



賽力斯集團股份有限公司 Seres Group Co., Ltd.

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

Stock Code: 9927

GLOBAL OFFERING



Joint Sponsors, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers



Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager



IMPORTANT

Important: If you are in any doubt about any of the contents of this Prospectus, you should seek independent professional advice.



Seres Group Co., Ltd. 賽力斯集團股份有限公司

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

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	: 100,200,000 H Shares (subject to the Offer Size Adjustment Option and the Over-allotment Option)
Number of Hong Kong Offer Shares	: 10,020,000 H Shares (subject to reallocation and the Offer Size Adjustment Option)
Number of International Offer Shares	: 90,180,000 H Shares (subject to reallocation, the Offer Size Adjustment Option and the Over-allotment Option)
Maximum Offer Price	: HK\$131.50 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal value	: RMB1.00 per H Share
Stock code	: 9927

*Joint Sponsors, Overall Coordinators, Joint Global Coordinators,
Joint Bookrunners and Joint Lead Managers*



Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager



Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

A copy of this Prospectus, having attached thereto the documents specified in the section headed "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display" in Appendix V to this Prospectus, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this Prospectus or any other documents referred to above.

The Offer Price is expected to be determined by agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company on the Price Determination Date. The Price Determination Date is expected to be on or around Monday, November 3, 2025 (Hong Kong time) and, in any event, not later than 12:00 noon on Monday, November 3, 2025 (Hong Kong time). The Offer Price will not be more than HK\$131.50 per Offer Share unless otherwise announced. If, for any reason, the Offer Price is not agreed on or before 12:00 noon on Monday, November 3, 2025 (Hong Kong time) between the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company, the Global Offering will not proceed and will lapse.

The Overall Coordinators, on behalf of the Underwriters, may, where considered appropriate and with the Company's consent, reduce the number of Hong Kong Offer Shares at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, an announcement will be published on the website of our Company at www.seres.cn and on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and the offer will be canceled and relaunched at the revised number of Offer Shares in accordance with the requirements under Rule 11.13 of the Listing Rules (which include the issue of a supplemental or a new prospectus (as appropriate)) as soon as practicable following the decision to make such reduction, and in any event the decision to make such reduction will be announced not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. Further details are set forth in the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this Prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Overall Coordinators (for themselves and on behalf of the Underwriters) if certain events occur prior to 8:00 a.m. on the Listing Date. Please refer to the section headed "Underwriting" in this Prospectus.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered, sold, pledged or otherwise transferred within the United States, except pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable state securities laws in the United States. The Offer Shares may only be offered and sold outside the United States in offshore transactions in reliance on Regulation S. No public offering of the Offer Shares will be made in the United States.

ATTENTION

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this document to the public in relation to the Hong Kong Public Offering.

This Prospectus is available at the website of the Hong Kong Stock Exchange at www.hkexnews.hk and our website at www.seres.cn. If you require a printed copy of this Prospectus, you may download and print it from the website addresses above.

October 27, 2025

IMPORTANT

IMPORTANT NOTICE TO INVESTORS:

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus or printed copies of any application forms to the public in relation to the Hong Kong Public Offering.

This prospectus is available at the website of the Hong Kong Stock Exchange at www.hkexnews.hk under the “*HKEXnews > New Listings > New Listing Information*” section, and our website www.seres.cn. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

To apply for the Hong Kong Offer Shares, you may:

- (a) apply online through the **HK eIPO White Form** service at www.hkeipo.hk; or
- (b) apply electronically through the **HKSCC EIPO** channel and cause HKSCC Nominees to apply on your behalf by instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via HKSCC’s FINI system to apply for the Hong Kong Offer Shares on your behalf.

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this prospectus are identical to the printed document as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

If you are an **intermediary, broker or agent**, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses above.

Please refer to the section headed “How to Apply for Hong Kong Offer Shares” in this prospectus for further details of the procedures through which you can apply for the Hong Kong Offer Shares electronically.

IMPORTANT

Your application through the **HK eIPO White Form** service or the **HKSCC EIPO** channel service must be for a minimum of 100 Hong Kong Offer Shares and in one of the numbers set out in the table.

If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares.

If you are applying through the **HKSCC EIPO** channel, you are required to pre-fund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong.

No. of Hong Kong Offer Shares applied for	Maximum Amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable ⁽²⁾ on application/ successful allotment
	HK\$		HK\$		HK\$		HK\$
100	13,282.62	2,500	332,065.44	30,000	3,984,785.33	600,000	79,695,706.50
200	26,565.24	3,000	398,478.53	40,000	5,313,047.10	700,000	92,978,324.26
300	39,847.86	3,500	464,891.62	50,000	6,641,308.88	800,000	106,260,942.00
400	53,130.47	4,000	531,304.71	60,000	7,969,570.66	900,000	119,543,559.76
500	66,413.09	4,500	597,717.80	70,000	9,297,832.43	1,000,000	132,826,177.50
600	79,695.71	5,000	664,130.89	80,000	10,626,094.20	2,000,000	265,652,355.00
700	92,978.33	6,000	796,957.06	90,000	11,954,355.98	3,000,000	398,478,532.50
800	106,260.94	7,000	929,783.24	100,000	13,282,617.76	4,000,000	531,304,710.00
900	119,543.57	8,000	1,062,609.42	200,000	26,565,235.50	5,010,000 ⁽¹⁾	665,459,149.28
1,000	132,826.18	9,000	1,195,435.60	300,000	39,847,853.26		
1,500	199,239.27	10,000	1,328,261.78	400,000	53,130,471.00		
2,000	265,652.35	20,000	2,656,523.56	500,000	66,413,088.76		

(1) Maximum number of Hong Kong Offer Shares you may apply for and this is approximately 50% of the Hong Kong Offer Shares initially offered.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

No application for any other number of the Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

EXPECTED TIMETABLE⁽¹⁾

If there is any change in the following expected timetable of the Hong Kong Public Offering, we will issue an announcement in Hong Kong to be published on the websites of the Hong Kong Stock Exchange at www.hkexnews.hk and our Company at www.seres.cn.

Hong Kong Public Offering commences9:00 a.m. on
Monday, October 27, 2025

Latest time for completing electronic applications
under the **HK eIPO White Form** service through
the designated website www.hkeipo.hk⁽²⁾11:30 a.m. on
Friday, October 31, 2025

Application lists open⁽³⁾11:45 a.m. on
Friday, October 31, 2025

Latest time for completing payment of **HK eIPO White Form**
applications by effecting internet banking transfer(s)
or PPS payment transfer(s) and giving **electronic**
application instructions to HKSCC⁽⁴⁾12:00 noon on
Friday, October 31, 2025

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to submit **electronic application instructions** on your behalf through HKSCC's FINI system in accordance with your instruction to apply for the Hong Kong Offer Shares, you are advised to contact your **broker** or **custodian** for the earliest and latest time for giving such instructions, as this may vary by **broker** or **custodian**.

Application lists close⁽³⁾12:00 noon on
Friday, October 31, 2025

Expected Price Determination Date⁽⁵⁾Monday, November 3, 2025

Announcement of the final Offer Price, the level of
indications of interest in the International Offering,
the level of applications in the Hong Kong Public
Offering and the basis of allocation of the Hong Kong
Offer Shares to be published on the websites of the
Hong Kong Stock Exchange at www.hkexnews.hk and on
the website of our Company at www.seres.cn
on or before⁽⁶⁾ 11:00 p.m. on
Tuesday, November 4, 2025

EXPECTED TIMETABLE⁽¹⁾

Results of allocations in the Hong Kong Public Offering
(with successful applicants' identification document
numbers, where appropriate) to be available through
a variety of channels as described in the section headed
“How to Apply for Hong Kong Offer Shares —
B. Publication of Results” in this prospectus, including:

- in the announcement to be published on websites
of the Hong Kong Stock Exchange at www.hkexnews.hk and
our Company's website at www.seres.cn⁽⁵⁾
at or before11:00 p.m. on
Tuesday, November 4, 2025
- from the “Allotment Results” page
at www.tricor.com.hk/ipo/result or
www.hkeipo.hk/IPOResult
with a “search by ID” function11:00 p.m. on
Tuesday, November 4, 2025 to
12:00 midnight on
Monday, November 10, 2025
- from the allocation results telephone enquiry line
by calling +852 3691 8488 between
9:00 a.m. and 6:00 p.m.from Wednesday, November 5, 2025
to Monday, November 10, 2025
(excluding Saturday,
Sunday and public holiday
in Hong Kong)

Despatch of H Share certificates or deposit of the
H Share certificates into CCASS in respect of
wholly or partially successful applications
pursuant to the Hong Kong Public Offering
on or before⁽⁷⁾Tuesday, November 4, 2025

HK eIPO White Form e-Auto Refund payment instructions/
refund cheques in respect of wholly or partially successful
applications (if applicable) or wholly or partially unsuccessful
applications to the Hong Kong Public Offering
to be dispatched on or before⁽⁸⁾⁽⁹⁾Wednesday, November 5, 2025

Dealings in the H Shares on the Hong Kong Stock Exchange
expected to commence at 9:00 a.m. onWednesday, November 5, 2025

EXPECTED TIMETABLE⁽¹⁾

Notes:

