designed production capacity[1]	Actual production volume[2]	Utilization rate[3]
	(production unit in thousand units/pieces/packs; utilization rate in percent)											
PEBB[6]	–	–	–	62	54	87.3	595	561	94.2	480	314	65.4
Total	**113**	**42**	**37.3**	**727**	**497**	**68.3**	**1,818**	**1,386**	**76.3**	**1,038**	**704**	**67.8**

Notes:

(1) The designed production capacity for the year/period is calculated based on the following assumptions: (i) all production lines operate at full theoretical capacity; (ii) the annual operating days of our production facilities are calculated as calendar days per month minus four days and statutory holidays, resulting in 307 days for each year, and 101 days for the five months ended May 31, 2026; see notes (5) and (6) below; (iii) each facility operates approximately 21 hours per day, taking into account downtime for shift changes and product model adjustments, with overall equipment effectiveness estimated at 75%-80%. This approach is in line with market practice, according to Frost & Sullivan.

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

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

(4) We were still in the ramp-up period for the production of our motor controller in 2023. Our motor controller production line experienced an increase of designed production capacity and actual production volume in 2024, primarily driven by the increased sales volume and corresponding production requirements in line with our business growth. The utilization rate decreased in 2025, primarily because the Wuhu production base underwent a production ramp-up phase after its completion in November 2024.

(5) We established in-house production capacity for power modules in June 2024, prior to which we primarily relied on third-party manufacturers for power module production. Accordingly, the data for 2024 reflects only the initial seven months of our own operations, and no capacity data is available for 2023. Our power modules produced in-house are both sold to customers as independent solutions and utilized in-house for integration into PEBB and motor controllers. Utilization increased steadily in 2025 as production ramped up in line with customer demand. In 2025, we relocated the module production line, resulting in a one-month shutdown. Accordingly, the designed production capacity for 2025 reflects 11 months of effective capacity.

(6) We established in-house production capacity for PEBB in October 2024, prior to which we primarily relied on third-party manufacturers for PEBB production. Accordingly, the data for 2024 reflects only the initial three months of our own operations, and no capacity data is available for 2023. The utilization rate continued to increase from 2024 to 2025, primarily due to the rising customer demand for our PEBB solution. The utilization rate decreased in the five months ended May 31, 2026, primarily due to the seasonality of our sales pattern. See "— Seasonality."

We are also evaluating and exploring the development of overseas production capacity to support our business expansion. Subject to overall market and industry conditions, we plan to establish a production plant in Malaysia, with the first phase comprising a power module production line with an expected investment of no more than RMB300 million. If implemented, the plant is expected to support product production for our overseas projects, enhance our localized delivery capabilities and responsiveness to customer demand, and strengthen our service capabilities in overseas markets.

We generally formulate production schedules based on market demand, inventory levels and facility utilization. We have established internal production and operational policies to ensure compliance with applicable industry standards, conduct regular inspections and maintenance of production facilities, and maintain a stringent reporting and record-keeping system for equipment accidents and malfunctions. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material disruptions to our production activities.

Cooperation with Third-Party Manufacturers

We also partnered with a selection of reliable third-party manufacturers to assist with the production of power modules and PCBA. Our third-party manufacturers primarily comprise professional power module packaging contractors and PCBA manufacturers. To the best of our knowledge, all third-party manufacturers we engaged during the Track Record Period were Independent Third Parties.

For power modules, we generally cooperate with manufacturers who are equipped with customized packaging solutions and dedicated production lines that meet our design and capacity requirements, including automotive-grade power module packaging lines for both transfer-molded and encapsulated modules. For PCBA that form a component of our products, we engage professional manufacturers that provide surface-mount technology ("SMT") services, which represent the core manufacturing process for PCBA. As advised by Frost & Sullivan, both SMT and power module packaging are mature processes in the electric power industry with a sufficient number of qualified manufacturers in the market. In line with industry norm, and particularly as a prudent measure during our early stage of development, we engage selected third-party manufacturers for these processes to achieve stable production output at predictable cost. This arrangement allows us to concentrate internal resources on key and higher-value production processes, benefit from the established cost structures and scale efficiencies of specialized manufacturers, and retain flexibility in adjusting production volumes in response to fluctuations in customer demand, particularly in light of the seasonality in our industry. To preserve high product quality, we operate a stringent supplier management system covering supplier qualification, periodic audits and incoming inspections to ensure product consistency and compliance. We work with carefully selected and qualified suppliers with whom we have established long-term technical alignment, rather than on an exclusive basis or with reliance on any single supplier. During the cooperation, we define process specifications and provide detailed technical guidance, while third-party manufacturers carry out production strictly in accordance with our quality and specification requirements.

During the Track Record Period, we outsourced a majority of our power module packaging and PCBA production to third-party manufacturers. Meanwhile, we have been progressively expanding our in-house power module packaging and SMT production lines at our Jiaxing facility during 2024 and 2025 to supplement internal capacity for these processes. Taking into account (i) the availability of a sufficient number of qualified third-party manufacturers in the market with mature production capabilities, (ii) our active role in supplier selection and oversight in production processes and (iii) our ongoing efforts to gradually build up in-house production capacity to supplement external supply, we do not consider ourselves to be materially dependent on any single third-party manufacturer.

Our typical agreements with third-party manufacturers set out that suppliers are required to assemble and process products strictly in accordance with our specifications using components and technical documentation provided by us. The processing fees and settlement terms are governed by the pricing agreements attached to the relevant purchase contracts. The agreements further require suppliers to ensure timely delivery and maintain appropriate quality management systems in compliance with agreed quality metrics, and provide that we may reject, return or request rework of any non-conforming products. The agreements contain representations that suppliers' services and deliverables do not infringe any third-party intellectual property rights and specify that, in the event of infringement, suppliers are required to indemnify us and take remedial actions within an agreed time frame. The agreements also provide that both parties must keep all non-public business and technical information confidential and may not disclose such information without prior written consent. In addition, the agreements set out our right to terminate with prior notice in the event of a breach or a deterioration in the supplier's financial condition.

Production Process

Our production processes can be categorized into (i) power module packaging and testing and (ii) motor controller/PEBB assembly and testing. Our production process involves production equipment such as laser welding equipment, selective welding equipment, tightening equipment, fully automated vertical storage aging equipment and offline testing equipment. We start all production processes by conducting thorough incoming quality control ("IQC") on components to ensure only qualified components are used in our production.

For power module packaging and testing, we begin by soldering the power chip to the ceramic substrate, followed by wire bonding. Next, we perform copper substrate soldering and side frame assembly. Each module undergoes testing prior to final packaging inspection to ensure consistent performance and reliability. For motor controller and PEBB assembly and testing, the process includes power module assembly, laser welding, PCBA installation, selective soldering and final assembly. Each unit is calibrated and subjected to age testing to guarantee long-term stability, followed by thorough functional testing and packaging inspection before shipment.

OUR SUPPLY CHAIN MANAGEMENT

Our Procurement

We primarily procure electronic materials, power chips, structural parts and non-production-related components to support our operations from suppliers in China. In 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, our material cost in cost of sales amounted to RMB135.7 million, RMB976.9 million, RMB1,642.9 million, RMB449.0 million and RMB773.0 million, respectively.

To ensure stable supply, we have established a standardized procurement process that includes supplier selection, contract negotiation, order execution, quality control and payment settlement. We evaluate suppliers based on their background, technical capabilities, relevant qualifications and certifications, quality performance, cost competitiveness, production capacity and delivery efficiency. To mitigate potential fluctuations of component prices, we maintain multiple qualified suppliers for key components, enter into long-term supply agreements where appropriate, and regularly assess supplier performance to avoid over-reliance on any single supplier. In addition, we closely monitor inventory levels and adjust stock quantities in response to market conditions to manage potential risks arising from price fluctuations and supply disruptions. During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with our suppliers, nor did we experience any significant fluctuation in prices, material breaches of contract, shortages or delays in delivery, or quality or delivery issues with our components that materially affected our operations.

Our typical agreement with major suppliers specifies the product name, quantity, price and other relevant details, pursuant to which suppliers were required to deliver products to our designated locations together with all necessary documentation. The agreement also contains pricing and settlement terms which include applicable taxes, transportation and related fees. Payments are generally made in a lump sum or by instalments in accordance with the agreed schedule, and suppliers bear all transportation costs and risks prior to delivery and acceptance. Component prices are negotiated based on purchase volume, the nature of the goods and services, comparable market prices and suppliers' relevant costs.

Under the agreements, suppliers are required to ensure that all products delivered are new, unused and compliant with the applicable technical standards and quality requirements. We reserve the right to reject or request replacement of any non-conforming products. Our agreements will also specify the warranty periods which typically commence from the date of final acceptance. We may return or request replacement of products in the event of quality issues or discrepancies in specifications or quantity, with suppliers required to respond promptly and bear all associated costs.

Our agreements are generally entered into on an order-by-order basis and take effect upon execution by both parties, terminating upon full performance of their respective rights and obligations. We may terminate an agreement in the event of supplier default, material breach or force majeure, without prejudice to our right to pursue remedies for losses incurred. Either party may also terminate the agreement early by prior written notice, effective upon receipt. Suppliers are required to keep all confidential information strictly confidential and may not disclose such information without our prior written consent.

Warehouses and Logistics

As of the Latest Practicable Date, we operated self-owned warehouses located within our production bases in Liuzhou, Wuhu, Jiaxing and Chongqing. Our warehouses are managed in accordance with industry standards, with climate-controlled facilities to accommodate the specific storage requirements of various components. We also implement protocols for area-specific accountability, real-time monitoring of critical zones and regular inventory audits. We conduct safety training, facility inspections and risk assessments to ensure operational safety and efficiency. For inbound logistics, suppliers are responsible for delivery to our factories and bear the risk during transit, with specific packaging and handling requirements for certain materials. For outbound logistics, we engage reputable third-party service providers selected for their expertise in secure and timely delivery. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disruption or loss due to late delivery or mishandling by our logistics service providers.

Inventory Management

Our inventories primarily comprise raw materials, work in progress, goods dispatched, finished goods and contract fulfillment costs. As of December 31, 2023, 2024, 2025 and May 31, 2026, our inventories were RMB191.0 million, RMB470.5 million, RMB562.2 million and RMB727.5 million, respectively. In 2023, 2024, 2025 and the five months ended May 31, 2026, our inventory turnover days were 317 days, 116 days, 109 days and 120 days, respectively. We maintain optimal stock levels through dynamic adjustment based on production requirements, market conditions and regular sales forecasts. To mitigate supply risks, we routinely review inventory aging reports to address potential obsolescence. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material shortages, obsolescence or losses due to inventory damage, loss or theft, nor any material claims arising from such events.

OUR CUSTOMERS

Our customers primarily include automotive OEMs and Tier-1 suppliers. Revenue from our five largest customers in each year/period during the Track Record Period amounted to RMB137.5 million, RMB1,066.9 million, RMB1,871.4 million and RMB878.7 million for 2023, 2024, 2025 and the five months ended May 31, 2026, respectively, accounting for 86.1%, 92.0%, 93.5% and 91.9% of our total revenue for the respective year/period. Revenue from our largest customer in each year/period during the Track Record Period amounted to RMB47.9 million, RMB422.3 million, RMB1,142.8 million and RMB477.8 million for 2023, 2024, 2025 and the five months ended May 31, 2026 respectively, accounting for 30.0%, 36.4%, 57.1% and 50.0% of our total revenue for the respective year/period. For salient terms with our major customers, see "— Sales and Marketing."