- (1) All times refer to Hong Kong local time, except as otherwise stated.
- (2) You will not be permitted to submit your application under the **HK eIPO White Form** service through the designated website at www.hkeipo.hk after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.
- (3) If there is/are a tropical cyclone warning signal number 8 or above, a “black” rainstorm warning and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, October 31, 2025, the application lists will not open or close on that day. Please see “How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements.”
- (4) Applicants who apply for Hong Kong Offer Shares by instructing your **broker** or **custodian** to apply for on your behalf via **HKSCC EIPO** channel should see “How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Public Offer Shares — 2. Application Channels.”
- (5) The Price Determination Date is expected to be on or before Monday, November 3, 2025. If, for any reason, our Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) are unable to reach agreement on the Offer Price on or before 12:00 noon on Monday, November 3, 2025, the Global Offering will not proceed and will lapse.
- (6) None of the website or any of the information contained on the website forms part of this prospectus.
- (7) No temporary documents of title will be issued in respect of the Offer Shares. H Share certificates will only become valid evidence of title at 8:00 a.m. on Wednesday, November 5, 2025, provided that (1) the Global Offering has become unconditional in all respects and (2) the Underwriting Agreements have not been terminated in accordance with their respective terms. Investors who trade H Shares prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid evidence of title do so entirely at their own risk.
- (8) **HK eIPO White Form** e-Auto Refund payment instructions/refund checks will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and also in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable per Offer Share on application. Part of the applicant’s identification document number, or, if the application is made by joint applicants, part of the identification document number of the first-named applicant, provided by the applicant(s) may be printed on the refund check, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant’s identification document number before encashment of the refund check. Inaccurate completion of an applicant’s identification document number may invalidate or delay encashment of the refund check.
- (9) Applicants being individuals who are eligible for personal collection must not authorize any other person to collect on their behalf. Applicants being corporations which are eligible for personal collection must attend by their authorized representatives bearing a letter of authorization from their corporation stamped with the corporation’s chop. Both individuals and authorized representatives of corporations (if applicable) must produce, at the time of collection, evidence of identity acceptable to our Company’s H Share Registrar at the time of collection.

Applicants who have applied for Hong Kong Offer Shares through **HKSCC EIPO** channel should refer to the section headed “How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies” for details.

Applicants who have applied through the **HK eIPO White Form** service and paid their applications monies through single bank accounts may have refund monies (if any) despatched to the bank account in the form of **HK eIPO White Form** e-Auto Refund payment instructions. Applicants who have applied through the **HK eIPO White Form** service and paid their application monies through multiple bank accounts may have refund monies (if any) despatched to the address as specified in their application instructions in the form of refund checks in favor of the applicant (or, in the case of joint applications, the first-named applicant) by ordinary post at their own risk.

Further information is set out in the section headed “How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies.”

EXPECTED TIMETABLE⁽¹⁾

The above expected timetable is a summary only. You should see “Structure of the Global Offering” and “How to Apply for Hong Kong Offer Shares” for details of the structure of the Global Offering, including the conditions of the Global Offering, and the procedures for application for the Hong Kong Offer Shares.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such a case, our Company will make an announcement as soon as practicable thereafter.

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IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

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

You should rely only on the information contained in this Prospectus to make your investment decision. The Hong Kong Public Offering is made solely on the basis of the information contained and the representations made in this Prospectus. We have not authorized anyone to provide you with information that is different from what is contained in this Prospectus. Any information or representation not contained nor made in this Prospectus must not be relied on by you as having been authorized by us, the Joint Sponsors, the Overall Coordinators, the Capital Market Intermediaries, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their respective directors, officers, employees, agents, or representatives of any of them or any other parties involved in the Global Offering.

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SUMMARY

This summary aims to give you an overview of the information contained in this Prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the entire Prospectus, including the financial statements and accompanying notes, before you decide to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed “Risk Factors” in this Prospectus. You should read that section carefully in full before you decide to invest in the Offer Shares.

OVERVIEW

Who We Are

We are a technology company focused on new energy vehicles, including the research and development, manufacturing, sales and services of new energy vehicles as well as core NEV components. With nearly four decades of industrial experience and operational optimization, we have achieved various business milestones. In 1986, we began with springs and shock absorbers, later expanding into motorcycle manufacturing. In 2003, we capitalized on the rise of domestic automotive brands and entered the vehicle manufacturing sector through a joint venture with Dongfeng Motor. By 2016, we have transformed and tapped into the NEV sector. In 2021, we launched the *AITO* brand, establishing our positioning as “Intelligence Redefines Luxury” and introduced a series of models.

Guided by the market direction of “user-defined vehicles” and the technological roadmap of “software-defined vehicles”, we are committed to continuously providing the quality product experience for our users. Our innovations in product and technologies stem from a profound understanding of user needs, fostered through co-creation with our customers. Our platform-based technical architecture allows for smooth hardware upgrades and software iterations.

We have a track record of creating popular products. Since its launch, our core brand, *AITO*, has experienced a rapid sales growths. To date, we have successfully launched four models: *AITO M5*, *AITO M7*, *AITO M8*, and *AITO M9*. The *AITO M5* set a record for being the fastest new-brand model to deliver over 10,000 vehicles in its inaugural year. The *AITO M7* became the best-selling domestic brand model in the RMB300,000 price segment in China, delivering approximately 200,000 vehicles in 2024. The *AITO M9* led the RMB500,000 price segment in China with a delivery of over 150,000 vehicles in 2024. Our *AITO M8*, launched in April 2025, has also gained strong market traction, securing over 30,000 orders within just 24 hours of its official release. In the second half of 2024, the *AITO* brand topped China’s NEV reputation rankings with a Net Promoter Score (NPS) of 82%, according to the Frost & Sullivan Report. Total deliveries of the *AITO* brand reached 387,100 vehicles in 2024, marking a 268% year-on-year growth.





SUMMARY

Our delivery capabilities enable us to achieve instant ramp-up. Our Super Factories and digital supply chain system ensure the quality and swift delivery of our *AITO* series products. As a result, the production volume of the *AITO M9* exceeded 150,000 vehicles within 10 months of launch, exemplifying “rapid scalability after launch.” We have placed great emphasis on quality control. The *AITO* series have set industry benchmarks in quality performance, ranking first in the New Vehicle Quality Rankings among new vehicle brands for three consecutive years, according to the Frost & Sullivan Report.

Our New Luxury Product Matrix

Our *AITO* brand has developed a product matrix that includes four models: *AITO M9*, *AITO M8*, *AITO M7* and *AITO M5*. This lineup covers the market through differentiated positioning, and effectively targets the high-end segment with a precise pricing strategy and a combination of scenario-based features.

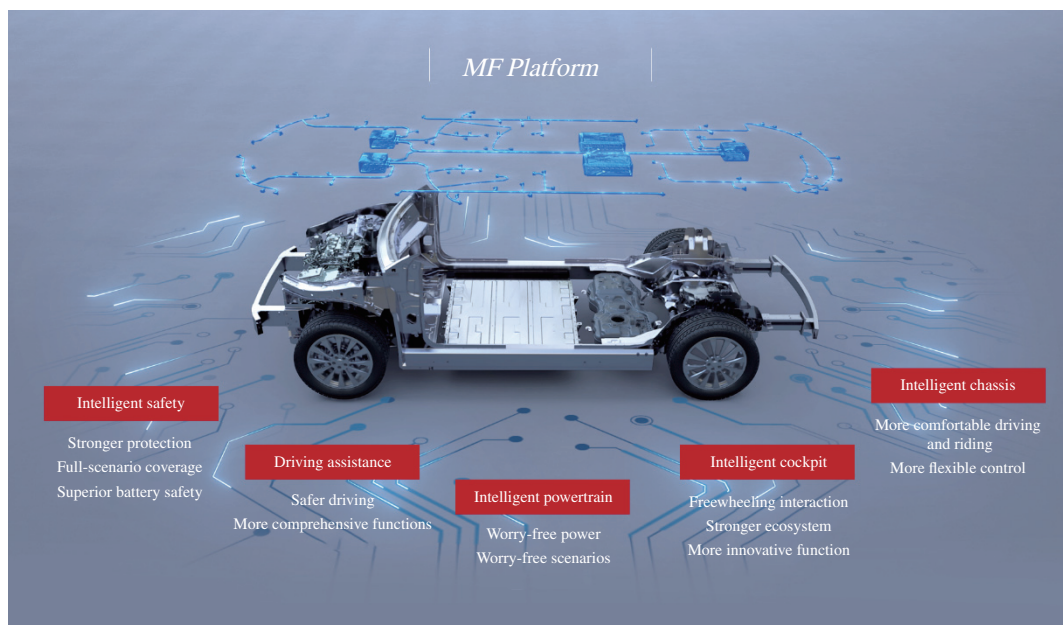
The details of our product matrix are as follows:

				
	AITO M9	AITO M8	AITO M7	AITO M5
Positioning	All-scenario intelligent flagship SUV	Family intelligent flagship SUV	Family intelligent luxury SUV	Stylish urban intelligent SUV
Length × Width × Height (mm)	5,230x1,999x1,800	5,190x1,999x1,795	5,080x1,999x1,780	4,785x1,930x1,620/1,625
Wheelbase (mm)	3,110	3,105	3,030	2,880
Number of seats	Five-seater/six-seater	Five-seater/six-seater	Five-seater/six-seater	Five-seater
Powertrain	REEV/BEV	REEV/BEV	REEV/BEV	REEV/BEV
CLTC range (km)	1,474	1,526	1,625	1,440
MSRP (RMB in ten thousand)	46.98-56.98	35.98-44.98	27.98-37.98	22.98-24.98
Initial delivery date	February 2024	April 2025	August 2022	March 2022

SUMMARY

Our Intelligent NEV Solutions

With over twenty years of experience in automotive manufacturing, we have continuously refined traditional vehicle performance, space utilization, and technological processes. On this foundation, we have independently developed the MF platform and introduced five intelligent automotive solutions: intelligent safety, driving assistance, intelligent powertrain, intelligent cockpit, and intelligent chassis, dedicated to providing users with a safe and intelligent riding experience characterized by “ease of use and driving comfort.”