The following tables set forth the information of our five largest customers in each year/period during the Track Record Period:

Year ended December 31, 2023

Rank	Customer	Background	Products sold	Revenue (RMB'000)	% of our total revenue	Year of commencement of business relationship with us	Credit terms and payment method
1	Customer A	A company incorporated in Guangxi China, whose products cover commercial vehicles and passenger vehicles, as well as automotive engines for micro and small vehicles.	Motor controllers, PEBB	47,879	30.0%	2023	Wire transfer/bill of exchange within 90 days since invoice date
2	Customer B	A company incorporated in Jiangsu, China, specializing in powertrain systems for HEV.	Motor controllers, PEBB	41,972	26.3%	2022	Wire transfer/bill of exchange within 90 days since invoice date
3	Customer C	A company incorporated in Guangxi, China, whose main products include automotive engines and castings.	Motor controllers, PEBB	21,515	13.5%	2019	Wire transfer/bill of exchange within 90 days since invoice date
4	Customer D	A company incorporated in Anhui, China, focusing on R&D, manufacturing and sales of passenger vehicles.	Motor controllers, PEBB	17,127	10.7%	2022	Wire transfer/bill of exchange within 90 days since invoice date
5	Customer E	A company incorporated in Germany, providing solutions for electric motors and powertrain systems.	Motor controllers	9,008	5.6%	2019	Wire transfer/bill of exchange within 90 days since invoice date
			Total	**137,501**	**86.1%**		

Year ended December 31, 2024

Rank	Customer	Background	Products sold	Revenue (RMB'000)	% of our total revenue	Year of commencement of business relationship with us	Credit terms and payment method
1	Customer D	See above.	Motor controllers, PEBB	422,309	36.4%	2022	Wire transfer/bill of exchange within 90 days since invoice date
2	Customer A	See above.	Motor controllers, PEBB	293,485	25.3%	2023	Wire transfer/bill of exchange within 90 days since invoice date
3	Customer F	A company incorporated in Chongqing, China, engaging in the R&D, manufacturing, sales and services related to NEV and key components.	Motor controllers, PEBB, power modules	159,811	13.8%	2023	Wire transfer/bill of exchange within 90 days since invoice date
4	Customer C	See above.	Motor controllers, PEBB	116,618	10.1%	2019	Wire transfer/bill of exchange within 90 days since invoice date

Rank	Customer	Background	Products sold	Revenue (RMB'000)	% of our total revenue	Year of commencement of business relationship with us	Credit terms and payment method
5	Customer B	See above.	Motor controllers, PEBB	74,712	6.4%	2022	Wire transfer/bill of exchange within 90 days since invoice date
			Total	**1,066,935**	**92.0%**		

Year ended December 31, 2025

Rank	Customer	Background	Products sold	Revenue (RMB'000)	% of our total revenue	Year of commencement of business relationship with us	Credit terms and payment method
1	Customer D	See above.	Motor controllers, PEBB	1,142,774	57.1%	2022	Wire transfer/bill of exchange within 90 days since invoice date
2	Customer F	See above.	Motor controllers, PEBB, power modules	268,171	13.4%	2023	Wire transfer/bill of exchange within 90 days since invoice date
3	Customer G	A company located in Chongqing, China, specializing in the R&D, manufacturing and sales of automotive power systems.	PEBB	170,159	8.5%	2023	Wire transfer/bill of exchange within 90 days since invoice date
4	Customer A	See above.	Motor controllers, PEBB	148,636	7.4%	2023	Wire transfer/bill of exchange within 90 days since invoice date
5	Customer H	A company located in Guangxi, China, specializing in powertrain system for NEV.	Motor controllers, PEBB	141,681	7.1%	2022	Wire transfer/bill of exchange within 90 days since invoice date
			Total	**1,871,421**	**93.5%**		

Five months ended May 31, 2026

Rank	Customer	Background	Products sold	Revenue (RMB'000)	% of our total revenue	Year of commencement of business relationship with us	Credit terms and payment method
1.	Customer D	See above.	Motor controllers, PEBB	477,795	50.0%	2022	Wire transfer/bill of exchange within 90 days since invoice date
2.	Customer G	See above.	PEBB	127,276	13.3%	2023	Wire transfer/bill of exchange within 90 days since invoice date

Rank	Customer	Background	Products sold	Revenue (RMB'000)	% of our total revenue	Year of commencement of business relationship with us	Credit terms and payment method
3. . .	Customer F	See above.	Motor controllers, PEBB, power modules	93,929	9.8%	2023	Wire transfer/bill of exchange within 90 days since invoice date
4. . .	Customer I	A global company with its headquarter in Germany, specializing in the manufacturing of automotive components.	Motor controllers	93,262	9.8%	2021	Wire transfer within 90 days since invoice date
5. . .	Customer A	See above.	Motor controllers, PEBB	86,431	9.0%	2023	Wire transfer/bill of exchange within 90 days since invoice date
			Total	**878,693**	**91.9%**		

Customer D is a domestic OEM incorporated in Anhui province and was one of our five largest customers in each year/period during the Track Record Period. As advised by Frost & Sullivan, Customer D was among China's top five NEV manufacturers by sales volume in 2025 and has been the leading passenger vehicle exporter in China by export volume for 23 consecutive years since 2003.

Our cooperation with Customer D commenced in 2022. Leveraging our technical capabilities and proven product performance, we were able to secure cooperation opportunities by offering technologically differentiated solutions together with commercially competitive pricing. We obtained our first design win from Customer D in 2022 and, as of May 31, 2026, our collaboration had expanded to cover 32 vehicle models. As a result of the expansion and deepening of our technical and commercial cooperation, revenue generated from Customer D increased during the Track Record Period. In 2023, 2024, 2025 and the five months ended May 31, 2026, revenue from Customer D amounted to RMB17.1 million, RMB422.3 million, RMB1,142.8 million and RMB477.8 million, respectively, representing 10.7%, 36.4%, 57.1% and 50.0% of our total revenue for the respective year/period. Our cooperation with Customer D, a benchmark customer in the industry, lends us valuable benefits including product validation, strengthened technical credentials, stable order volume, increased exposure to export-oriented vehicle platforms and enhanced market recognition, which we believe would support our long-term business expansion and customer acquisition in both domestic and overseas markets. See "Path to Profitability — Overview."

Our framework agreement with Customer D has an initial term of three years and is automatically renewed for successive one-year terms unless replaced by a new agreement with substantively altered terms, and either party may terminate the agreement by giving three months' prior written notice. Products are generally delivered to locations designated by the customer, with risks transferred upon product acceptance by the customer. Prices are determined through bona fide negotiations on a project-by-project basis, and payments are to be made within the agreed period following acceptance or actual utilization of the products. We are responsible for quality assurance during delivery and subsequent use, and undertake to ensure compliance with agreed quality specifications. Where defects are attributable to us, we will repair or replace the affected products and bear the associated costs. All information exchanged between the parties is subject to confidentiality obligations. The agreement may be terminated by the non-defaulting party upon the occurrence of a breach as specified therein.

As advised by Frost & Sullivan, automotive OEMs typically form stable, long-term relationships with suppliers of critical electric control systems, due to (i) highly rigorous supplier selection and validation requirements for safety-critical and performance-determining components, (ii) significant engineering investment in co-development and platform integration and (iii) high industry entry barriers for new suppliers. Once an electric control solution is designed into a vehicle platform following extensive design verification, integration testing and durability validation, it generally remains installed throughout the model lifecycle, which typically spans five to eight years. As these processes require substantial cost, time and engineering resources, OEMs tend to limit the number of qualified electric control suppliers per platform and allocate increasing volumes to proven partners, thereby concentrating procurement volumes.

Against this industry backdrop, and given our platform-based business model and strategic focus on collaborating with leading OEMs, our revenue contribution from Customer D during the Track Record Period was relatively concentrated, which is in line with industry norm, as advised by Frost & Sullivan. The concentration level primarily reflects (i) the rapid scale-up of Customer D's NEV business, particularly in overseas markets, (ii) the number of vehicle models for which our solutions have been utilized in the design and (iii) the lifecycle-based nature of electric control supply commitments rather than short-term transactional relationships. Considering (i) the long-term design-in lifecycle of electric control solutions, (ii) our proven delivery and performance track record with Customer D across multiple vehicle programs, (iii) the ongoing expansion of awarded vehicle model coverage and (iv) the continued development pipeline under collaboration, our Directors are of the view that the likelihood of any material adverse change or termination of our business relationship with Customer D in the foreseeable future is low.

At the same time, we are actively diversifying both our solution portfolio and customer base to mitigate potential customer concentration risk. In particular, we intend to:

(i) *deepen cooperation with existing customers to broaden awarded program coverage.* Given the high technical barriers and long validation cycles in the NEV industry, supplier qualification typically leads to long-term cooperation across multiple vehicle platforms and product generations. As of May 31, 2026, we had secured 59 design wins with 15 OEMs, either directly or indirectly through their Tier-1 suppliers. Our established diverse customer base reflects the level of trust we have built through repeated collaboration, technical validation and proven delivery performance. As these OEM customers continue to roll out new vehicle models and platforms, our established relationships place us favorably to be considered for additional programs and to secure further design wins beyond existing projects. Meanwhile, supported by our modular product architecture, our products can be efficiently adapted and reused across different vehicle models and platforms, which allows us to leverage prior development efforts and accumulated customer experience to scale deployment efficiently, reduce marginal customer acquisition costs and accelerate incremental growth;

(ii) *develop new customer relationships domestically and overseas.* Alongside our consistent effort of domestic expansion, we execute an international-oriented development strategy by participating in global OEM platforms and supporting Chinese OEMs' overseas expansion. As of May 31, 2026, we had established cooperation with four overseas Tier-1 suppliers and four domestic OEMs with vehicles sold abroad. Our overseas execution is supported by localized after-sales teams and strategic partnerships with leading international Tier-1 suppliers to broaden global reach. See "— Path to Profitability — Expanding Customer Base — Strengthening Overseas Market Presence;" and

(iii) *extend our electric control solutions into broader OEM vehicle platforms and emerging non-automotive applications.* We are broadening PEBB deployment across vehicle power and chassis domains, including clutch controllers, OBC and DC-DC power supply units and auxiliary systems. Our PEBB solutions are expected to materially expand our

solution breadth given that its standardized and scalable nature enables reuse across systems and platforms. Further, our PEBB architecture and platform-based design capabilities enable us to rapidly migrate technologies across our product portfolio, including both PEBB and motor controllers, and deploy them across a broader range of passenger and commercial vehicle applications with accelerated time to market. See "— Path to Profitability — Capitalizing on market expansion and solution penetration to drive organic growth." In addition to traditional automotive applications, we are actively expanding our solutions into emerging physical AI application areas, including embodied intelligence and eVTOL, which we believe represent structurally attractive markets with long-term growth potential. Leveraging our technological expertise from the automotive industry, the customized eVTOL drive systems we co-developed with Vertaxi had successfully passed relevant aircraft component tests, and the integrated robot joint PEBB and joint module solution we co-developed with AgiBot had entered mass production in May 2026. As of the Latest Practicable Date, we had secured orders from AgiBot for over 20,000 units for delivery during the remainder of 2026. We believe that such early-stage commercialization and customer adoption in emerging application areas enable us to leverage our platform-based and scalable capabilities, diversify our revenue sources beyond the automotive sector and cultivate new growth engines to support our sustainable business development and long-term profitability. See "— Path to Profitability — Diversifying Solutions and Applications."

Our Directors confirm that the five largest customers in each year/period during the Track Record Period were all Independent Third Parties and that none of our Directors, their respective close associates or any Shareholder (who, to the knowledge of our Directors, owned more than 5% of our share capital as of the Latest Practicable Date) had any interest, directly or indirectly in any of our five largest customers in each year/period during the Track Record Period.

OUR SUPPLIERS

Our suppliers primarily consist of component providers. Purchases from our five largest suppliers in each year/period during the Track Record Period amounted to RMB165.2 million, RMB796.3 million, RMB912.2 million and RMB483.3 million, respectively, accounting for 66.2%, 59.2%, 52.4% and 52.7% of our total purchases for the respective year/period. Purchases from our largest supplier in each year/period during the Track Record Period amounted to RMB95.4 million, RMB297.4 million, RMB309.4 million and RMB153.4 million, respectively, accounting for 38.2%, 22.1%, 17.8% and 16.7% of our total purchases for the respective year/period. For risks relating to our major suppliers, see "Risk Factors — Risks Relating to Our Business and Industry — We may face supply chain risks as a result of our reliance on a limited number of component suppliers." The following tables set forth the information of our five largest suppliers in each year/period during the Track Record Period:

Year ended December 31, 2023

Rank	Supplier	Background	Products/services purchased	Purchase amount (RMB'000)	% of our total purchase amounts	Year of commencement of business relationship with us	Credit terms and payment method
1 . .	Supplier A	A company incorporated in Shanghai, China, specializing in the NEV and energy storage industries.	Power chip	95,396	38.2%	2021	Wire transfer within 30 days since invoice date

Rank	Supplier	Background	Products/services purchased	Purchase amount (RMB'000)	% of our total purchase amounts	Year of commencement of business relationship with us	Credit terms and payment method
2 . .	Supplier B	A company incorporated in Jiangsu, China, focusing on the R&D, production and sales of power chips, discrete devices, modules and power supply units.	Module packaging service	31,765	12.7%	2018	Wire transfer within 60-90 days since invoice date
3 . .	Supplier C	A company incorporated in Zhejiang, China, specializing in wafer foundry, and packaging and testing services in fields such as Micro-Electro-Mechanical Systems and power devices.	Chip and chip development service	16,666	6.7%	2022	Wire transfer within 30 days since invoice date
4 . .	Supplier D	A company incorporated in Fujian, China, specializing in the R&D and manufacturing of thin-film capacitors.	Capacitor	11,676	4.7%	2021	Wire transfer within 30 days since invoice date
5 . .	Supplier E	A company incorporated in Beijing, China, specializing in IGBT modules, power capacitors and motors.	Power chip	9,651	3.9%	2017	Wire transfer within 30 days since invoice date
			Total	**165,154**	**66.2%**		

Year ended December 31, 2024

Rank	Supplier	Background	Products/services purchased	Purchase amount (RMB'000)	% of our total purchase amounts	Year of commencement of business relationship with us	Credit terms and payment method
1 . .	Supplier A	See above.	Power chip	297,372	22.1%	2021	Wire transfer within 60-90 days since invoice date
2 . .	Supplier B	See above.	Module packaging service	185,430	13.8%	2018	Wire transfer/bill of exchange within 60-90 days since invoice date
3. . .	Supplier C	See above.	Chip and chip development service	172,721	12.8%	2022	Wire transfer within 30-60 days since invoice date
4 . .	Supplier D	See above.	Capacitor	91,010	6.8%	2021	Wire transfer/bill of exchange within 30-60 days since invoice date
5 . .	Supplier F	A company incorporated in Shanghai, China, providing professional distribution services for electronic components.	Electronic materials	49,801	3.7%	2019	Wire transfer/bill of exchange within 60-90 days since invoice date
			Total	**796,334**	**59.2%**		

Year ended December 31, 2025

Rank	Supplier	Background	Products/services purchased	Purchase amount (RMB'000)	% of our total purchase amounts	Year of commencement of business relationship with us	Credit terms and payment method
1 . .	Supplier E	See above.	Power chip	309,434	17.8%	2017	Wire transfer within 60 days since invoice date
2 . .	Supplier B	See above.	Module packaging service	264,823	15.2%	2018	Wire transfer/bill of exchange within 60-90 days since invoice date
3 . .	Supplier D	See above.	Capacitor	164,407	9.4%	2021	Bill of exchange within 60-90 days since invoice date
4 . .	Supplier C	See above.	Chip and chip development service	107,593	6.2%	2022	Wire transfer within 30-60 days since invoice date
5 . .	Supplier F	See above.	Electronic materials	65,930	3.8%	2019	Wire transfer/bill of exchange within 60-90 days since invoice date
			Total	**912,187**	**52.4%**		

Five months ended May 31, 2026

Rank	Supplier	Background	Products/services purchased	Purchase amount (RMB'000)	% of our total purchase amounts	Year of commencement of business relationship with us	Credit terms and payment method
1. . .	Supplier E	See above.	Power chip	153,376	16.7%	2017	Wire transfer within 60 days since invoice date
2. . .	Supplier B	See above.	Module packaging service	123,848	13.5%	2018	Wire transfer/bill of exchange within 60-90 days since invoice date
3. . .	Supplier D	See above.	Capacitor	87,219	9.5%	2021	Bill of exchange within 60-90 days since invoice date
4. . .	Supplier C	See above.	Chip and chip development service	61,365	6.7%	2022	Wire transfer within 30-60 days since invoice date
5. . .	Supplier F	See above.	Electronic materials	57,465	6.3%	2019	Wire transfer/bill of exchange within 60-90 days since invoice date
			Total	**483,273**	**52.7%**		

Our Directors confirm that the five largest suppliers in each year/period during the Track Record Period were all Independent Third Parties and that none of our Directors, their respective close associates or any Shareholder (who, to the knowledge of our Directors, owned more than 5% of our share capital as of the Latest Practicable Date) had any interest, directly or indirectly in any of our five largest suppliers in each year/period during the Track Record Period.

OVERLAPPING CUSTOMERS AND SUPPLIERS

Customer D, one of our five largest customers in 2023, 2024, 2025 and the five months ended May 31, 2026, was also our supplier in 2025. In each year/period during the Track Record Period (i) our sales to Customer D, primarily including our motor controllers and PEBB, amounted to RMB17.1 million, RMB422.3 million, RMB1,142.8 million and RMB477.8 million in 2023, 2024, 2025 and the five months ended May 31, 2026, respectively, accounting for 10.7%, 36.4%, 57.1% and 50.0% of our total revenue for the respective year/period; and (ii) our purchases of Customer D's products, primarily including motor controller for production line testing, was nil, nil, RMB1.0 million and nil in 2023, 2024, 2025 and the five months ended May 31, 2026, accounting for nil, nil, 0.0% and nil of our total purchase amounts for the respective year/period.

Customer H, one of our five largest customers in 2025, was also our supplier in 2023 and 2024. In each year/period during the Track Record Period, (i) our sales to Customer H, primarily including our motor controller and PEBB, amounted to RMB0.8 million, RMB40.0 million, RMB141.7 million and RMB57.1 million in 2023, 2024, 2025 and the five months ended May 31, 2026, respectively, accounting for 0.5%, 3.5%, 7.1% and 6.0% of our total revenue for the respective year/period; and (ii) our purchases of Customer H's products, primarily including motor subcomponents, amounted to RMB41.5 thousand, RMB72.0 thousand, nil and nil in 2023, 2024, 2025 and the five months ended May 31, 2026, respectively, accounting for 0.0%, 0.0%, nil and nil of our total purchase amounts for the respective year/period.

Our sales and purchases with these supplier-customers were not inter-conditional with each other. All of our sales to and purchases from these supplier-customers were conducted in the ordinary course of business under normal commercial terms and on an arm's-length basis. The general terms with these supplier-customers were comparable to those with other suppliers and customers. There was no instance of set-off trade receivables from these supplier-customers with trade payables to the company during the Track Record Period, or vice versa. Save as disclosed above, to the best of our knowledge, none of our five largest customers/suppliers in each year/period during the Track Record Period was a supplier/customer of us.

QUALITY CONTROL

Our digitalized and traceable quality management system covers the entire product lifecycle from initial customer requirement analysis to after-sales support and continual optimization. We set and regularly update internal quality standards on prevailing industry norms.

- ***R&D***. Leveraging multiple management platforms, we enable early quality control across power modules, mechanical, electronic, basic software and application software domains, with our R&D team involved across the product lifecycle to ensure design and improvement data are fully traceable and controlled. Based on our Advanced Product Quality Planning ("**APQP**") framework, we incorporate front-load review checkpoints and structured quality gates to ensure functional safety, reliability and manufacturability at source.

- ***Supply chain***. For core components including power chips, DC film capacitors and die-cast parts, we closely monitor IQC, process issue collaboration, testing and validation and after-sales quality traceability. We work closely with our strategic

suppliers through joint quality planning and process audits, monitoring components' key performance indicators, process validation, production yield and issue resolution on a real-time basis to ensure stable quality from the outset.

- ***Intelligent manufacturing***. We have established an integrated smart manufacturing quality control system covering production planning, execution, inventory management and automated inspections, with non-destructive testing such as machine vision, laser measurement and ultrasonic scanning applied at key workstations. Prior to shipment, products undergo high-temperature aging and strict inspections. According to Frost & Sullivan, we were the first domestic supplier in the industry to adopt a large-scale high-temperature automated vertical storage aging system for motor controller and PEBB solutions.

- ***Testing and validation***. We operate CNAS-certified testing and validation centers with testing capability from power chips and power modules to complete drive systems, which enables us to conduct validation under extreme application conditions, such as high humidity, high temperature and intensive thermal cycling.

- ***After-sales service and continual improvement***. We maintain an efficient closed-loop process for failure analysis and corrective action. We station local customer quality managers and field application engineers in key markets to deliver technical services, such as on-site installation, rapid troubleshooting and regular maintenance, with cross-department meetings held on a regular basis to channel market feedback for quality improvements.

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

INFORMATION TECHNOLOGY

Through integrating various digital management systems, we create a closed loop of quality data that connects suppliers, customers, decision-making and on-site execution, ensuring high delivery standard and operational efficiency. Our Enterprise Resource Planning system centralizes enterprise-wide data across finance, procurement, inventory and production to support resource planning and cost control. The Manufacturing Execution System manages production scheduling, execution and process data collection on the shop floor, serving as the primary source of manufacturing and process quality data. The Warehouse Management System supports logistics and inventory management and coordinates with quality controls to ensure accurate material handling and status tracking. The Quality Management System functions as the central quality data and decision platform, aggregating quality information across production, logistics and after-sales processes to enable closed-loop quality management. Together, these systems form a closed-loop operational and quality framework supporting efficient execution and stable delivery performance.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any information technology system failure or downtime that had a material adverse effect on our business operations.

INTELLECTUAL PROPERTY

We believe that our intellectual property rights are critical to our continued success. To protect our intellectual property ("IP") rights, we have developed and maintained a robust patent portfolio to secure our core technologies, with a management team overseeing the identification and ongoing protection of our IP rights. We have also implemented confidentiality agreements with employees

and business partners to safeguard sensitive business information and trade secrets, with ongoing improvements on protection measures concerning our technological innovations. As of May 31, 2026, we held 309 patents globally, including 136 invention patents, 157 utility model patents and 12 design patents in the PRC, and four patents overseas. We also held 38 copyrights, 30 registered trademarks, one domain name in the PRC and two registered trademarks overseas as of May 31, 2026. For details, see "Appendix VI — Statutory and General Information — Further Information about Our Business — B. Intellectual Property Rights." See "Risk Factors — Risks Relating to Our Business and Industry — We may not be able to adequately establish, maintain and protect our intellectual properties and proprietary rights, or may inadvertently infringe third parties' propriety rights, which could harm our business and competitive position and subject us to litigations."

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any infringement or allegations of infringement by third parties that may have material adverse effects on our business operations.

SEASONALITY

We experience seasonal fluctuations in demand for our solutions, which directly affect our sales performance and operating results. According to Frost & Sullivan, OEMs generally schedule new vehicle launches and deliveries toward the end of the year, which leads to progressively increased demand for our solutions in the last quarter of each year. Consequently, our sales volume and related revenue typically experience a gradual increase during the last quarter of each year. We closely monitor these seasonal trends and adjust our production schedule and marketing strategies to optimize our operational efficiency and better serve our customers throughout the year. See "Risk Factor — Risks Relating to Our Industry and Business — Seasonal fluctuations in the automotive industry may cause variations in our revenue and operating results."

COMPETITION

We operate in a rapidly expanding electric control market driven by NEV growth, with the global market increasing from RMB383.1 billion in 2020 to RMB469.9 billion in 2025 and expected to continue rising to RMB608.4 billion by 2030, according to Frost & Sullivan. The NEV electric control market in China is highly fragmented, with competition centered on system integration, power device and control algorithm technologies, and reliability verification. Leveraging our design capabilities, core electric control technologies, manufacturing strength and alignment with key industry trends, we achieved rapid growth during the Track Record Period. According to Frost & Sullivan, by sales revenue in 2025, we ranked sixth in China for motor controllers, first for main-drive PEBB and seventh for power modules. With ongoing technological advances, a broad solutions portfolio and close customer collaboration, we strive to further strengthen our market presence and capture emerging opportunities. See "Industry Overview."

PATH TO PROFITABILITY

Overview

We operate in a dynamic and structurally expanding market, where demand for electric control systems grows in tandem with the rapid adoption of NEVs and the ongoing evolution of electric drive architectures toward higher integration. As a core subsystem of the electric drive system, electric controls are essential for power conversion, motor control and overall vehicle performance, making them a fundamental component of the NEV value chain.

We have successfully captured this opportunity by aligning our capabilities with the industry's trajectory. Following the launch of our motor controller in 2020 and PEBB in 2021, we obtained several key vehicle programs for passenger vehicles in 2022 and 2023, and have since achieved rapid commercialization and scaled mass production. By leveraging forward design expertise, solid foundational technology in electric controls, robust manufacturing and a proactive focus on key

industry trends, we have built a strong customer base, secured broad adoption across vehicle models and achieved rapid business growth throughout the Track Record Period. As of May 31, 2026, we had secured 59 design wins with 15 OEMs, either directly or through Tier-1 suppliers. As of the same date, our solutions had been adopted in 92 vehicle models, of which 74 had entered mass production.

Our secured design wins cover a number of leading and well-established OEMs with significant market presence in the domestic and international NEV markets, including major domestic and global automotive groups in terms of sales volume, product portfolio breadth and overseas market exposure. For example:

- Our cooperation with Customer D, one of China's top five NEV manufacturers by sales volume and the leading passenger vehicle exporter in China by export volume for 23 consecutive years since 2003, according to Frost & Sullivan, commenced in 2022. See "— Our Customers." During the Track Record Period, we had obtained 13 design wins from Customer D, covering 27 vehicle models. As of May 31, 2026, 12 of the 13 design wins we had secured from Customer D, covering 24 vehicle models, had entered mass production, with the remaining design win, covering three vehicle models, expected to progressively enter mass production in 2026.