Our Growth

During the Track Record Period, our “new luxury” intelligent NEVs received recognition in the market, leading to growth in our operating performance:

- **Revenue:** increased from RMB35.8 billion in 2023 to RMB145.1 billion in 2024, representing a year-on-year increase of 305.5%;
- **Gross profit margin:** increased from 7.2% in 2023 to 23.8% in 2024, representing a year-on-year increase of 16.6 percentage points, and increased from 21.8% for the six months ended June 30, 2024 to 26.5% for the six months ended June 30, 2025, representing a year-on-year increase of 4.7 percentage points;
- **Net profit:** in 2024 and for the six months ended June 30, 2025, we achieved a net profit. We are the fourth profit-making NEV company in the world according to the Frost & Sullivan Report. In 2023, we recorded a net loss attributable to owners of the Company of RMB2.4 billion, and in 2024 and for the six months ended June 30, 2025, we recorded a net profit attributable to owners of the Company of RMB5.9 billion and RMB2.9 billion, respectively.

SUMMARY

OUR STRENGTHS

We believe the following strengths have contributed to our success and differentiated us from our competitors:

- A leading new luxury vehicle brand;
- A streamlined and efficient operation and management system;
- Leadership in technology propelled by a synthesis of innovation + collaborative innovation;
- Capability to ramp up delivery instantly;
- A sales and service ecosystem enabling precise engagement throughout the lifecycle; and
- Entrepreneurial spirit and R&D team.

For details, see “Business — Our Strengths.”

OUR STRATEGIES

We are dedicated to serving users, striving to become a leading world-class new luxury automotive brand. To achieve these strategic objectives, our key measures include:

- Building a new standard of tech-luxury to set a global benchmark for intelligent NEVs;
- Adhering to a popular product strategy to offer a continuously evolving product experience for global users;
- Actively promoting globalization and expanding our brand influence in international markets;
- Creating an active and intelligent service system throughout the vehicle lifecycle; and
- Continuing to enhance intelligent manufacturing capabilities to establish an open, innovative, and integrated ecosystem for the intelligent vehicle industry.

For details, please see “Business — Our Strategies.”

SUMMARY

OUR SALES CHANNELS

The following table sets forth the sales channels of our vehicles and their respective revenue contributions for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(unaudited)</i>									
Distribution	27,846,603	81.8	33,464,269	93.5	136,888,738	94.3	60,438,567	93.0	59,156,066	94.9
Direct sales	6,209,471	18.2	2,324,616	6.5	8,224,885	5.7	4,575,747	7.0	3,202,759	5.1
Total	34,056,074	100.0	35,788,885	100.0	145,113,623	100.0	65,014,314	100.0	62,358,825	100.0

China

In line with industry norms, we primarily sell our NEVs through a network of distributors to cover the China market. The following table sets forth our *AITO* User Centers operated by our distributors for the periods indicated:

	As of/For the year ended December 31,			As of/For the six months ended June 30,
	2022	2023	2024	2025
At the beginning of the period . .	83	195	208	312
<i>AITO</i> User Centers newly opened				
by distributors	117	19	104	48
<i>AITO</i> User Centers closed by				
distributors.	5	6	0	4
Net increase/(decrease)	112	13	104	44
At the end of the period	195	208	312	356

Our *AITO* User Centers increased during the Track Record Period primarily to support the significant increase in demand for *AITO* vehicles due to the quality and performance of our vehicles.

Our other vehicle brands (such as Landian and DFSK) are primarily sold through our distributors' stores. As of December 31, 2022, 2023 and 2024 and June 30, 2025, our distributors' store network for our other vehicle brands consisted of 1,882 stores, 1,317 stores, 400 stores and 456 stores. The decrease in 2024 was mainly because we strategically pivoted our focus to our *AITO* brand.

SUMMARY

Overseas

During the Track Record Period, substantially all of our products and services are sold in China. However, we have also tapped into overseas markets. We have established a presence in multiple countries across Europe, the Middle East, the Americas, and Africa. In Europe, we have expanded into markets including Norway, Germany, the United Kingdom, and Switzerland, marking the successful completion of our initial global market expansion. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our overseas revenue amounted to RMB3,921.9 million, RMB4,975.9 million, RMB4,210.7 million, RMB1,847.8 million and RMB1,421.7 million, respectively.

We plan to continue to expand into other international markets. We aim to build and enhance our overseas sales and service capability, and to adapt the user interfaces of our software systems to provide better products and services to consumers in overseas markets.

Our Online Touch Points

Our *AITO* App is integrated with offline stores, enabling the entire process, including user consultation, test drive appointment, deposit payment, and after-sales appointment, to be completed online. Through our *AITO* App, prospective customers can place orders. Relying on our strong supply chain management capabilities, we enable our customers to choose from a vast pool of configurations, such as vehicle color, wheel hub size and style, in-vehicle entertainment and “zero gravity” seats. Our users can further review their order status on a real-time basis, evaluate services, and interact with other users directly on the *AITO* App. Such instantaneous feedback also enables us to further enhance our service and customer experience.

OUR TECHNOLOGIES

Through continuous innovations, we have developed core technological capabilities, that provides distinct competitive advantage in the industry. This substantial accumulation of technological capabilities improves the quality and performance of our products and further solidifies our competitive edge, enabling us to stand out in the industry.

The MF Platform

The MF Platform is our independently developed intelligent platform with continuously evolving capabilities, and it is the first platform in the industry compatible with three new energy powertrains, namely, Super Range-extended Electric, Battery Electric and Ultra Hybrid. The MF Platform enables limitless dimensional flexibility and vehicle-type adaptability for efficient integration and interchangeability of components, which enables us to efficiently and reliably achieve rapid mass production of our series models through platformisation.

SUMMARY

SERES Super REX System

Our latest-generation SERES Super REX System has achieved a mass-production thermal efficiency of 44.8%, with a maximum fuel-to-electricity conversion rate of 3.65kWh/L. We have established partnerships with several industry leaders to advance the development of REEVs. Our SERES Super REX System incorporates RoboREX intelligent control technology, which integrates battery state of charge, driving conditions, map data, and other factors to facilitate global dynamic planning and intelligent optimisation decisions, with rapid execution response. Compared to conventional control methods, this technology enhances the operational efficiency of the system, extends the total driving range of the vehicle, and further improves battery retention capability. Furthermore, this technology optimises vehicle NVH, delivering a more energy-efficient, quiet, and seamless driving experience for users.

Safety Technology

Guided by users' comprehensive safety needs and based on real-world driving scenarios and accident data analysis, we have developed intelligent safety technology system through four overarching safety scenarios of protecting life, structure, health and privacy, spanning nine crucial dimensions, including passive safety and active safety. Our intelligent safety technology system adopts scenario-based safety, encompassing over 180 vehicle use cases and developing more than 300 safety functions.

Intelligent Testing

Our cloud and end integrated testing platform possesses advanced testing capabilities. Our self-developed intelligent testing terminals facilitate 7x24 automated testing for all vehicles. We have established Hardware-in-the-Loop (“**HIL**”) testing systems for ring-network architecture and cabin clusters, providing robust automated simulation capabilities. As the enterprise with an extreme cold-weather testing base, we ensure comprehensive coverage for extreme scenario testing. By extending automated testing to the supply chain, production, and sales operations, we have established a full-process quality automation interception network.

Intelligent Services

Based on our self-developed platform, we provide full-chain, full-lifecycle intelligent services. By employing big data and AI technologies and based on digital infrastructures and intelligent platforms, we are capable of offering users proactive services, including predictive risk alerts, remote diagnosis, real-time incident and failure notifications, delivering a comprehensive, precise, efficient, and quality intelligent services for users.

For details, see “Business — Our Technologies.”

SUMMARY

Manufacturing

We consistently promote intelligence in vehicle manufacturing and adopt a lean production approach to drive continuous improvements in operational efficiency and product quality.

Currently, we operate several intelligent factories. The intelligent factories mainly for manufacturing our *AITO* brand are the SERES Super Factory (Longsheng) (the “**Super Factory (Longsheng)**”), the SERES Super Factory (Fenghuang) (the “**Super Factory (Fenghuang)**”), and the SERES Super Factory (Longxing) (the “**Super Factory (Longxing)**”), (together the “**Super Factories**”). We have an aggregate annual production capacity of approximately 600,000 units of vehicles as of the Latest Practicable Date.

For details, see “Business — Manufacturing.”

Sales and Marketing

We have built online-and-offline integration strategies that connect digital touch points and physical stores, engaging customers throughout the entire user journey from first interaction and engagement to purchase and after-sales support. This omni-channel approach ensures a smooth, consistent, and flexible user experience, and enables us to expand our market presence. As of June 30, 2025, our physical *AITO* stores comprised over 350 *AITO* User Centers and over 700 experience centers across over 240 cities in China. In line with industry norms, we primarily sell our NEVs through a network of distributors to cover the China market. For details, see “Business — Sales and Marketing — Sales Network.”

OUR CUSTOMERS AND SUPPLIERS

Customers

During the Track Record Period, we primarily sell our NEVs through our distributors’ *AITO* stores.

For the years ended December 31, 2022, 2023 and 2024 and for the six months ended June 30, 2025, the aggregate revenue generated from our five largest customers in each year/period during the Track Record Period amounted to RMB4.7 billion, RMB4.3 billion, RMB20.2 billion and RMB7.4 billion, respectively, which accounted for 13.9%, 12.0%, 13.9% and 11.9% of our total revenue for the respective years/periods. For the same periods, revenue from the largest customer in each year/period during the Track Record Period amounted to RMB1.3 billion, RMB1.5 billion, RMB5.6 billion and RMB2.5 billion, respectively, which accounted for 4.0%, 4.1%, 3.8% and 4.0% of our total revenue for the respective years/periods. For details, see “Business — Customers and Suppliers — Customers.”