- Our cooperation with Customer G, a domestic state-owned OEM ranked third in domestic NEV sales in 2025 according to Frost & Sullivan, commenced in 2023. Customer G maintains a comprehensive vehicle portfolio spanning from entry-level to premium segments, supported by broad and scalable electrification platforms covering a wide range of power classes, voltage architectures and semiconductor technologies. During the Track Record Period, we had obtained six design wins from Customer G, covering a total of 18 vehicle models. As of May 31, 2026, 13 of these models were already in mass production and were undergoing continuous model updates, while the remaining five models were expected to progressively enter mass production in 2026, including models under its premium EV brand.

- Our cooperation with Volkswagen, the world's second largest automotive group by sales volume according to Frost & Sullivan, commenced in 2024 through its designated Tier-1 supplier. As of May 31, 2026, we had secured two design wins from the Tier-1 supplier of Volkswagen. One design win covers four popular domestic vehicle models, which had entered mass production as of the Latest Practicable Date. Another design win relates to an overseas hybrid vehicle model, which is expected to enter mass production in 2027. Given the global deployment scale of the overseas vehicle model, the design win is expected to bring significant long-term revenue potential for our overseas business while also validating our technical capabilities under stringent global OEM supplier qualification and quality standards.

- We expect to commence joint R&D cooperation with a globally leading automotive group ranked fifth worldwide by sales volume, according to Frost & Sullivan. As of May 31, 2026, we had entered into joint development agreements with this customer in respect of motor controller and PEBB for one of its vehicle platforms. The joint R&D program has entered the B-sample validation stage, at which the technical roadmap has obtained preliminary customer validation, the electronic control system architecture, core components and power topology have been largely defined, and development focus has shifted from functional development to engineering validation and vehicle-level integration. The R&D project is expected to be completed in 2027, with mass production scheduled to commence in 2028, covering five vehicle brands and 11 vehicle models. This cooperation further demonstrates the competitiveness of our technology and our ability to participate in global vehicle development programs.

In summary, as of May 31, 2026, we had directly or indirectly entered the supply chains of three of the world's top five automotive OEM groups by global sales volume, including Volkswagen as well as two other globally leading automotive groups ranked among the top five, according to Frost & Sullivan. We believe that design wins with OEMs of this nature will strengthen the quality of our customer portfolio, enhance our revenue visibility and sustainability and support our long-term objective of improving profitability as production scale continues to expand.

Meanwhile, our revenue increased significantly from RMB159.8 million in 2023 to RMB1,159.0 million in 2024, which further increased by 72.6% to RMB2,000.2 million in 2025. We also achieved continuous improvement in our gross margin, from a gross loss margin of 8.3% in 2023 to a gross profit margin of 1.3% in 2024, which further increased to 5.6% in 2025.

Analysis of Historical Losses

Notwithstanding the foregoing, we remain at an early stage of scaling our business. As we work to establish a strong foothold within the industry value chain, we have strategically prioritized establishing long-term competitiveness rather than pursuing short-term profitability. Given the high entry barriers in this industry, we made substantial early-stage R&D investments that enabled us to build a solid foundation of core technologies. Such extensive R&D effort is what underpins our current rapid growth, and is expected to reduce our marginal and incremental R&D effort over time by allowing new products to be developed on a shared technology foundation. In parallel, we have worked to build a resilient supply chain ecosystem with reputable suppliers to mitigate quality risks, enhance product reliability and support customer validation and qualification. We have also selectively prioritized collaboration with leading OEMs at our early stages of development, as participation in their supply chains not only strengthens our industry recognition but also secures a position in such ecosystems characterized by a long supplier qualification process and high supplier switching costs — making early entry critical for sustained growth.

In line with such strategy, we incurred higher upfront costs relating primarily to procurement and R&D activities and depreciation expenses of our production equipment. These investments have been essential to satisfying rigorous technical validation and qualification processes and to establishing our technology credibility and brand recognition with OEMs and Tier-1 suppliers. During the Track Record Period, our cost of sales primarily comprised material costs, which amounted to RMB135.7 million, RMB976.9 million, RMB1,642.9 million, RMB449.0 million and RMB773.0 million in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively, representing 78.4%, 85.4%, 87.1%, 82.2% and 88.9% of our total cost of sales for the respective year/period. We incurred substantial research and development expenses during the Track Record Period, which amounted to RMB126.5 million, RMB205.7 million, RMB205.8 million, RMB81.7 million and RMB95.1 million in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively. To support our production ramp-up in line with growing customer demand, we made substantial upfront investments in production equipment to expand our manufacturing capacity, which resulted in depreciation of property, plant and equipment amounting to RMB21.4 million, RMB41.0 million, RMB72.4 million, RMB25.4 million and RMB38.1 million in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively.

Path to Profitability

Despite temporary losses, we have remained focused on expanding our revenue base, improving cost efficiency and strengthening operating leverage. Building on the upfront investments we made in R&D, product engineering and customer validation at the early stage of our development, we have begun to realize the benefits of scale and commercialization.

Our progress toward economies of scale and profitability is evidenced by the rapid growth in our revenue, the continued improvement in gross margins and the increasing efficiency of our operating expenses as our business expands. As our products transition from development and validation into mass production, fixed costs are absorbed over a broader revenue base, and incremental revenue contributes more directly to operating results.

Our measures towards our path to profitability mainly include the following:

Capitalizing on Market Expansion and Solution Penetration to Drive Organic Growth

The global NEV market is experiencing rapid growth as vehicle electrification accelerates, driving structurally increasing demand for electric control solutions. As NEV penetration rises and vehicle architectures evolve toward higher levels of integration, OEMs require increasingly sophisticated, scalable and cost-efficient electric control solutions, directly expanding the addressable market for our solutions. According to Frost & Sullivan, global NEV sales increased from 3.3 million units in 2020 to 17.1 million units in 2024, representing a CAGR of 50.7%, while the penetration rate of NEV passenger vehicles rose from 4.1% to 23.0% over the same period. Looking ahead, the NEV market is projected to reach 42.3 million units by 2030, representing a CAGR of 16.4% from 2024 to 2030, with both HEVs and BEVs expected to maintain strong growth momentum. This sustained market expansion has provided a broad and rapidly growing demand base for electric control solutions.

In addition, according to Frost & Sullivan, the market penetration rate of PEBB is expected to increase significantly from 5.7% in 2024 to 39.7% in 2030, outpacing the overall growth of the electric control market and unlocking substantial incremental demand. We believe the expected increase in the market penetration of PEBB is driven by its technological advantages and improving cost efficiency, supporting broader adoption across OEM vehicle platforms.

Technologically, PEBB standardizes the most complex and capital-intensive power conversion functions into reusable modules, enabling a modular approach to electric powertrain design. As vehicle platforms evolve toward faster iteration cycles and increasingly adopt multi-in-one architectures, traditional approaches — either relying on fully integrated motor controllers or undertaking end-to-end in-house development based on procured power modules and other components — have become less efficient. PEBB addresses this limitation by separating the power conversion layer from higher-level control and system integration, allowing OEMs to retain flexibility in system design and software differentiation without repeated investment in the development of power conversion layer. Its standardized and reusable architecture supports deployment across multiple vehicle models and platform generations, improving development efficiency and supply chain flexibility. For suppliers such as us, this modular design enhances scalability and cost control through greater standardization.

PEBB further brings OEMs cost advantages benefiting from its scalable and modular design that brings about system-level efficiencies. Its standardized modules can be deployed across multiple platforms, reducing per-unit costs. In addition, higher integration reduces interfaces and simplifies system architecture, lowering assembly complexity and delivering efficiencies in development and validation. As powertrain technologies continue to evolve toward higher voltage, greater power density and deeper system integration, PEBB's scalable and modular design is better positioned to capture these trends, supporting its increasing penetration over the medium to long term.

As one of the first companies to commercialize and scale PEBB solutions, as advised by Frost & Sullivan, we expect to benefit from this transition. Capitalizing on this trend, we achieved rapid scaling of our electric control solutions during the Track Record Period, which in turn supported a significant improvement in our market ranking, as reflected by the substantial increase in sales volume of our solutions during the Track Record Period.

Against this backdrop, we expect to capture growing market demand and outperform our peers through a combination of differentiated product architecture, proven performance, unique customer acquisition advantages and strong customer-facing execution capabilities.

Product architecture, design platform and vertical integration capabilities. Leveraging proprietary technologies in power electronics control, we adopt a PEBB-based architecture supported by a platform-based design and vertically integrated development. This approach accelerates solution development and shortens the overall R&D and validation cycle of customer vehicle programs. At the foundational level, our full in-house ownership of power module technology enables key design trade-offs to be addressed early. Packaging, electrical layout and thermal performance are optimized at the source, ensuring bottom-up alignment with PEBB architecture and motor controller requirements and minimizing rework during system integration. At the PEBB level, taking the main-drive PEBB as an example, our self-developed packaging enables a common PEBB form factor to be deployed across multiple customers and similar applications without changes to the mechanical envelope. Power scalability is achieved through flexible configuration of chip count and capacitor architecture, while maintaining high component commonality across product variants. This reduces tooling changes, limits validation scope and avoids application-specific redesign. Our common software platform can be shared among multiple projects, allowing individual projects to reduce repeated engineering effort and focus primarily on parameter tuning and validation rather than repeated feature development. Further, building on such PEBB architecture and mature drive and control board configurations, our motor controller development is further streamlined, enabling faster system integration and closer alignment with customer vehicle development schedules. As a result, our solution development programs with customers typically achieve development timelines over 30% shorter than the industry average, according to Frost & Sullivan.

Differentiated technological approach. Our technological differentiation in PEBB solutions is based on a two-layer engineering approach. At the power module level, we achieve substantive improvements in power density by expanding the reliable operating boundary, rather than through incremental optimization within an existing operating window. For example, our OreoPACK power module, which serves as one of the core building block in our PEBB solutions, adopts double-sided cooling, copper sintering and molded packaging to enhance heat dissipation, interconnection reliability and long-term structural stability, thereby supporting stable operation under higher temperatures, higher electrical stress and frequent load fluctuations, and enabling higher effective power throughput and switching frequencies without reliance on downstream system oversizing. At the system integration level, we realize compact, vehicle-ready PEBB solutions through coordinated design from the outset rather than through component stacking or physical enlargement. Power module configuration, electrical layout, current sensing and thermal management are co-designed to optimize electrical performance, thermal behavior and packaging efficiency in a holistic manner, mitigating integration-related risks through architecture-level design measures. As a result, our differentiated technological approach enable us to efficiently translate module-level reliability and power capability into dense, vehicle-deployable PEBB solutions, while maintaining disciplined safety and reliability standards, without reliance on conservative derating or oversized hardware margins.

Product performance. Underpinned by the above differentiated innovation approach against conventional solutions, our products demonstrate performance that is consistently and significantly above industry averages across key technical metrics, establishing a clear technological differentiation versus mainstream solutions. For example, our single-motor PEBB delivers peak power of 320 kW, compared with an industry average of approximately 280 kW, according to Frost & Sullivan. It supports three-level topologies within the same physical size, without requiring an enlarged product envelope as is typically the case for comparable industry solutions, and delivers a power density of 220 kW/L, compared with an industry average of below 200 kW/L, according to the same source. Collectively, these metrics allow our solutions to deliver stronger acceleration and torque response during high-load events, operate at lower operating temperatures under the same driving conditions and accommodate higher power output without increasing system size,

making it easier for OEMs to integrate the product into space-constrained vehicle platforms. In addition, our product is qualified to AQG324 reliability standards, designed to meet ASIL-D functional safety requirements and complies with Class 5 electromagnetic compatibility standards, operating safely and reliably over long service cycles in harsh automotive environments, including complex in-vehicle electromagnetic environments. Together, these differentiated performance attributes materially enhance the commercial attractiveness of our electric control solutions by reducing OEM integration constraints and enabling deployment across a wider range of vehicle platforms without incremental system redesign, which well positions us to convert technical differentiation into repeat design wins, broader program coverage and scalable revenue expansion.

Customer-proximate and globalized presence strategy. Our production network located across major automotive value-chain clusters in China allows us to obtain direct market feedback and respond efficiently to customer requirements. Manufacturing in close proximity to domestic customers enables timely fulfillment of localized supply needs, flexible production scheduling in response to demand changes and long-term supply stability. Supported by the product performance advantages described above, our overseas market expansion strategy has also achieved early traction and provided practical experience and an initial market foundation for serving a broad base of global customers. In 2025, we were the largest independent third-party supplier of motor controllers in China on exported vehicles by sales revenue, according to Frost & Sullivan. Strategic investments by Volvo Car Technology Fund AB and Schaeffler Holding further reflect industry recognition of our technology and products as well as validation from overseas OEMs and top-tier component suppliers. As of May 31, 2026, we had directly or indirectly entered the supply chains of three of the world's top five automotive OEM groups by global sales volume, including Volkswagen, as well as two other globally leading automotive groups ranked among the top five, according to Frost & Sullivan.

Product quality. We regard quality control as a core advantage in customer engagement. Our quality management system covers the full product lifecycle, from product definition and R&D to supply chain collaboration, manufacturing, testing and validation as well as after-sales support. See "— Quality Control." During the Track Record Period, our power module yield exceeded 98.5%, and our motor-controller field failure rate reached down to <50 parts ppm — significantly outperforming industry averages of approximately 92-95% and 200-400 ppm, according to Frost & Sullivan. These metrics translate into lower operational risk for customers and support repeat adoption in high-volume vehicle programs.

Cost competitiveness. We maintain cost competitiveness without compromising material quality. Our accumulated forward design capabilities in power-module design allows us to extract higher performance from power chips at the module level, enabling more compact and efficient architectures than those typically achieved by conventional electric-control suppliers. In parallel, by maintaining equivalent performance, safety and reliability, we systematically eliminate structural and functional redundancies commonly embedded in traditional modules and electric-control systems. Together, these measures reduce material usage, simplify system architecture and lower total manufacturing cost, resulting in a structurally more cost-competitive solution.

Organic Growth Amongst our Solution Portfolio

PEBB represents a next-generation delivery solution aligned with evolving OEM vehicle platform architectures. Whether OEMs adopt PEBB or motor controllers primarily reflects a change in how value is delivered within a growing demand base. While we expect the market to gradually favor PEBB, the resulting increase in PEBB-derived revenue would, to some extent, offset revenue from motor controllers. Nonetheless, we do not expect this industry evolution to adversely affect our overall revenue. The transition is expected to unfold against a backdrop of robust NEV demand growth, with its pace moderated by long vehicle platform replacement cycles. The sustained NEV demand provides an ample runway for continued expansion of electric control solutions, whether in the form of motor controllers or PEBB. Our early advantages in PEBB technology and

commercialization position us to benefit as PEBB adoption scales, while the persistence of existing OEM architectures across vehicle models that typically span multiple years preserves meaningful market space and supports continued demand for motor controllers.

As a result, higher PEBB adoption does not imply that motor controllers will be phased out, particularly for OEMs favoring continuity in integration, validation and supply chain execution. Accordingly, the expected shift in revenue mix should be viewed primarily as a change in delivery format and product configuration rather than a direct, one-for-one substitution of demand. As advised by Frost & Sullivan, industry forecasts also indicate that PEBB penetration is expected to rise meaningfully and to outpace the overall growth of the electric control market, which suggests that PEBB adoption is driven not only by substitution of existing motor control solutions, but by incremental demand creation associated with increasing system integration and evolving vehicle architectures — reflecting a structural rebalancing in market solutions rather than a shrinking addressable market.

Against the backdrop, while we actively drive the adoption and penetration of PEBB through product demonstration and validation, our revenue trajectory across product categories will ultimately depend on the platform and architecture choices of the OEMs we continue to serve, as well as the timing of their platform iteration cycles. We also see incremental industry opportunities arising from PEBB adoptions in other in-vehicle systems other than the main drive system (such as clutch controllers, power supply units, compressor controllers, oil pumps and suspension systems), as well as in non-vehicle physical AI applications such as embodied intelligence and eVTOL. See "— Diversifying Solutions and Applications." Taking into account our early technical and commercialization capabilities in PEBB, we are positioned to participate in and benefit from PEBB's increasing adoption in next-generation vehicle platforms.

In addition, we do not expect the increasing adoption of PEBB to have a material impact on demand for our power modules, as power modules remain a fundamental component across both motor controller and PEBB. Standalone power module sales represented only a small portion of our revenue during the Track Record Period, accounting for 0.3%, 0.4%, 3.5% and 1.4% of our total revenue in 2023, 2024, 2025 and the five months ended May 31, 2026, respectively, with the majority of our power modules being integrated into motor controller and PEBB directly. Accordingly, changes in delivery format are not expected to materially affect our power module demand.

Expanding Customer Base

Continuously and effectively expanding our customer base is a core strategy underpinning our path to profitability. Our approach focuses not merely on increasing the number of customers, but on systematically enhancing the quality, depth and geographic breadth of customer relationships. By deepening and expanding cooperation with key customers and expanding our presence in overseas markets, we seek to build a scalable and resilient revenue base.

Deepening and Expanding Collaboration with Customers

Our primary target customers are OEMs in the NEV market, who procure our electric control solutions for deployment across their vehicle models. Collaboration with OEMs forms the foundation of scalable revenue generation, as a successful design win typically translates into long-term mass production over the lifecycle of the relevant vehicle models. Under this market structure, securing design wins and fostering in-depth technology cooperations with leading OEMs along their iterations across vehicle generations typically result in predictable mass-production volumes in the long run, thereby enhancing revenue visibility and supporting a more stable path to profitability. Against this industry backdrop, we have focused on collaborating with leading OEMs in the early stages of development, while applying differentiated engagement strategies across customer groups.

Our customer acquisition strategy is fundamentally underpinned by our accumulated capabilities in underlying module technologies, power-electronic materials, control algorithms and manufacturing processes, as reflected in our solution performance metrics. See "— Our Solutions" and "— Capitalizing on market expansion and solution penetration to drive organic growth." Together with our tiered solution portfolio, which supports flexible deployment across multiple application scenarios, these capabilities enable us to accurately define customer requirements and execute efficiently. Upon securing a design win, we work alongside OEMs to co-engineer solutions aligned with their product roadmaps. As OEMs iterate across vehicle generations, our solutions are deployed as a common technical foundation across multiple programs and become embedded in customers' long-term technology stacks, increasing the complexity and cost of switching to alternative suppliers. This engagement model supports both deeper penetration within existing platforms and entry into new programs. For overseas customers, our established export track record and prior mass-production deliveries support customer qualification of our technical and commercial execution capabilities. In 2025, according to Frost & Sullivan, we were the largest independent third-party supplier of motor controllers on exported vehicles by sales revenue. In addition, benchmark programs such as our projects with Volkswagen provide validated reference cases that can be replicated across other overseas OEMs and Tier-1 suppliers with similar platform requirements. For customer acquisition measures for other emerging sectors, see "— Extending Electric Control Solutions Beyond Automotive Applications" below. Our typical lead time from securing a design win to commencing mass production is about 10 to 18 months for domestic customers and about two to three years for overseas customers, subject to market conditions and OEM's internal development plans.

Across our solutions deployed to various customer groups, we consistently apply high standard quality management discipline to reduce risk during customer validation and mass production. See "— Quality Control." Stable and predictable quality performance strengthens customer confidence and supports repeat orders and follow-on program awards. In parallel, our development and customer-response processes enable rapid decision-making, validation and delivery in response to evolving requirements or operational issues. Our high execution capability supports sustained long-term cooperation and facilitates deeper integration with customers' R&D processes, reinforcing our role as a long-term development partner.

Strengthening Overseas Market Presence

We have insisted on an international-oriented development strategy since inception. Overseas NEV markets continue to expand alongside the global shift toward vehicle electrification, while Chinese OEMs are increasingly advancing their internationalization strategies. As a result, demand for electric control solutions that can be deployed cross-border is rising steadily, creating meaningful growth opportunities beyond the domestic market. Building on our validated technology and proven commercialization track record in China, we have worked to continue strengthening our overseas presence through a combination of deepened cooperation with international Tier-1 suppliers, structured support for Chinese OEMs' overseas expansion and synergistic collaboration with upstream suppliers and progressive build-out of overseas operational infrastructure.

Overseas markets, particularly Europe and Japan, offer attractive long-term potential due to their large vehicle bases, accelerating electrification of core vehicle platforms and increasing technical requirements for electric control systems. According to Frost & Sullivan, NEV sales in Europe reached approximately 2.9 million units in 2024, with a penetration rate of 19.8%, and are expected to increase to approximately 10.1 million units by 2030, representing a CAGR of approximately 23.3% from 2025 to 2030. In Japan, NEV adoption remains at an early stage, with sales of approximately 0.06 million units in 2024 and a penetration rate of 1.6%, but is expected to rise to approximately 0.8 million units by 2030, with penetration reaching 20.0%, representing a CAGR of approximately 54.6% from 2024 to 2030.

Beyond market size, overseas markets typically exhibit diverse, and sometimes more stringent, technical and regulatory requirements in terms of safety, environmental compliance, system reliability and performance stability. Customers in these markets therefore have deeply rooted recognition for premium vehicle function and performance, which supports a more favorable value positioning for qualified suppliers.

We strive to capture these opportunities. To operationalize our globalization strategy, we have implemented a series of concrete measures, as set out below:

- *Collaboration with international Tier-1 suppliers*. Cooperation with Tier-1 suppliers with global footprints and strong system integration capabilities provides an efficient pathway for participation in global OEM programs. Under this model, we provide core modules such as PEBB and power modules, which Tier-1 suppliers integrate into their broader system solutions delivered to OEM customers. As these relationships deepen, our role has evolved beyond component supply toward earlier involvement in system definition and joint development, which supports access to higher-value system-level projects and contributes to improvement in average revenue per project. We have established cooperation or business development engagement with multiple international Tier-1 suppliers such as Schaeffler, with our products being deployed to support overseas programs of global OEMs such as Volkswagen.

- *Facilitating overseas expansion of Chinese OEMs*. In parallel with cooperation with international Tier-1 suppliers, we actively support leading Chinese OEMs in their overseas expansion by leveraging our established domestic customer relationships and providing localized technical support throughout the vehicle development and deployment lifecycle. As of May 31, 2026, we had supported the overseas expansion of four major Chinese OEM groups, covering regions including the United Kingdom, the Americas, the Middle East, South Asia and Southeast Asia, Australia and Africa. Collectively, these overseas expansion projects involved 20 vehicle models, with nine design wins secured, including 18 vehicle models which had entered mass production as of May 31, 2026. Through such collaborations, we are able to extend the application of our products across multiple overseas markets while deepening customer stickiness and broadening our international revenue base.

- *Synergistic collaboration with upstream suppliers*. As many of our key upstream suppliers have already established overseas production footprints, qualification records and long-standing commercial relationships with OEMs and Tier-1 suppliers, we seek to leverage their established commercial networks to facilitate access to downstream overseas customers. This includes exploring synergistic collaborations such as joint solution discussions, coordinated customer engagement and supply-chain-level introductions. By doing so, we can reduce initial market-entry friction in overseas markets, where supplier qualification cycles are lengthy and customer switching costs are high. In parallel, during the early stages of overseas expansion, we may leverage upstream suppliers' mature products or existing overseas manufacturing resources to supplement our own capabilities. Such collaboration can help address gaps in localized production and certification readiness, thereby supporting project execution and delivery reliability prior to our overseas operations reaching full scale.

- *Localization-driven execution supported by overseas infrastructure and service capabilities*. Overseas market entry entails longer certification cycles, higher requirements for localized technical support and growing expectations for supply chain localization. To address these requirements, we have progressively established overseas infrastructure and service capabilities, including overseas subsidiaries, regional technical teams and a flexible after-sales service network, to support overseas business development and program execution. At the organizational level, we have established overseas subsidiaries as localized operating and coordination platforms. Our German

subsidiary serves as our primary European hub, focusing on R&D, customer interface, on-site technical support and after-sales services, while coordinating cross-border development with our China-based teams. We have also established subsidiaries in Japan to support the Japanese market through localized technical and commercial services, and in Hong Kong to support future overseas expansion and offshore procurement. In addition, we have implemented flexible overseas after-sales service arrangements, including cooperation with local service providers, deployment of China-based teams for on-site support and localized support provided by our Germany-based team in Europe. These arrangements enable timely customer response and continuous improvement in addressing overseas application requirements.

Our overseas strategy has already begun to yield tangible results. Our customer base included five foreign OEMs as of May 31, 2026. Throughout the Track Record Period, our overseas revenue, which only includes revenue from direct transactions with overseas customers, increased by 14.8% from RMB11.4 million in 2023 to RMB13.0 million in 2024, and further increased to RMB102.7 million in 2025. These developments reflect growing acceptance of our solutions by international customers and demonstrate our ability to execute in overseas markets.

Diversifying Solutions and Applications

Diversifying our solution offerings and application scenarios unlocks new revenue streams by applying our validated, automotive-grade technologies to new areas.

Expanding Application Scope Within Vehicle Systems

We are expanding the application scope of our solutions across vehicle systems to increase solution content per vehicle platform, deepen system-level integration with OEM customers and support sustained revenue growth.