SUMMARY

Suppliers

Our suppliers primarily include enterprises that supply various raw materials and components for our vehicles, mainly including metal materials, batteries, electronic components, seats and other automotive parts, among others.

Relationship with Major Suppliers

For the years ended December 31, 2022, 2023 and 2024 and for the six months ended June 30, 2025, the aggregate purchases from our top five suppliers in each year/period during the Track Record Period amounted to RMB13.9 billion, RMB15.4 billion, RMB72.2 billion and RMB35.2 billion, which accounted for 34.7%, 36.9%, 51.9% and 57.9% of our total purchases for the respective years/periods. For the same periods, purchases from our largest supplier in each year/period during the Track Record Period amounted to RMB5.8 billion, RMB7.2 billion, RMB42.0 billion and RMB20.0 billion, which accounted for 14.5%, 17.4%, 30.2% and 33.0% of our total purchases for the respective years/periods. We purchase automotive parts, services, software and equipment, among others, from such supplier. For details, see “Business — Customers and Suppliers — Suppliers — Relationship with Major Suppliers.” We may be subject to concentration and counterparty risks from these suppliers. See “Risk Factors — Risks related to Our Business and Industry — We rely on our suppliers to provide raw materials, components, software and services related to our vehicles.”

Supply Chain

With more than 20 years’ experience in the automotive industry, we have developed core technological capabilities that have led to the success of our AITO vehicles. Meanwhile, we have established a reliable and scalable supply network. Based on long-term strategic partnerships with leading industry suppliers such as Huawei and CATL, we aim to foster an open, inclusive, and interdependent ecosystem.

Collaborations with Huawei

We have established long-term and strong business relationship with Huawei. Our strategic collaborations with Huawei are summarized as below.

- ***Products and services provided by Huawei.*** We procure automotive components from Huawei, such as intelligent cockpit and driving assistance systems used in all of our AITO vehicles. In addition, leveraging Huawei’s brand recognition and extensive physical store network, we also procure advertising and promotional services from Huawei to market and sell our AITO vehicles. For example, at approximately 700 experience centers operated and managed by Huawei, we offer AITO vehicles for display and test drive. Customers may also place orders directly at the experience centers, with sales and delivery finalized at an AITO User Centers managed and operated by us and our distributors.

SUMMARY

- ***Equity investment in Yinwang.*** On August 23, 2024, we entered into an equity transfer agreement with Huawei to purchase 10% of the equity interests held by Huawei in its then wholly-owned subsidiary, Shenzhen Yinwang, at a total consideration of RMB11.5 billion. As a result of such transaction, we expect to continue to enhance our operational ecosystem through this acquisition by strengthening our investments in intelligent vehicle technology, improving the stability of our supply chain for intelligent vehicle components, strengthening our strategic partnership with Huawei, and continuing to enhance our deployment in advanced vehicle smartification technologies and the competitiveness of our intelligent electric vehicles, while enlarging the ecosystem cooperation with our strategic partners. For details, see “History, Development and Corporate Structure – Significant Acquisitions and Disposals – Acquisition of minority interest of Shenzhen Yinwang.”
- ***Procurement of Trademarks.*** In 2024, we acquired 919 trademarks primarily in relation to *AITO* and 44 relevant design patents from Huawei and its related parties, a strategic business partner of us and an Independent Third Party, for a consideration of approximately RMB2.5 billion. The consideration is determined based on negotiation between both parties. This transaction does not affect the business collaboration between Huawei and us.

Both parties will continue to strengthen our stable and sustainable collaborations. In these regard, we have entered into a cooperation agreement regarding further deepening collaborated business with Huawei in 2024. Our collaborations with Huawei do not involve any arrangements regarding profit-sharing, which are consistent with industry norm according to Frost & Sullivan.

Significance of our relationship with Huawei

During the Track Record Period, we have experienced significant business growth and improved profitability, which has been largely attributable to the success of *AITO* vehicles. Our collaboration with Huawei is a significant contributor to the success of our *AITO* vehicles. We have maintained good and long-term business relationship with Huawei and we believe that our relationship with Huawei is not subject to material adverse change. Nonetheless, we may be subject to concentration and counterparty risks from such collaborations. If we experience any material disruptions in our business relationship with Huawei, our business, financial condition and results of operations may be materially and adversely affected. See “Risk Factors – Risks related to Our Business and Industry – Our profit is attributable to the launch of certain successful models and the partnership with our significant business partners.”

SUMMARY

RISK FACTORS

Our business and the Global Offering involve certain risks, including (i) risks related to our business and industry; (ii) risks related to the jurisdictions in which we operate our business; and (iii) risks related to the Global Offering. Some of the major risks we face include, but not limited to,

- We may not be able to successfully compete in the automotive market;
- Our future growth is dependent on the consumer demand for NEVs;
- Change of government policies that are favorable for NEVs or domestically manufactured vehicles could materially and adversely affect our business, financial condition, results of operations and prospects;
- Our industry and its technology are rapidly evolving and may be subject to unforeseen changes. Breakthroughs in other NEV technologies may materially and adversely affect the demand for our vehicles;
- We rely on our suppliers to provide raw materials, components, software and services related to our vehicles;
- We may not be able to continue to develop, produce and deliver vehicles of high quality and appeal to users, on schedule, and on a large scale; and
- We may not succeed in continuing to develop, maintain, and strengthen our brand, and our brand and reputation could be harmed by negative publicity with respect to us, our Directors, officers, employees, Shareholders, peers, business partners, or our industry in general.

COMPETITION

Competition in the global and Chinese new energy passenger vehicle market is intense, driven by the following factors: (i) consumer vehicle purchasing preferences reshaped by intelligence; (ii) unprecedented opportunities for vehicle intelligence brought by artificial intelligence; (iii) new business models and product forms introduced by the cross-border industry integration; (iv) the continuous growth of China's automotive export sales; and (v) the continuously rapid growth of Chinese domestic brands of new energy passenger vehicles. The NEPV penetration rate in China passenger vehicle market increased from 15.2% in 2021 to 48.9% in 2024, and is expected to reach 76.9% in 2030, according to Frost & Sullivan. In China's NEPV market, domestic brands dominated the top 20 best-selling models in 2024, taking up 18 of the top 20 models by sales volume. In the premium NEPV segment, domestic brands also showed strong competitiveness, with 7 domestic brand models ranking among the top 10 models by sales volume in 2024. Among them, the *AITO M7* ranked first by sales volume among all the premium domestic brand models. The entry barriers of China's premium NEPV market include: (i) high initial investment; (ii) stable supply chain ecosystem; (iii) new energy vehicle production qualification barrier; (iv) production costs and economies of scale; (v) intelligent ecosystem and supporting services; and (vi) full-process integration capability. We mainly compete with global new energy passenger vehicle companies and Chinese domestic brand new energy passenger vehicle companies in domestic and overseas markets. In the future, we may also face competition from new entrants in China and globally, which will intensify competition. To maintain our competitive edges, we are committed to building a new concept of tech-luxury to set a global benchmark for intelligent NEVs, adhering to a popular product strategy to offer a continuously evolving product experience for global users, actively promoting globalization and expanding our brand influence in international markets, creating an active and intelligent service system throughout the vehicle lifecycle and continuing to enhance intelligent manufacturing capabilities to establish an open, innovative, and integrated ecosystem for the intelligent vehicle industry. According to Frost & Sullivan, our *AITO* models rank fifth in China's new energy passenger vehicle market with a market share of 3.7% in terms of sales volume in 2024, and third in China's premium brand new energy passenger vehicle market in terms of sales volume in 2024. In terms of sales volume in 2024, the *AITO M9* ranked first among passenger models of the RMB500,000 price segment in China. For details, see "Industry Overview — Competitive Landscape of China New Energy Passenger Vehicle Market."

SUMMARY

SUMMARY OF KEY FINANCIAL INFORMATION

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

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue
	<i>(unaudited)</i>									
Revenue	34,056,074	100.0	35,788,885	100.0	145,113,623	100.0	65,014,314	100.0	62,358,825	100.0
Cost of sales.	(31,328,448)	(92.0)	(33,217,792)	(92.8)	(110,563,078)	(76.2)	(50,853,429)	(78.2)	(45,828,067)	(73.5)
Gross profit.	2,727,626	8.0	2,571,093	7.2	34,550,545	23.8	14,160,885	21.8	16,530,758	26.5
Government grants and subsidies . . .	523,474	1.5	549,466	1.5	1,068,213	0.7	659,200	1.0	690,109	1.1
Other income	261,751	0.8	407,803	1.1	672,305	0.5	237,942	0.4	548,886	0.9
Other gains and losses	14,203	0.0	1,749,261	4.9	(1,615,140)	(1.1)	(80,805)	(0.1)	(32,589)	(0.1)
Impairment losses under expected credit loss model, net of reversal. . .	(76,887)	(0.2)	(108,785)	(0.3)	(131,107)	(0.1)	(39,734)	(0.1)	13,632	0.0
Research and development expenses	(1,313,661)	(3.9)	(1,696,476)	(4.7)	(5,585,504)	(3.8)	(2,827,443)	(4.3)	(2,929,532)	(4.7)
Selling and distribution expenses	(4,656,748)	(13.7)	(5,276,145)	(14.7)	(19,184,251)	(13.2)	(8,699,122)	(13.4)	(8,940,726)	(14.3)
Administrative expenses	(2,081,359)	(6.1)	(1,969,389)	(5.5)	(4,509,309)	(3.1)	(1,625,462)	(2.5)	(1,966,811)	(3.2)
Share of results of associates	512	0.0	578	0.0	(76,055)	(0.1)	31,518	0.0	(69,069)	(0.1)
Share of results of a joint venture	850	0.0	481	0.0	2,032	0.0	1,758	0.0	2,007	0.0
Finance costs	(330,171)	(1.0)	(308,746)	(0.9)	(240,382)	(0.2)	(119,628)	(0.2)	(121,874)	(0.2)
(Loss) profit before taxation	(4,930,410)	(14.6)	(4,080,859)	(11.4)	4,951,347	3.4	1,699,109	2.6	3,724,791	6.0
Income tax expenses.	(290,147)	(0.7)	(75,857)	(0.2)	(211,231)	(0.1)	(339,988)	(0.5)	(647,428)	(1.0)
(Loss) profit for the year/period	(5,220,557)	(15.3)	(4,156,716)	(11.6)	4,740,116	3.3	1,359,121	2.1	3,077,363	4.9