- *Expansion of PEBB applications across in-vehicle systems*. While PEBB were initially deployed primarily in main drive applications, we have extended this architecture to a broader range of controllers across vehicle power and chassis systems. These include PEBB developed for clutch controllers, power supply units such as OBC and DC-DC, as well as auxiliary systems including AC compressor controllers, oil pumps and suspension systems. These applications share common technical foundations with main drive systems, including power conversion, thermal management, functional safety and control algorithms, enabling us to leverage existing hardware platforms, software architectures and validation methodologies with limited incremental development effort.

  By extending PEBB into adjacent in-vehicle applications, we increase solution content per vehicle platform and enhance system-level integration. This also improves solution stickiness, as OEM customers benefit from consistent interfaces, unified control logic and reduced system integration complexity across multiple vehicle systems. As of the Latest Practicable Date, our motor controller integrating clutch PEBB had entered mass production, with other auxiliary PEBB completing early development and steadily progressing towards mass production.

- *Expansion into commercial vehicle applications*. Building on our established position in passenger vehicles, we are methodically expanding into commercial vehicle electrification, such as buses and trucks. According to Frost & Sullivan, sales of electric heavy-duty trucks in China increased from approximately 5.0 thousand units in 2020 to approximately 86.0 thousand units in 2025 and are projected to continue rising to approximately 516.0 thousand units by 2029, with penetration rate growing from approximately 0.3% in 2020 to approximately 9.6% in 2024 and expected to reach approximately 53.2% by 2029. Commercial vehicles have distinct requirements in terms

of durability, total cost of ownership and operating lifespan. We adapt our platform-based solutions to these requirements by leveraging the robustness and reliability of our existing automotive-grade products, with limited incremental development. This approach enables us to address a market characterized by longer product lifecycles and larger per-model production volumes, which, once adoption is achieved, supports more stable and predictable revenue streams. In May 2026, we secured a design win from a leading domestic construction machinery company for our high-voltage multi-in-one PEBB solution for heavy-duty trucks, marking an important milestone in the extension of our platform-based technologies from passenger vehicles to commercial vehicle electrification.

Extending Electric Control and Power Electronics Solutions Beyond Automotive Applications

Building on our core competencies in power electronics, motor control and system integration, we also plan to extend our electric control and power electronics solutions beyond traditional automotive applications into selected emerging markets, such as the eVTOL, embodied intelligence and AIDC, with strong long-term growth potential.

According to Frost & Sullivan, with the rapid development of algorithms, materials and technology, eVTOL and robot applications within the physical AI landscape have achieved significant progress. Driven by increasing urbanization, ongoing upgrades in logistics and delivery systems, easing of airspace policies and advances in electric control technology, the market size of electric control system for eVTOL is expected to grow from RMB6.0 billion in 2024 to RMB37.2 billion in 2030, with a CAGR of approximately 35.5%. As embodied intelligent robots advance towards wider and more complex operational scenarios, the global market size of electric control system for embodied intelligence is expected to grow from RMB2.3 billion in 2024 to RMB40.7 billion in 2030, with a CAGR of approximately 61.4%. Eyeing the substantial growth opportunities from these emerging markets, we seek to diversify our revenue sources, reduce reliance on a single end-market cycle and capture early opportunities in applications that share common technology foundations with our existing offerings.

As Physical AI applications expand from vehicle autonomous driving to eVTOL and embodied intelligence, we deploy our solutions for these emerging applications based on demonstrated performance in reliability, power capability and cost control under automotive-grade standards. We leverage the technical commonality between automotive and industrial power electronic systems to transfer proven technologies into new application scenarios. In parallel, we engage customers in emerging industries through early-stage joint development. By participating at the point where the industries' technical architectures and development paths are initially defined, we support customers' early-stage product development and increase the likelihood that our solutions are embedded into their long-term system architectures. The integrated robot joint PEBB and joint module solution we co-developed with AgiBot had entered mass production in May 2026. As of the Latest Practicable Date, we had secured orders from AgiBot for over 20,000 units for delivery during the remainder of 2026. In addition, we were developing products for broader robotic applications, including complete robotic arms and wheeled chassis, as of the Latest Practicable Date. For eVTOL applications, we had entered into cooperation agreements with Vertaxi to jointly develop two types of products covering vertical take-off and landing and cruise scenarios, with an aggregate order value of approximately RMB12.4 million. In addition, as of the same date, we had established business cooperation with another eVTOL customer through its powertrain suppliers, further expanding our presence in the eVTOL value chain.

In AIDC power supply applications, leveraging our experience in medium- and high-voltage applications and our capabilities in medium-voltage system engineering, high-frequency power electronics productization and system integration, we expect to introduce 35kV/10kV SST prototypes and are exploring SST-based power solutions with leading global hyperscalers, new cloud computing service providers, relevant suppliers across the AIDC power architecture value

chain and computing chip suppliers. Through early demand alignment, solution specification and prototype validation, we seek to better address evolving requirements for power efficiency, system reliability and computing-power coordination in AIDC scenarios.

Cost Optimization

We are committed to cost optimization to improve margin profile. Benefiting from the ramp-up to stable production, increased sales volume and economies of scale achieved through automated production, bulk procurement with more favorable terms and process optimization, we improved from a gross loss margin of 8.3% in 2023 to a gross profit margin of 1.3% in 2024, which also increased to 5.6% in 2025. Although the average selling price of our motor controllers and PEBB declined during the Track Record Period, such trends did not impair our overall profitability trajectory. Driven by continued sales growth and cost control through design optimization, scale effects and localization and domestic substitution of core components, the cost pressure on our products have been effectively mitigated at the aggregate level. Looking forward, while pricing pressure may persist, we do not expect average selling price decreases to materially impair our gross margin, as (i) we have demonstrated the ability to offset pricing pressure through cost control, including design optimization, economies of scale, and localization of key components, (ii) average selling price declines for new energy passenger vehicles are expected to moderate as vehicle platforms and production processes mature, resulting in improved manufacturing yields, normalized cost structures and more disciplined procurement practices by OEMs, which collectively support more stable pricing dynamics across the supply chain. Building on this progress, we plan to undertake the following measures to continue improving our gross margin and enhance operating efficiency.

Driving Design-to-Cost Efficiency Through Engineering Optimization

We embed cost optimization into the product design stage to improve cost efficiency from the source. For example, the PEBB's compact form factor achieved through our forward-designed power module employs smaller power chip footprints and fewer components, which reduces material usage and associated costs. Through iterative design optimization, we also expand our material selection where technically feasible, supporting a lower overall bill of materials without compromising reliability. At the production level, we refine manufacturing processes to improve yield and throughput. Together, these measures allow us to achieve sustainable design-driven cost advantages beyond traditional scale and procurement efficiencies.

Enhancing Economies of Scale through Volume Expansion

Our solution portfolio developed based on a platform-based approach inherently supports economies of scale. Once a design win is secured with an OEM, the same technical architecture is typically adopted across multiple vehicle models by the OEM, enabling production volumes to ramp up as OEMs commercialize the vehicle model over its lifecycle, which typically spans from five to eight years, according to Frost & Sullivan. As volumes grow, fixed manufacturing costs — including depreciation, indirect labor and overheads — are absorbed over a larger production base, reducing per-unit cost.

In addition, material costs account for a significant proportion of the cost structure of electric control solutions. Higher procurement volumes allow us to benefit from greater bargaining leverage, including improved pricing terms, longer-term procurement arrangements and deeper collaboration with core suppliers. Our geographically diversified and customer-proximate production network further supports stable production scheduling, lowers logistics complexity and enhances line utilization, thereby improving overall operational efficiency as volumes increase.

Deepening Localization and Domestic Substitution of Core Components

We actively promote the domestic substitution of key components to improve cost competitiveness and supply chain resilience. Through collaborating with domestic suppliers in China, optimizing component specifications and redesigning certain material inputs, we have gradually increased the proportion of domestically sourced components. According to Frost & Sullivan, we were the first domestic electric control solution supplier in China to achieve large-scale adoption of China-made MCU chips in main-drive motor controllers. Such localization efforts contribute to reduced material costs, shorter procurement cycles and lower reliance on imported components, while ensuring compliance with OEM requirements for quality, reliability and performance. Over time, we expect domestic substitution to further lower the bill-of-materials cost for our major product platforms, thereby supporting sustained gross margin improvement.

Enhancing Operating Leverage

As a result of our early efforts to develop and commercialize our products, we incurred substantial costs in R&D, sales activities and internal management. Our operating expenses, which consist of administrative expenses, selling and distribution expenses and research and development expenses, amounted to RMB238.8 million, RMB354.7 million, RMB412.6 million, RMB159.1 million and RMB201.1 million in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively, representing 149.4%, 30.6%, 20.6%, 28.8% and 21.0% of our total revenue for the respective year/period. We have been constantly improving our operating efficiency, which is evidenced by the decrease in our operating expenses as a percentage of total revenue during the Track Record Period. For instance, we are committed to continually streamlining our R&D process to enhance R&D efficiency and shortening the time-to-market of products. Moreover, as our business expands, we remain vigilant in continuously improving our administrative efficiency to control our administrative expenses. We believe that as we continue to ramp up the production and sales of products, we will achieve better economies of scale such that our costs and operating expenses as a percentage of our total revenue will decrease.

Enhancing R&D Efficiency

Our platform-based R&D approach is a key driver of R&D efficiency. By developing a reusable technology foundation that can be applied across various solutions and vehicle programs, we reduce repeated development efforts and shorten overall product development cycles. This approach allows our engineering teams to work from shared technical architectures and make targeted modifications for individual programs, improving the degree of technology reuse and supporting more focused innovation. Benefiting from strengthened R&D productivity and disciplined project and cost management, along with increased sales and production scale, our research and development expenses as a percentage of total revenue continuously decreased throughout the Track Record Period from 79.1% in 2023 to 17.7% in 2024, and to 10.3% in 2025, which also decreased from 14.8% for the five months ended May 31, 2025 to 9.9% for the five months ended May 31, 2026.

Specifically, we have implemented several measures designed to strengthen R&D efficiency in a systematic manner:

- *Knowledge accumulation and standardized workflows*. We maintain a structured system for documenting and sharing technical know-how, engineering methods and lessons learned across teams. Standardized development workflows and a centralized internal training platform ensure that teams can consistently apply proven technical approaches. These practices reduce repetitive work, enhance the effective use of engineering expertise and improve development efficiency.

- *Proprietary design automation tools*. We have invested in proprietary digital tools that improve the accuracy and speed of engineering work. Our internally developed PEDA toolchain — mainly including FreqScreen (for EMC modeling), ScanTool (for system-level analysis) and EMTool (for module substrate electromagnetic design) — supports rapid simulation and design optimization. The use of these tools decreases the need for extensive physical prototyping and shortens development timelines.

- *One-stop testing and validation to support timely iteration*. Our CNAS-accredited testing and validation platform integrates virtual simulation with physical verification within a unified development framework. This structure enables early testing of key design assumptions, reduces development risks and supports more efficient iteration from initial concept to mass-production-ready designs.

Enhancing Administrative Efficiency

We have also achieved improvements in administrative efficiency as our business scaled. Our administrative expenses amounted to RMB100.7 million, RMB134.6 million, RMB184.9 million, RMB69.1 million and RMB95.1 million in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively. As a percentage of total revenue, our administrative expenses decreased throughout the Track Record Period from 63.0% in 2023 to 11.6% in 2024, and to 9.2% in 2025, which also decreased from 12.5% for the five months ended May 31, 2025 to 9.9% for the five months ended May 31, 2026. The decline in administrative expenses as a percentage of revenue reflects the scaling effect of a largely fixed-cost organizational and management infrastructure, improved cost discipline and the digitalization of key management processes. As our revenue base continues to expand, we expect to further enhance operatingleverage and improve the overall cost efficiency of our platform. We plan to continue to refine digital management systems and shared support functions to enhance administrative productivity. Key initiatives include centralized financial and procurement systems, strengthened budget management and the digitalization of reporting and internal control processes, all of which support disciplined cost management while accommodating business growth.

Taking into account: (i) our strategic focus on core technology development, product engineering, testing and validation capabilities and supply-chain build-out at an early stage of scaling; (ii) the transition of our PEBB products from development and validation into mass production, supported by the increasing industry penetration of our PEBB architecture, which is expected to improve operating leverage and cost efficiency as shipment volumes increase; (iii) our long-term, design-in-based supply relationships with OEMs, which typically provide stable and recurring revenue over multi-year vehicle lifecycles; (iv) the structural growth of the new energy vehicle market, together with our platform-based product architecture and ongoing diversification of customers and applications; and (v) our ongoing design-driven efforts to optimize our cost structure, our Directors believe that our business is sustainable. Based on the due diligence work conducted by the Joint Sponsors, nothing material has come to the Joint Sponsors' attention that would cause them to disagree with the Directors' view that the Group's business is sustainable.