SUMMARY

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000 (unaudited)	% of Revenue	RMB'000	% of Revenue
Other comprehensive income										
Item that may be reclassified subsequently to profit or loss:										
Exchange differences arising on translation of foreign operations .	47,205	0.1	6,752	0.0	13,557	0.0	19,903	0.0	186	0.0
Non-controlling interests	1,713	0.0	1,271	0.0	578	0.0	553	0.0	65	0.0
Other comprehensive income for the year/period, net of income tax . . .	48,918	0.1	8,023	0.0	14,135	0.0	20,456	0.0	251	0.0
Total comprehensive (expense)/income for the year/period	(5,171,639)	(15.2)	(4,148,693)	(11.6)	4,754,251	3.3	1,379,577	2.1	3,077,614	4.9
(Loss) profit for the year/period attributable to:										
Owners of the Company	(3,831,866)	(11.3)	(2,449,687)	(6.8)	5,945,945	4.1	1,624,558	2.5	2,940,890	4.7
Non-controlling interests	(1,388,691)	(4.1)	(1,707,029)	(4.8)	(1,205,829)	(0.8)	(265,437)	(0.4)	136,473	0.2
	(5,220,557)	(15.4)	(4,156,716)	(11.6)	4,740,116	3.3	1,359,121	2.1	3,077,363	4.9

For details, see “Financial Information — Description of Major Components of Our Results of Operations.”

Revenue

We generate substantially all of our revenue from vehicle sales, primarily from our NEVs, with a small portion from ICE vehicles. Our other revenue mainly derives from sales of parts and materials, primarily including range extender, electric drive motor, powertrain and other automotive parts.

SUMMARY

The following table sets forth a breakdown of our revenue by product category, in absolute amounts and as a percentage of our total revenue, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,					
	2022		2023		2024		2024		2025			
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	(unaudited)	
Vehicle sales												
NEVs	24,934,089	73.2	28,947,606	80.9	135,490,526	93.4	60,198,727	92.6	57,951,847	92.9		
ICE vehicles	6,346,800	18.6	4,608,886	12.9	3,447,702	2.4	1,538,234	2.4	1,156,319	1.9		
Others ⁽¹⁾	2,775,185	8.2	2,232,393	6.2	6,175,395	4.2	3,277,353	5.0	3,250,659	5.2		
Total	34,056,074	100.0	35,788,885	100.0	145,113,623	100.0	65,014,314	100.0	62,358,825	100.0		

Note:

- (1) Others consist of sales of parts and materials, primarily including range extender, electric drive motor, powertrain and other automotive parts.

Our revenue grew by 305.5% from RMB35.8 billion in 2023 to RMB145.1 billion in 2024, primarily driven by higher vehicle sales, mainly due to the significant increase in our sales volume as we continued to strengthen our brand awareness, refine our product portfolio, and enhance our customer experience. Revenue from vehicle sales increased by 314.0% from RMB33.6 billion in 2023 to RMB138.9 billion in 2024, mainly due to increased revenue from sales of NEVs, which increased from RMB28.9 billion in 2023 to RMB135.5 billion in 2024, primarily due to the increased sales volume of NEVs as a result of the commencement of deliveries and instant ramp-up production for our flagship model, *AITO M9* in 2024. Our revenue from ICE vehicle sales declined from RMB4.6 billion in 2023 to RMB3.4 billion in 2024, mainly due to the adjustment of our vehicle product strategy.

Our revenue slightly decreased by 4.1% from RMB65.0 billion in the six months ended June 30, 2024 to RMB62.4 billion in the six months ended June 30, 2025, primarily due to the slightly decreased revenue from NEVs, driven by the change in sales volume of our NEVs. We recorded significant revenue in the first half of 2024 driven by the sales of our flagship model, *AITO M9*. In April 2025, we launched *AITO M8*, and the expectation for launch of new models may affect the timing of placing orders by potential consumers, as certain potential consumers postponed their purchases in anticipation of the upcoming model, which resulted in a slight decrease in our revenue in the first half of 2025. In particular, prior to the launch of the *AITO M8*, our NEV sales volume recorded year-on-year decreases of 42.5% for the three months ended March 31, 2025. Following the launch of the *AITO M8*, our NEV sales volume in the second quarter of 2025 increased significantly by 115.5% compared with the first quarter of 2025, and increased by 10.8% compared with the second quarter of 2024. Therefore, we do not expect the short-term impact from launch of new model will materially and adversely affect our results of operations for the year ending December 31, 2025.

SUMMARY

The following table sets forth our vehicle sales volume for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
NEVs	135,054	150,926	426,885	200,949	172,108
ICE vehicles	132,192	101,383	70,123	34,851	26,495
Total	<u>267,246</u>	<u>252,309</u>	<u>497,008</u>	<u>235,800</u>	<u>198,603</u>

The sales volume of our NEVs increased by 11.8% from 135.1 thousand units in 2022 to 150.9 thousand units in 2023, and further increased significantly to 426.9 thousand units in 2024, as we continued to strengthen our brand awareness, refine our product portfolio, and enhance our customer experience. We have taken several strategies to support this growth: (i) we continued to invest in research and development to enhance our technological capabilities and product quality, (ii) we scaled up production, improved production efficiency and ensuring timely product supply; (iii) we optimized our product mix by launching vehicle models across different price segments to meet diverse customer needs; and (iv) we deepened our collaboration with Huawei in areas such as intelligent driving assistance systems, which contributed to increased brand visibility and market recognition. The sales volume of our NEVs decreased from 200.9 thousand units in the six months ended June 30, 2024 units to 172.1 thousand units in the six months ended June 30, 2025, mainly as a result of the launch of the *AITO M8* in April 2025. The expectation for launch of new models may affect the timing of placing orders by potential consumers. The sales volume of our ICE vehicles decreased from 132.2 thousand units in 2022 to 101.4 thousand units in 2023, and further to 70.1 thousand units in 2024, and decreased from 34.9 thousand units in the six months ended June 30, 2024 units to 26.5 thousand units in the six months ended June 30, 2025, primarily due to our strategic shift toward NEVs, in line with industry trends in China and globally. We will continue to focus on the development and expansion of NEV business, and we will continue to assess market demand and operational considerations in determining the ongoing involvement in ICE vehicle business.

SUMMARY

In terms of geographical coverage, we generate the majority of our revenue in China, as well as in international markets, including (i) Europe, including Germany, Italy, Spain, Denmark, Poland and Hungary, (ii) North America, including the United States, Mexico and Costa Rica, and (iii) Oceania, including New Zealand. During the Track Record Period, substantially all of our products and services are sold in China. The following table sets forth a breakdown of our revenue by geographical location, in absolute amounts and as a percentage of our total revenue, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(unaudited)</i>									
China	30,134,196	88.5	30,812,974	86.1	140,902,880	97.1	63,166,529	97.2	60,937,161	97.7
Overseas	3,921,878	11.5	4,975,911	13.9	4,210,743	2.9	1,847,785	2.8	1,421,664	2.3
Total	34,056,074	100.0	35,788,885	100.0	145,113,623	100.0	65,014,314	100.0	62,358,825	100.0

Our revenue from China increased significantly from RMB30.8 billion in 2023 to RMB140.9 billion in 2024, primarily because the increased sales volume of NEVs as we continued to refine our product portfolio. Our revenue from overseas increased from RMB3.9 billion in 2022 to RMB5.0 billion in 2023, primarily due to the increased overseas sales volume as a result of our efforts to develop overseas markets and expand overseas sales channels.

Gross profit and gross margin

The following table sets forth a breakdown of our gross profit and gross margin by product category for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(unaudited)</i>									
Vehicle sales										
NEVs	2,559,630	10.3	2,004,348	6.9	32,291,818	23.8	13,722,320	22.8	15,342,498	26.5
ICE vehicles.	(3,670)	(0.1)	183,946	4.0	426,948	12.4	120,567	7.8	32,974	2.9
Subtotal	2,555,960	8.2	2,188,293	6.5	32,718,766	23.5	13,842,887	22.4	15,375,472	26.0
Others	171,666	6.2	382,799	17.1	1,831,779	29.7	317,998	9.7	1,155,286	35.5
Total	2,727,626	8.0	2,571,093	7.2	34,550,545	23.8	14,160,885	21.8	16,530,758	26.5

SUMMARY

During the Track Record Period, we recorded overall increase in our gross profit margins, which was primarily due to increased sales from NEVs with higher margins.

We recorded gross profit of RMB2.7 billion in 2022 and RMB2.6 billion in 2023. Our gross profit margins were 8.0% and 7.2% in 2022 and 2023, respectively. In particular, our vehicle sales business recorded gross profit of RMB2.6 billion in 2022 and RMB2.2 billion in 2023, with gross profit margins of 8.2% and 6.5% for the same periods, respectively. We recorded gross profit from others of RMB0.2 billion in 2022 and RMB0.4 billion in 2023, with gross profit margins of 6.2% and 17.1% for the same periods, respectively.

From 2023 to 2024, our gross profit increased significantly from RMB2.6 billion to RMB34.6 billion, and our gross profit margin increased significantly from 7.2% to 23.8%. In particular, our vehicle sales business recorded gross profit of RMB2.2 billion in 2023 and RMB32.7 billion in 2024, achieving gross profit margins of 6.5% and 23.5% for the same periods, respectively, primarily due to our adherence to promoting technological innovation, increasing product sales and optimizing product mix based on our technology-driven approach. Our gross profit margin for sales of NEVs increased from 6.9% in 2023 to 23.8% in 2024, primarily due to the optimization of our product mix, with an increased sales of high-end models, which typically have higher gross profit margin. Our gross profit margin for sales of ICE vehicles increased from 4.0% in 2023 to 12.4% in 2024, primarily due to the optimization of our product mix, with an increased proportion of revenue from export ICE vehicles in total revenue from ICE vehicles, which typically have higher gross profit margin. We recorded gross profit from others of RMB0.4 billion in 2023 and RMB1.8 billion in 2024, achieving gross profit margins of 17.1% and 29.7% for the same periods, respectively, the increase of gross profit margin was primarily due to economies of scale and our enhanced operational efficiency.

We recorded gross profit of RMB14.2 billion in the six months ended June 30, 2024 and RMB16.5 billion in the six months ended June 30, 2025. Our gross profit margins were 21.8% and 26.5% in the six months ended June 30, 2024 and 2025, respectively. In particular, our vehicle sales business recorded gross profit of RMB13.8 billion in the six months ended June 30, 2024 and RMB15.4 billion in the six months ended June 30, 2025, achieving gross profit margins of 22.4% and 26.0% for the same periods, respectively, primarily due to our adherence to promoting technological innovation and optimizing product mix based on our technology-driven approach. Our gross profit margin for sales of NEVs increased from 22.8% in the six months ended June 30, 2024 to 26.5% in the six months ended June 30, 2025, primarily due to the optimization of our product mix, with an increased sales of high-end models, which typically have higher gross profit margin. Our gross profit margin for others increased from 9.7% in the six months ended June 30, 2024 to 35.5% in the six months ended June 30, 2025, primarily due to economies of scale and our enhanced operational efficiency.

SUMMARY

Other income

Our other income consists primarily of interest income from bank deposits and rental income. We recorded other income of RMB261.8 million, RMB407.8 million, RMB672.3 million, RMB237.9 million and RMB548.9 million in 2022, 2023 and 2024 and for the six months ended June 30, 2024 and 2025, respectively.

Other gains and losses

Our other gains and losses consist of (i) impairment loss recognized in respect of goodwill, intangible assets, property, plant and equipment, (ii) gain or loss on disposal of subsidiaries and other equity investments, (iii) net foreign exchange losses or gains, (iv) gain or loss on disposal of property, plant and equipment and intangible assets, (v) change in fair value of financial assets measured at fair value through profit or loss, which representing our investment in structured deposits and securities of certain listed companies in China, and (vi) others. In 2022 and 2023, we recorded other gains of RMB14.2 million and RMB1.7 billion, respectively. In 2024 and for the six months ended June 30, 2024 and 2025, we recorded other losses of RMB1.6 billion, RMB80.8 million and RMB32.6 million, respectively.

(Loss) Profit for the Year/Period

In 2022 and 2023, we recorded losses for the year of RMB5.2 billion and RMB4.2 billion, respectively, primarily due to the significant amounts of cost of sales incurred, generally in line with the increased vehicle deliveries. In 2024, we recorded profit for the year of RMB4.7 billion, primarily due to the significant increase in our revenues. Such growth was mainly attributable to our commitment to the technology-driven approach, which promoted technology innovation and increased sales volume. In 2024, our total sales volume of NEV amounted to 426.9 thousand vehicles, representing an increase of 182.84% from 2023, leading to a significant increase in revenues. In the six months ended June 30, 2024 and 2025, we recorded profit for the period of RMB1.4 billion and RMB3.1 billion, respectively, primarily due to the optimization of our product mix.

In 2022 and 2023, we recorded a net loss attributable to owners of the Company of RMB3.8 billion and RMB2.4 billion respectively, and in 2024 and for the six months ended June 30, 2024 and 2025, we recorded a net profit attributable to owners of the Company of RMB5.9 billion, RMB1.6 billion and RMB2.9 billion, respectively.

SUMMARY

Summary of the Consolidated Statements of Financial Position

The table below sets forth the selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from our audited consolidated financial statements included in Appendix I to this Prospectus.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total non-current assets	20,184,156	25,127,599	28,366,106	44,068,238
Total current assets	26,975,971	26,117,072	65,997,852	68,843,572
Total assets	47,160,127	51,244,671	94,363,958	112,911,810
Total non-current liabilities . .	5,026,211	6,468,545	6,193,607	8,896,813
Total current liabilities	32,331,483	37,576,179	76,264,794	77,005,263
Net current liabilities	(5,355,512)	(11,459,107)	(10,266,942)	(8,161,691)
Total liabilities	37,357,694	44,044,724	82,458,401	85,902,076
Net assets	9,802,433	7,199,947	11,905,557	27,009,734
Equity attributable to owners				
of the Company	11,419,629	11,405,827	12,264,245	26,761,103
Non-controlling interests	(1,617,196)	(4,205,880)	(358,688)	248,631
Total equity	9,802,433	7,199,947	11,905,557	27,009,734

Our net current liabilities decreased from RMB10,266.9 million as of December 31, 2024 to RMB8,161.7 million as of June 30, 2025, primarily due to (i) an increase in bank balances and cash of RMB15,331.2 million, and (ii) a decrease in trade and other payables of RMB6,018.3 million.

Our net current liabilities decreased from RMB11,459.1 million as of December 31, 2023 to RMB10,266.9 million as of December 31, 2024, primarily due to (i) an increase in pledged and restricted bank deposits of RMB30,940.3 million, (ii) an increase in time deposits of RMB7,303.5 million, and (iii) an increase in financial assets at fair value through profit or loss of RMB2,915.1 million, partially offset by (i) an increase in trade and other payables of RMB39,945.4 million and (ii) a decrease in amount due from immediate holding company of RMB1,374.2 million.

Our net current liabilities increased from RMB5,355.5 million as of December 31, 2022 to RMB11,459.1 million as of December 31, 2023, primarily due to (i) a decrease in pledged and restricted bank deposits of RMB5,356.0 million, (ii) an increase in trade and other payables of RMB4,165.7 million, and (iii) an increase in contract liabilities of RMB2,307.4 million, partially offset by (i) the increases in trade and other receivables of RMB2,386.2 million and (ii) the increase in bank balances and cash of RMB2,152.3 million.

SUMMARY

Our net assets decreased from RMB9,802.4 million as of December 31, 2022 to RMB7,199.9 million as of December 31, 2023, which was primarily attributable to (i) loss for the year of RMB4,156.7 million, (ii) profit guarantee compensation from Chongqing Sokon Holding Company Limited of RMB1,374.2 million, (iii) repurchase of shares of RMB105.2 million, and (iv) recognition of equity-settled share-based payments of RMB30.8 million. Our net asset position increased to RMB11,905.6 million as of December 31, 2024, which was primarily due to (i) profit for the year of RMB4,740.1 million, (ii) capital injection from non-controlling shareholders of subsidiaries of RMB1,523.0 million, and (iii) recognition of equity-settled share-based payments of RMB67.4 million, partially offset by acquisition of non-controlling interests of RMB1,334.0 million at premium. Our net assets further increased to RMB27,009.7 million as of June 30, 2025, which was primarily due to (i) profit for the period of RMB3,077.4 million, (ii) capital injection from non-controlling shareholders of subsidiaries of RMB5.0 billion, and (iii) issuance of shares of RMB8.5 billion.

For details, see “Financial Information — Discussion of Certain Key Items from Our Consolidated Statements of Financial Position.”

Summary of the Consolidated Statements of Cash Flows

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

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Net cash (used in)/from					
operating activities	(1,358,034)	6,103,005	21,988,014	16,273,566	14,034,486
Net cash (used in) investing					
activities	(3,964,511)	(2,678,201)	(15,982,083)	(4,975,304)	(6,564,298)
Net cash from/(used in)					
financing activities	6,325,284	(1,269,023)	(4,166,686)	(1,893,810)	7,861,634
Net increase in cash and cash					
equivalents	1,002,739	2,155,781	1,839,245	9,404,452	15,331,822
Cash and cash equivalents at					
beginning of the year/period .	1,318,961	2,327,394	4,479,719	4,479,719	6,333,682
Effect of foreign exchange rate					
changes	5,694	(3,456)	14,718	5,678	(618)
Cash and cash equivalents at					
end of the year/period	2,327,394	4,479,719	6,333,682	13,889,849	21,664,886

We incurred net cash used in operating activities in 2022 primarily due to our continuous investment in sales channel and R&D, while our sales volume had not ramped up. Our net cash used in operating activities in 2022 was RMB1,358.0 million, which primarily consisted of loss before taxation of RMB4,930.4 million, adjusted for certain non-cash and non-operating items.