DATA SECURITY AND PRIVACY

In our ordinary business operations, we collect data related to product R&D, manufacturing status, transportation, cost and sales, which are generated through our internal operation processes. We do not collect user data or any sensitive personal information. We have established policies and procedures for data security management, supported by regular staff training on data security compliance and risk management. For certain key activities, we engage professional service providers to support compliance with data security and privacy laws, and access rights are managed under the principle of least privilege.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material hacking incident, personal data leakage or IT system failure. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had complied in all material respects with applicable data security laws and regulations in all relevant jurisdictions. However, with the increasing global focus on data privacy and cybersecurity and potential new laws and regulations introduced by the PRC legislature, our data management practices may face heightened scrutiny. See "Risk Factors — Risks Relating to Our Business and Industry — Failures to comply with data privacy, data protection and information security requirements could subject us to liability, damage our reputation, or result in legal or regulatory proceedings."

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

We view environmental, social and corporate governance ("ESG") as a key driver of our business growth. Our commitment is reflected in low-carbon manufacturing, consistent quality, employee-centered management and stable, compliant operations. We have established systematic processes in energy management, product quality, supply chain compliance and occupational safety, integrating ESG criteria into daily management and business decisions. As product shipments grow, we continue to enhance systems for managing greenhouse gas emissions and resource utilization, with ongoing equipment upgrades, energy efficiency improvements and exploration of more environmentally friendly manufacturing process.

Corporate Governance

ESG Governance System

We have established an ESG governance system covering the Board of Directors, the ESG Sustainable Development Management Committee and various functional departments. The Board of Directors provides overall oversight of ESG strategy, governance systems and material ESG risks, and reviews ESG-related disclosures and progress. Senior management coordinates and manages day-to-day ESG matters through a dedicated ESG Sustainable Development Management Committee, which is responsible for identifying material issues, formulating and implementing relevant policies, collecting data and reporting regularly to the Board. Our business units and subsidiaries execute ESG initiatives in accordance with internal requirements, and work closely with the management committee to support effective implementation and ongoing monitoring.

ESG Risk Management and Internal Control

Our Board and management work together to address risk areas such as environmental, climate, compliance, business ethics, supply chain, labor rights and data and information security. We regularly conduct ESG risk assessments and develop targeted management measures to support compliant operations, product delivery and continued growth.

Environmental, emission and energy efficiency risks, which may result in regulatory non-compliance, higher costs and weaker environmental performance, are identified through environmental monitoring, audits and energy consumption analysis and mitigated through ISO 14001-based management systems, emission controls, process optimization and investments in energy-saving equipment. Climate-related risks, including production disruptions from extreme weather, are identified through regional and supply chain risk assessments and addressed through emergency planning and supply chain diversification. Labor, safety, business ethics and data security risks, which may lead to workplace incidents, legal exposure, financial loss or information leakage, are identified through inspections, internal audits, reporting mechanisms and IT reviews and mitigated through ISO 45001-compliant safety management, employee training, anti-corruption controls and information security systems. Supply chain and product quality risks, including non-compliant components, supply disruption and product reliability issues, are identified through supplier evaluations, testing and customer audits and managed through tiered supplier management, rectification mechanisms and quality management and verification processes.

Business Ethics, Anti-Bribery and Anti-Corruption Mechanism

We have established our Employee Anti-Corruption and Anti-Bribery Code of Conduct Management Regulations, adopting a zero-tolerance approach to bribery, corruption, fraud and commercial misconduct. We require all employees to comply with applicable domestic and international laws, including the Anti-Unfair Competition Law of the PRC, relevant anti-bribery regulations and anti-corruption laws in jurisdictions where we operate overseas.

We require all employees to follow our business ethics and compliance standards, refrain from offering, soliciting or accepting improper benefits, avoid conflicts of interest and not use their positions or our resources for personal gain. We require all employees to act with integrity in dealings with customers, suppliers and other business partners, and not to engage in bribery, kickbacks, improper financial transactions or any conduct that could compromise impartial business judgment. Employees are also required to follow reporting or approval procedures as necessary.

Environmental Protection

We have set environmental management goals focused on emissions control, resource use and green production process. We aim to improve energy and resource efficiency while reducing overall emission intensity across our operations. Our electric control solutions used in the NEVs support the industry-wide transition to low-carbon and sustainable mobility. In our operations, we prioritize the use of carbon utilization and other low-carbon technologies in chemical production, exploring practical technical solutions and building experience for future green production improvements.

Environmental Compliance and Monitoring Management

We have established an emissions management system that covers all our production and testing sites, including modules for greenhouse gas emissions management, three wastes management, pollutant emission permits and environmental monitoring with data quality control. Our process for greenhouse gas emission identification, activity data collection, emission factor application and data review follow ISO14064 standards. We also handle pollutant emission permit applications, environmental impact assessments and three wastes monitoring in line with national and local regulations. Regular environmental monitoring is conducted by third-party agencies to ensure our emissions remain compliant and our data is fully traceable.

Under our management mechanisms, we continuously monitor greenhouse gas emissions, wastewater, general solid waste and hazardous waste generated during operations. During the Track Record Period, our absolute GHG emissions exhibited an upward trend, primarily attributable to business expansion and production scale-up. As production capacity increased and additional facilities entered the testing and early stages of mass production, energy consumption and associated emissions correspondingly rose. Particularly as the Liuzhou, Wuhu and Shanghai production bases commenced testing activities and early-stage mass production, our business scale expanded and our production capacity utilization improved. Stricter product reliability and validation requirements resulted in increased electricity consumption for aging tests, environmental stress tests and the operation of high-energy testing equipment and higher wastewater and solid waste generation was in line with an expanded workforce and a larger plant area.

		Year ended December 31,			Five months ended May 31,
Emissions Project	**Unit**	**2023**	**2024**	**2025**	**2026**
Scope 1 emissions	tCO_2e	182.3	264.8	677.5	300.7
Scope 2 emissions	tCO_2e	2,091.5	4,242.4	14,167.8	7,253.0
Scope 3 emissions	tCO_2e	–	259,367.2	591,889.9	262,718.2
Wastewater discharge	m^3	6,807.2	70,888.8	96,271.2	18,996.6

Emissions Project	Unit	Year ended December 31, 2023	2024	2025	Five months ended May 31, 2026
General solid waste	tons	0.66	3.30	808.5	358.9
Hazardous waste	tons	0.294	1.47	9.1	4.1

Energy Usage

Our energy consumption mainly comes from purchased electricity, which supports our production, office and site operations. We do not use petrol or diesel in our daily activities. All vehicles used for logistics, material transfer and internal business travel are NEVs, resulting in a cleaner energy mix.

As our business has expanded, increased production activities and equipment usage have led to higher electricity consumption, mainly driven by testing, aging and other critical processes. We manage energy use by improving efficiency through high-efficiency testing equipment, optimized compressor and power system loads and higher equipment utilization, while progressively increasing renewable energy use through green power procurement and photovoltaic projects. Our water consumption is sourced from the municipal supply and is primarily used for domestic needs, cleaning and auxiliary cooling, with no reliance on high-intensity process water or groundwater. Packaging materials are mainly used for transporting finished modules, and their usage fluctuates in line with shipment volumes.

We do not consume fuel as our vehicles are new energy vehicles, nor do we use natural gas as an energy source in our operations.

Category of resources	Unit	Year ended December 31, 2023	2024	2025	Five months ended May 31, 2026
Water abstraction volume	Tons	8,509.2	88,611.1	120,339.3	23,745.8
Electric power	MWh	3,453.9	8,557.1	26,129.9	13,243.6
Fuel (gasoline + diesel)	Liters	N/A	N/A	N/A	N/A
Natural gas	Cubic meter	N/A	N/A	N/A	N/A

Environmental Risk Identification and Measures

To further enhance resource utilization efficiency, we have set resource efficiency improvement targets for 2025–2027, focusing on energy efficiency, water efficiency, packaging reduction and digital management. As production and shipment volumes increase, we manage related environmental impacts through targeted efficiency and resource-saving measures. We plan to increase the use of green electricity, including green power procurement and photovoltaic projects, with the proportion of green electricity reaching at least 5% by 2027, while reducing unit electricity consumption by 3–5% through high-efficiency equipment and load management. We also aim to reduce water usage intensity by 2–3% through water-saving and recycling measures, and lower packaging material usage intensity by 3–5% by promoting recyclable packaging and optimizing cushioning materials.

During the Track Record Period, the Group invested approximately RMB2.0 million in capital expenditure and related investments aimed at addressing climate-related risks and enhancing environmental performance. Such investments were primarily allocated to: (i) energy-efficient equipment upgrades and production line optimisation; (ii) environmental protection facilities, including waste treatment and emission control systems; and (iii) energy management and

monitoring systems. Going forward, the Group expects to continue allocating capital expenditure toward energy efficiency improvement, renewable energy adoption and environmental compliance initiatives to mitigate climate-related risks and capture sustainability-related opportunities.

As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material penalties due to violation of environmental laws and regulations in the PRC.

Social Responsibility

We are committed to long-term value, focusing on steady operations, talent development, safety, stability, strong partnerships and community engagement. We aim to make a positive impact on society, our industry and the regions where we operate. As our business grows and social needs evolve, we will keep building our capabilities and drive sustainable development with greater responsibility and resilience.

Employee Rights

We safeguard employee rights in compliance with relevant laws and have established a fair and transparent employment system. With a workforce that is young and stable, our team effectively supports our business needs.

We uphold fair and non-discriminatory employment practices and promote diversity and inclusion across the organization. As of May 31, 2026, we had 1,033 full-time employees, with approximately 75.6% male and 24.4% female. We follow a standardized recruitment and onboarding process, including background checks for key positions and induction training for all new hires. All employees are engaged under lawful labor contracts with no forced or child labor, and statutory social insurance and housing funds are duly provided. We comply with statutory working hours and leave requirements, manage overtime through approval procedures and ensure transparent attendance management. Our remuneration framework is based on job value, market benchmarks and performance, supplemented by statutory and additional employee benefits.

Occupational Health and Safety

We put safety first and focus on prevention, following all relevant safety laws and regulations, including the Production Safety Law. We have set up clear policies for safety responsibilities, emergency response, employee training and daily safety management, and we make sure these are fully enforced in our operations.

We operate a health and safety management system covering defined safety responsibilities, equipment operating procedures, emergency response and regular inspections across offices, warehouses and key equipment. We provide annual health check-ups, role-based protective equipment and maintain workplace conditions covering air quality, temperature and equipment safety. All employees receive mandatory safety training, including induction training and role-specific programs in manufacturing operations, achieving full coverage. We maintain a formal incident reporting and investigation process for accidents and near misses. During the Track Record Period and up to the Latest Practicable Date, we had no major safety incidents.

Employee Training and Development

We emphasize employee capability building as a key enabler of growth and technological innovation. Under a structured training system led by our Human Resources function, we implement unified planning, standardized execution and ongoing follow-up across the organization. Our annual training programs cover induction, on-the-job skills, management development and safety and policy training, and are delivered through a combination of company-wide, departmental and role-specific initiatives. All employees, whether new or existing, participate in the program,

completed approximately 22 to 23 training hours per year during the Track Record Period. Training is supported by an internal learning platform that provides self-developed courses, operational guidelines and video materials, complemented by selective external learning opportunities. Post-training summaries and team-level knowledge sharing are required to reinforce learning outcomes, strengthen safety and quality awareness and support long-term talent development.

Supply Chain Management and Partnerships

We are committed to responsible procurement and manage our supply chain under our Responsible Procurement Policy and Supplier Code of Conduct. Our supplier management framework covers onboarding, evaluation, audit, recertification and exit, and requires suppliers to comply with applicable laws and regulations on labor rights, occupational health and safety, environmental protection, business ethics and anti-corruption, and to extend these requirements to their own suppliers. We follow a risk-based approach to supply chain management, including qualification reviews, compliance assessments, regular re-evaluations and, for higher-risk suppliers, ESG documentation, on-site audits and corrective actions. We also conduct due diligence on conflict minerals in line with international standards and support supply chain transparency through supplier communication and training mechanisms.

Responsible for Our Products

We manage product quality across the full lifecycle under our Inspection and Release Control Procedures, covering incoming materials, in-process inspections and finished product reviews. Product identification and traceability systems enable tracking from components to finished goods, with non-conforming items isolated and handled in accordance with our policies. We have also established a product recall management system to identify and address quality or safety risks, supported by product traceability, customer notification and corrective actions, and we safeguard design, inspection and customer information through internal data access and control measures.