SUMMARY

Adjustments for such non-cash and non-operating items primarily include (i) depreciation of property, plant and equipment of RMB1,311.3 million, (ii) amortisation of intangible assets of RMB856.2 million, and (iii) finance costs of RMB330.2 million. The amount was further adjusted by changes in working capital, primarily including (i) an increase in pledged bank deposits of RMB9,008.9 million, (ii) an increase in inventories of RMB1,220.0 million, and (iii) an increase in trade and other receivables of RMB439.5 million, partially offset by (i) an increase in trade and other payables of RMB10,687.9 million and (ii) an increase in deferred income of RMB703.9 million.

For details, see “Financial Information — Cash Flow Analysis.”

Key Financial Ratios

The following table sets forth certain of our key financial ratios for the periods indicated.

	As of/for the year ended December 31,			As of/For the six months ended June 30,	
	2022	2023	2024	2024	2025
	%	%	%	%	%
Gross profit margin ⁽¹⁾	8.0	7.2	23.8	21.8	26.5
Current ratio ⁽²⁾	83.4	69.5	86.5	84.6	89.4
Quick ratio ⁽³⁾	71.1	60.1	83.2	79.4	85.2

Notes:

- (1) Gross profit margin was calculated by dividing gross profit by revenue for the periods indicated.
- (2) Current ratio was calculated by dividing total current assets by total current liabilities as of the dates indicated.
- (3) Quick ratio was calculated based on total current assets less inventories divided by total current liabilities as of the dates indicated.

For details, see “Financial Information — Key Financial Ratios.”

DIVIDENDS

We have adopted our dividend policy since our A-Share listing on the Shanghai Stock Exchange in 2016. In 2024, we adopted our Shareholder Return Plan for 2023-2025 in accordance with applicable PRC laws and regulations, including the PRC Company Law (《中華人民共和國公司法》) and the No. 3 Guideline for the Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies (2025 Revision) (《上市公司監管指引第3號—上市公司現金分紅(2025年修訂)》), and our Articles of Association. Pursuant to our Shareholder Return Plan for 2023-2025, subject to certain conditions, the annual cash dividends of the Company shall account for no less than 20% of the profits realized by the

SUMMARY

Company in that year (calculated in accordance with PRC GAAP) which are available for distribution and attributable to the shareholders. Under our Shareholder Return Plan for 2023-2025, we declared interim dividend for the first three quarters of 2024 of RMB499.7 million, which was paid in 2024, final dividend for the year of 2024 of RMB1,584.4 million, which was paid in the first half of 2025 and dividend for the six months ended June 30, 2025 of RMB506.3 million, which is expected to be paid in October 2025. We did not declare or pay any dividends in 2022 or 2023. We have strictly implemented this plan, which specifies the decision-making process for dividend standards, dividend ratios and profit distribution policies, aiming to ensure a consistent profit distribution policy and to protect the legitimate interests of minority Shareholders.

Future profit distributions may be carried out in the form of cash dividends or stock dividends or a combination of cash dividends and stock dividends. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC Law and approval or authorization of our Shareholders. Our PRC Legal Adviser is of the opinion that, we may pay dividends following approval or authorization by general meeting of shareholders, in accordance with applicable laws, regulations, normative documents, and its Articles of Association.

FUTURE PLANS AND USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$12,924.9 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised, and at an Offer Price of HK\$131.50 per Offer Share.

In line with our strategies, we intend to use the net proceeds for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

- approximately 70.0%, or HK\$9,047.4 million, will be used to invest in our research and development projects;
- approximately 20.0%, or HK\$2,585.0 million, will be used to invest in diversified new marketing channels, overseas sales, and charging network services, to enhance our global brand awareness; and
- approximately 10.0%, or HK\$1,292.5 million, will be used for working capital and general corporate purposes.

For details, see “Future Plans and Use of Proceeds.”

SUMMARY

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Our Single Largest Group of Shareholders comprises Mr. Zhang Xinghai, Sokon Holding and Yu'an Industry. As of the Latest Practicable Date, Mr. Zhang Xinghai controlled approximately 28.57% of the total issued share capital of the Company through Sokon Holding (holding approximately 24.52% of the total issued share capital of our Company) and Yu'an Industry (holding approximately 4.05% of the total issued share capital of our Company), entities controlled by him. For details, see the section headed "History, Development and Corporate Structure — Our Single Largest Group of Shareholders."

Immediately following completion of the Global Offering, assuming no new Shares are issued pursuant to the Offer Size Adjustment Option and the Over-allotment Option, Mr. Zhang Xinghai will control approximately 26.92% of the total issued share capital of the Company through Sokon Holding and Yu'an Industry. As such, upon completion of the Global Offering, Mr. Zhang Xinghai, Sokon Holding and Yu'an Industry continue to be our Single Largest Group of Shareholders.

LISTING ON THE SHANGHAI STOCK EXCHANGE

Our A Shares have been listed on the Shanghai Stock Exchange (stock code: 601127) since June 2016. Our Directors have confirmed that the Company has no instance of material non-compliance with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC in any material respect since the A Share Listing, and, to the best knowledge of our Directors after having made all reasonable enquiries, there is no material matter that should be brought to investors' attention in relation to our compliance record on the Shanghai Stock Exchange. Based on the filings on the website of the Shanghai Stock Exchange and the information available in the public domain, our PRC Legal Adviser is of the view that the Company had complied with all applicable securities laws and regulations in the PRC in relation to its listing on the Shanghai Stock Exchange in all material respects for the two years ended December 31, 2023 and 2024, and up to the date of submission of its H Share Listing application to the Hong Kong Stock Exchange. Based on the independent due diligence conducted by the Joint Sponsors and our PRC Legal Adviser's view as set out above, nothing has come to the Joint Sponsors' attention that would cause them to have reasonable doubt about our Directors' confirmation with regard to the compliance record of the Company on the Shanghai Stock Exchange in all material respects.

LISTING EXPENSES

Our listing expenses mainly include (i) underwriting-related expenses, such as underwriting fees and commissions, and (ii) non-underwriting-related expenses, comprising professional fees paid to our legal advisers and Reporting Accountants for their services rendered in relation to the Listing and the Global Offering, and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total listing expenses (based on the Maximum Offer Price and assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised) for the Global Offering are approximately

SUMMARY

HK\$251.4 million, accounting for approximately of 1.9% of our gross proceeds. Among such estimated total listing expenses, we expect to pay underwriting-related expenses of HK\$184.5 million, professional fees for our legal advisers and Reporting Accountants of HK\$39.3 million and other fees and expenses of HK\$27.6 million. An estimated amount of HK\$11.4 million for our listing expenses, accounting for approximately 0.1% of our gross proceeds, is expected to be expensed through the statement of profit or loss and the remaining amount of HK\$240.0 million is expected to be recognized directly as a deduction from equity upon the Listing.

GLOBAL OFFERING STATISTICS

The statistics in the following table are based on the assumptions that: (i) the Global Offering is completed and 100,200,000 H Shares are issued pursuant to the Global Offering, (ii) the Offer Size Adjustment Option and the Over-Allotment Option are not exercised, and (iii) 1,733,566,086 Shares are issued immediately upon completion of the Global Offering.

	Based on an Offer Price of HK\$131.50 per Offer Share
Market capitalization of our H Shares	HK\$13,176.30 million
Market capitalization of our Shares ⁽¹⁾	HK\$302,853.78 million
Unaudited pro forma adjusted net tangible assets per Share ⁽²⁾	HK\$18.30

Notes:

- (1) The total market capitalization of the Company is calculated based on (i) 1,633,366,086 A Shares in issue as of the Latest Practicable Date at the average closing price of the A Shares of the Company for the five trading days immediately preceding the Latest Practicable Date at RMB161.96 (or approximately HK\$177.35) per Share, and (ii) the expected market capitalization of the Company's H Shares at Listing (assuming the Offer Size Adjustment Option and the Over-Allotment Option are not exercised).
- (2) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is arrived at on the basis of 1,733,566,086 Shares in total, assuming that the Global Offering of 100,200,000 H Shares had been completed on June 30, 2025. It does not take into account any shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option or any shares which may be issued or repurchased by the Company pursuant to the Company's general mandate. For details, see "Financial Information."

In particular, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as shown on Page II-1 has not taken into account payment of dividends of RMB506,343,000 which was approved by the shareholders at the shareholders' meeting on October 15, 2025.

The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of June 30, 2025 per Share would have been RMB16.42 (equivalent to HK\$17.98) per Share based on the Offer Price of HK\$131.50, if the dividend had been taken into account as of June 30, 2025.

SUMMARY

LEGAL PROCEEDINGS AND COMPLIANCE

We are committed to adhering to the laws and regulations applicable to our business. During the Track Record Period and up to the Latest Practicable Date, we did not experience any non-compliance incidents that our Directors believe would, individually or collectively, have a material operational or financial impact on our business and operations as a whole.

APPLICATION FOR LISTING ON THE HONG KONG STOCK EXCHANGE

We are applying for the Listing under Rule 8.05(3) of the Listing Rules and satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to (i) our revenue for the year ended December 31, 2024, being approximately RMB145.1 billion, which is over HK\$500 million required by Rule 8.05(3) of the Listing Rules; and (ii) our expected market capitalization at the time of Listing, which, based on the maximum Offer Price of HK\$131.50, exceeds HK\$4 billion.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

For the nine months ended September 30, 2025, the sales volume of our NEVs was 304,629 vehicles, and the sales volume of our other vehicles was 36,021 vehicles. In the third quarter of 2025, the sales volume of our NEVs was 132,521 vehicles, representing a year-over-year increase of 14.5%.