Community Relations and Philanthropic Engagement

We are committed to corporate social responsibility and participate in community initiatives aligned with our capabilities and local needs. We encourage employee engagement through volunteer work and public welfare activities, including charity events, environmental campaigns and community programs, while ensuring normal business operations are not disrupted. We will continue to assess and expand our community involvement in a measured manner to support shared development with the communities where we operate.

EMPLOYEES

As of May 31, 2026, we had 1,033 full-time employees in China and Germany. The following table sets forth the numbers of our employees categorized by function as of May 31, 2026:

Function	Number of Employees	Percent
		(%)
R&D	373	36.1
Production	417	40.4
General and administration	212	20.5
Sales	31	3.0
Total	**1,033**	**100.0**

Our recruitment strategies include a variety of channels such as campus recruitment, online platforms, external recruitment agencies as well as internal referrals and transfers. Beyond competitive salaries and benefits, we offer performance-based bonuses to incentivize and reward our full-time employees. Additionally, we have established a robust employee training and development system and are dedicated to fostering an engaging and supportive working environment for our employees. We enter into standard labor contracts and confidentiality

agreements with all full-time employees and non-compete agreements with key R&D personnel to safeguard our business interests. We have maintained a good relationship with our employees and did not have any material labor dispute during the Track Record Period and up to the Latest Practicable Date.

In accordance with PRC laws and regulations, we enroll our employees in various social security schemes administered by local governments, including pension insurance, medical insurance, maternity insurance, work-related injury insurance, unemployment insurance and housing provident funds. During the Track Record Period and up to the Latest Practicable Date, neither our Company nor our relevant PRC subsidiaries has been subject to any penalties or rectification requirements by regulatory authorities in relation to the payment of social insurance or housing provident funds.

PROPERTIES

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

Owned Properties

As of the Latest Practicable Date, we owned one property in China with an aggregate land area of approximately 27,533.6 square meters, which was primarily used for industrial purposes. As of the Latest Practicable Date, we had obtained the land use right certificates for our owned property.

Leased Properties

As of the Latest Practicable Date, we leased ten properties in China with an aggregate gross floor area of approximately 56,726.5 square meters, which were primarily used for office, R&D, warehouse and production purposes. The leases generally have a term ranging from one to six years. We have obtained valid title certificates from our landlords for all these leased properties. Pursuant to the applicable laws and regulations in China, property lease agreements for leased properties shall be filed with the relevant real estate administration bureaus in China. As of the Latest Practicable Date, the lease agreements for five of our leased properties in China had yet to be filed with relevant competent authorities. Registration requires cooperation from both parties, and lessors are typically unwilling to complete such procedures due to the low penalty risk. As such, we were unable to complete registration for these lease agreements. As advised by our PRC Legal Advisor, the lack of registration does not affect the validity and enforceability of the lease agreements, or result in us being required to vacate these leased properties, but we may be ordered by relevant competent authorities to complete the filing within a designated time limit, and may be subject to fines from RMB1,000 to RMB10,000 for each such lease agreement for failure to do so within the time limit. The aggregate amount of maximum fine would be approximately RMB50,000, which we believe will not have any material adverse impact on our business operations. As of the Latest Practicable Date, we had not received any notifications from the relevant regulatory authorities with respect to the completion of lease registrations. Based on the foregoing, our Directors are of the view that the aforementioned incident would not have any material adverse impact on our business operations or financial position.

INSURANCE

We believe that our insurance coverage is adequate for our business and in line with general market practice. Our principal insurance policies primarily include employee benefits insurance and employer's liability insurance, which we believe have covered major risks in our daily operations in the jurisdictions in which we operate. During the Track Record Period, we did not make any material insurance claims in relation to our business.

In line with general market practice, we do not maintain certain insurance policies that are not available in the jurisdictions in which we operate, or that are not generally required by laws. See "Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may be insufficient to cover all customer losses or potential claims, which could adversely affect our business, financial condition and results of operations."

RISK MANAGEMENT AND INTERNAL CONTROL

We have established internal control and risk management system, procedures and policies to address financial, operational and compliance risks associated with our operations. We regularly review and enhance these systems, policies and procedures to ensure their effectiveness and adequacy.

Financial risks are managed through regular quarterly management reviews, monthly finance team meetings and the preparation of consolidated monthly financial statements, enabling timely monitoring of performance, variance analysis and corrective actions to strengthen budgetary control and reduce misstatement risk. Operational risks are mitigated through a clear organizational structure with defined responsibilities, confidentiality and non-compete arrangements with key personnel, KPI-based performance management and centralized digital systems with tiered access controls, audit trails and documented information management procedures. Compliance risks are overseen by a dedicated legal team, supported by external advisers, with close coordination across departments to identify, assess and address regulatory matters on an ongoing basis. Market risks are managed through cross-functional feasibility assessments and due diligence prior to entering new markets or launching new business lines, covering regulatory requirements, competitive conditions, operational readiness and financial implications.

LICENSES, APPROVALS AND PERMITS

We are required to obtain various licenses, permits, approvals and certificates for our business. As advised by our PRC Legal Advisor, we had obtained the requisite licenses, permits, approvals and certificates from applicable authorities which are material to our operations, and such licenses, permits, approvals and certificates were valid and subsisting as of the Latest Practicable Date. We renew the licenses, permits and approvals from time to time to comply with the relevant laws and regulations. We do not expect any material obstacles in renewing our licenses, permits and approvals required for our operations.

LEGAL PROCEEDINGS

Legal Proceedings

Occasionally, we may be subject to legal proceedings, investigations and claims arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

Compliance

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

IMPACT OF U.S. TRADE AND INVESTMENT RESTRICTIONS

U.S. Outbound Investment Security Program (the "Final Rule")

On October 28, 2024, the U.S. Department of the Treasury, acting through its Office of Investment Security, issued a final rule implementing the Outbound Investment Security Program (the "**Final Rule**"). The Final Rule sets forth regulations implementing Executive Order 14105 and requires U.S. persons to provide notification to the U.S. Department of the Treasury with respect to certain transactions, and prohibits U.S. persons from engaging in certain other transactions, involving investment by the U.S. person in a "covered foreign person" of a "country of concern."

A "covered foreign person" includes, among other things, a "person of a country of concern" that engages in specified "covered activities" involving certain national security technologies and products. "Covered activities" are defined by reference to specified research, development or manufacturing activities in the semiconductors and microelectronics, quantum information technologies and artificial intelligence sectors, subject to the technical parameters and criteria set forth in the Final Rule. The People's Republic of China, along with the Special Administrative Region of Hong Kong (Hong Kong) and the Special Administrative Region of Macau (Macau), is identified as a "country of concern" for purposes of the Final Rule.

Depending on the category of covered activity involved, a covered transaction may be prohibited (a "**prohibited transaction**") or subject to a notification requirement to the U.S. Department of the Treasury (a "**notifiable transaction**"). The Final Rule also identifies certain categories of "excepted transactions" that are excluded from the definition of covered transactions and provides for a process under which the Secretary of the Treasury may grant exemptions on a case-by-case basis in accordance with the Final Rule.

As advised by our Sanctions Legal Advisor, based on the Final Rule currently in effect and our current business activities, we do not constitute a "covered foreign person" for purposes of the Final Rule. Although we would constitute a "person of a country of concern" by virtue of being an entity organized under the laws of the People's Republic of China, our current business activities do not involve, and we do not engage in prohibited research, development or manufacturing activities in the semiconductors and microelectronics, quantum information technologies or artificial intelligence sectors that would constitute "prohibited transactions" under the Final Rule. Nor do we engage in the design, fabrication or packaging of any integrated circuit, or the development of AI systems for military, government intelligence or mass surveillance end uses, for cybersecurity-related functions (digital forensics, penetration testing or robotic control) or trained using more than 10^23 computational operations that would constitute non-prohibited notifiable transactions. Accordingly, as advised by our Sanctions Legal Advisor, our Directors are of the view a U.S. person's investment in us would not constitute a prohibited transaction or a notifiable transaction under the Final Rule.

U.S. Export Control and Sanctions

Under the Export Administration Regulations (the "EAR"), a license issued by the U.S. Bureau of Industry and Security ("BIS") is generally required for the export, re-export or in-country transfer of items subject to the EAR where an entity listed on the Entity List is involved as a

purchaser, end-user, intermediate consignee or ultimate consignee, unless a license exception is available. As advised by our Sanctions Legal Advisor, we are not aware of any violation of U.S. export control laws arising from our past transactions during the Track Record Period.

The U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers U.S. economic and trade sanctions programs and maintains the Specially Designated Nationals and Blocked Persons List (the "SDN List"). In general, U.S. persons are prohibited from dealing with SDNs, and property and interests in property of SDNs that come within the United States or within the possession or control of U.S. persons must be blocked, unless authorized by OFAC. In addition, entities owned, directly or indirectly, 50 percent or more in the aggregate by one or more SDNs are treated as blocked persons under OFAC's "50 Percent Rule," even if not separately identified on the SDN List. As advised by our Sanctions Legal Advisor, during the Track Record Period, we are not aware of any of our customers or suppliers being identified on the SDN List, and the risk of our past transactions and business activities being subject to any primary or secondary sanctions is remote.

We have adopted measures designed to manage and mitigate the actual and potential impacts of trade measures, including: adhering to a global trade compliance policy, maintaining and enhancing restricted party screening and escalation procedures for customers and suppliers; implementing contractual compliance controls addressing restricted end uses and restricted end users where appropriate; maintaining record-keeping to support auditability and [**REDACTED**] diligence expectations; monitoring changes in relevant trade measures, including ownership- and affiliation-based restricted party rules and updating compliance practices accordingly; and, if we begin to import merchandise into the United States or sell for importation into the United States in the future, establishing import compliance procedures covering classification, valuation, country of origin and other related supply chain diligence.

U.S. Tariffs

Since early 2025, the U.S. government has implemented a series of tariffs affecting imports of goods originating from China. Beginning in February 2025, a baseline tariff was imposed on all China-origin goods and was subsequently increased in March 2025. In April 2025, the U.S. further announced reciprocal tariffs applicable to China, which were later adjusted through bilateral consultations between the U.S. and China. Following the ruling of the U.S. Supreme Court and pursuant to the relevant executive orders and official notices issued by the U.S. government, all tariffs previously imposed under the International Emergency Economic Powers Act ("IEEPA") became inactive as of February 24, 2026. The relevant order does not affect other duties, including duties imposed under Section 232 of the Trade Expansion Act of 1962 or Section 301 of the Trade Act of 1974. In lieu thereof, the U.S. President Trump announced an across-the-board global tariff pursuant to Section 122 of the Trade Act of 1974, initially set at 10% for a period of 150 days and subject to a statutory cap of 15% and potential further modification, with effect from February 24, 2026. Accordingly, as of the Latest Practicable Date, a 10% temporary surcharge applies to goods imported into the United States from China. Such tariff arrangement is temporary in nature and remains subject to further regulatory developments and policy changes.

During the Track Record Period, we did not derive any revenue from direct sales to the U.S. To the best of our knowledge, during the Track Record Period, we are not aware of any instance where our customers ultimately exported their products incorporating our products into the U.S. market, and therefore we did not experience any knock-on indirect tariff impact or exposure therefrom. In light of the foregoing, we were not subject to any direct or indirect impact of U.S. tariffs on goods exported to the U.S. during the Track Record Period.

During the Track Record Period, we procured certain U.S.-origin software and engineering tools mainly used for R&D, engineering design, simulation, testing, data analysis and office administration through domestic agents or distributors in the amount of RMB37.2 thousand, RMB1.9 million, RMB4.6 million and RMB3.3 million in 2023, 2024, 2025 and the five months

ended May 31, 2026, respectively, accounting for 0.0%, 0.2%, 0.2% and 0.4% of our total cost of sales for the respective year/period. To the best of our knowledge, during the Track Record Period, save for the above software and engineering tool procurement through domestic agents or distributors, we are not aware of any instance where our suppliers procured U.S.-origin raw materials for use in products sold to us.

Based on the above, our Directors are of the view that the U.S. tariff measures did not have any material adverse effect on our business operations and financial performance. We continue to closely monitor developments in U.S. tariff and trade policies and are committed to implementing measures to mitigate potential trade-related risks. These measures include monitoring changes in U.S. tariff and trade measures, including proposed Section 301 actions and changes to the Section 122 surcharge, maintaining regular communication with major customers regarding export destinations and potential tariff-related pricing pressure, reviewing and identifying alternative procurement sources for key raw materials, components, software, IP cores, and EDA tools, diversifying suppliers and customers where commercially practicable, and assessing whether changes in trade measures may affect pricing, procurement costs, supply chain continuity, or customer demand.

Based on the foregoing analysis, nothing material has come to the Joint Sponsors' attention that would cause them to disagree with the Company's view as stated above.