Our Directors have confirmed that, up to the date of this Prospectus, there has been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since June 30, 2025, being the end date of our latest audited financial statements, and there has been no event since June 30, 2025 that would materially affect the information shown in the Accountants' Report set out in Appendix I.

DEFINITIONS

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

“2017 RSU Scheme”	the restricted share unit scheme of our Company approved and adopted on July 20, 2017
“2021 Share Option Incentive Plan”	the share option incentive plan of our Company approved and adopted on July 26, 2021
“2022 Share Option Incentive Plan”	the share option incentive plan of our Company approved and adopted on September 15, 2022
“2024 Employee Stock Ownership Plan”	the employee stock ownership plan of our Company approved and adopted on March 18, 2024, a summary of the principal terms of which is set forth in the section headed “Statutory and General Information — 2024 Employee Stock Ownership Plan” in Appendix IV
“A Share(s)”	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are traded in Renminbi and listed on the Shanghai Stock Exchange
“A Shareholder(s)”	holder(s) of the A Share(s)
“Accountants’ Report”	the accountants’ report prepared by Deloitte Touche Tohmatsu, details of which are set out in Appendix I to this Prospectus
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“AITO”	Wenjie (問界) in English
“Articles” or “Articles of Association”	the articles of association of our Company, as amended, which shall become effective on the Listing Date, a summary of which is set out in Appendix III to this Prospectus

DEFINITIONS

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board” or “our Board”	the board of directors of the Company
“business day”	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“Capital Market Intermediaries” or “capital market intermediary(ies)” or “CMI(s)”	the capital market intermediaries participating in the Global Offering and has the meaning ascribed thereto under the Listing Rules
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China”, “Mainland China” or “PRC”	the People’s Republic of China, which, for the purpose of this Prospectus and for geographical reference only, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China, and Taiwan Region
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Company”, “our Company”, “the Company”, or “SERES”	Seres Group Co., Ltd. (賽力斯集團股份有限公司) (formerly known as Chongqing Yu’an Holding Co., Ltd. (重慶渝安控股有限公司), Chongqing Sokon Automobile Holding Co., Ltd. (重慶小康汽車控股有限公司), Chongqing Sokon Automobile Group Co., Ltd. (重慶小康汽車集團有限公司) and Chongqing Sokon Industrial Group Co., Ltd. (重慶小康工業集團股份有限公司)), a limited liability company incorporated in the PRC on May 11, 2007 and converted into a joint stock company with limited liability on April 29, 2011, the A Shares of which are listed on the Shanghai Stock Exchange (stock code: 601127)

DEFINITIONS

“Compliance Adviser”	Rainbow Capital (HK) Limited
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)” or “our Director(s)”	the director(s) of our Company
“Dongfeng Motor”	Dongfeng Motor Corporation (東風汽車集團有限公司), a substantial shareholder of the Company and a connected person of the Company
“EIT”	the PRC enterprise income tax
“EIT Law”	the Enterprise Income Tax Law of the People’s Republic of China (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
“ESG Committee”	the environmental, social and governance (ESG) committee
“Exchange Participant”	a person (a) who, in accordance with the Listing Rules of the Hong Kong Stock Exchange, may trade on or through the Hong Kong Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Hong Kong Stock Exchange as a person who may trade on or through the Hong Kong Stock Exchange
“Extreme Conditions”	extreme conditions as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale seriously affects the working public’s ability to resume work or brings safety concern for a prolonged period

DEFINITIONS

“FINI”	“Fast Interface for New Issuance”, the online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for the Listing
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, which is an Independent Third Party
“Frost & Sullivan Report”	an independent market research report prepared by Frost & Sullivan
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Group”, “our Group”, “our”, “we” or “us”	our Company and its subsidiaries, or any one of them as the context may require, and where the context requires, the businesses operated by our Company and/or its subsidiaries and their predecessors (if any)
“Guide for New Listing Applicants”	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange effective from January 1, 2024, as amended, supplemented or otherwise modified from time to time
“H Share(s)”	listed ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are to be subscribed for and traded in Hong Kong dollars and to be listed on the Hong Kong Stock Exchange
“H Share Registrar”	Tricor Investor Services Limited
“H Shareholder(s)”	holder(s) of the H Share(s)
“HK\$” or “Hong Kong dollar(s)”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“ HK eIPO White Form ”	the application for Hong Kong Offer Shares to be issued in the applicant’s own name and submitted online through the designated website at www.hkeipo.hk

DEFINITIONS

“ HK eIPO White Form Service Provider ”	the HK eIPO White Form service provider designated by our Company as specified on the designated website at <u>www.hkeipo.hk</u>
“ HKSCC ”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“ HKSCC EIPO ”	the application for Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant’s stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via HKSCC’s FINI system to apply for Hong Kong Offer Shares on your behalf
“ HKSCC Nominees ”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“ HKSCC Operational Procedures ”	the operational procedures of HKSCC containing the practices, procedures and administrative or other requirements relating to HKSCC’s services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as in force from time to time
“ HKSCC Participant ”	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
“ Hong Kong ” or “ HK ”	the Hong Kong Special Administrative Region of the PRC
“ Hong Kong Offer Shares ”	the 10,020,000 H Shares offered by us for subscription at the Offer Price pursuant to the Hong Kong Public Offering (subject to adjustments as described in the section headed “Structure of the Global Offering”)

DEFINITIONS

“Hong Kong Public Offering”	the offering of the Hong Kong Offer Shares for subscription by the public in Hong Kong (subject to adjustments as described in the section headed “Structure of the Global Offering”) at the Offer Price (plus brokerage, SFC transaction levy, Hong Kong Stock Exchange trading fee and AFRC transaction levy), on and subject to the terms and conditions described in the section headed “Structure of the Global Offering”
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchange and Clearing Limited
“Hong Kong Takeovers Code” or “Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering listed in the paragraph headed “Underwriting — Hong Kong Underwriters”
“Hong Kong Underwriting Agreement”	the underwriting agreement dated October 24, 2025, relating to the Hong Kong Public Offering entered into by, among others, our Company, the Overall Coordinators and the Hong Kong Underwriters, as further described in “Underwriting — Underwriting Arrangements — Hong Kong Public Offering — Hong Kong Underwriting Agreement”
“Huawei”	Huawei Technologies Co., Ltd. (華為技術有限公司), an Independent Third Party
“Independent Third Party(ies)”	any entity(ies) or person(s) who is not a connected person of our Company within the meaning of the Listing Rules
“International Offer Shares”	the 90,180,000 H Shares offered by our Company pursuant to the International Offering (subject to adjustment as described in the section headed “Structure of the Global Offering”) together with any additional H Shares which may be allotted and issued by our Company pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option

DEFINITIONS

“International Offering”	the offering of the International Offer Shares at the Offer Price outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and subject to the terms and conditions of the International Underwriting Agreement, as further described in the section headed “Structure of the Global Offering”
“International Underwriters”	the group of international underwriters who are expected to enter into the International Underwriting Agreement to underwrite the International Offering
“International Underwriting Agreement”	the underwriting agreement relating to the International Offering expected to be entered into on or about the Price Determination Date by, among others, our Company, the Overall Coordinators and the International Underwriters, as further described in the section headed “Underwriting — Underwriting Arrangements — International Offering”
“Joint Bookrunners”	the joint bookrunners as named in the section headed “Directors and Parties Involved in the Global Offering”
“Joint Global Coordinators”	the joint global coordinators as named in the section headed “Directors and Parties Involved in the Global Offering”
“Joint Lead Managers”	the joint lead managers as named in the section headed “Directors and Parties Involved in the Global Offering”
“Joint Sponsors”	the joint sponsors as named in the section headed “Directors and Parties Involved in the Global Offering”
“Latest Practicable Date”	October 17, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this Prospectus prior to its publication
“Listing”	the listing of our H Shares on the Main Board

DEFINITIONS

“Listing Committee”	the listing committee of the Hong Kong Stock Exchange
“Listing Date”	the date, expected to be on or about Wednesday, November 5, 2025, on which the H Shares are to be listed and on which dealings in the H Shares are to be first permitted to take place on the Hong Kong Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Longsheng New Energy”	Chongqing Liangjiang New Area Longsheng New Energy Technology Co., Ltd. (重慶兩江新區龍盛新能源科技有限責任公司), a limited liability company established under the laws of the PRC on September 21, 2022 and a wholly-owned subsidiary of the Company as at the Latest Practicable Date
“Main Board”	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
“MOF”	the Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM” or “Ministry of Commerce”	the Ministry of Commerce of the PRC (中華人民共和國商務部) (formerly known as the Ministry of Foreign Trade and Economic Cooperation of the PRC (中華人民共和國對外經濟貿易部))
“Mr. Zhang Xinghai”	Mr. Zhang Xinghai (張興海), our founder and a member of our Single Largest Group of Shareholders
“Nomination Committee”	the nomination committee of the Board
“NPC”	the National People’s Congress of the PRC (中華人民共和國全國人民代表大會)

DEFINITIONS

“Offer Price”	the final offer price per Offer Share (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.0027%, Hong Kong Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) at which the Offer Shares are to be subscribed for and issued pursuant to the Global Offering as described in the section headed “Structure of the Global Offering”
“Offer Share(s)”	the Hong Kong Offer Shares and the International Offer Shares, with any additional H Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option
“Offer Size Adjustment Option”	the option under the Hong Kong Underwriting Agreement, exercisable by the Company with the prior written agreement between the Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) on or before the execution of the Price Determination Agreement, pursuant to which the Company may issue and allot up to an aggregate of 15,030,000 additional H Shares (representing in aggregate approximately 15.0% of the Offer Shares initially being offered under the Global Offering) at the Offer Price, to cover additional market demand, as described in “Structure of the Global Offering — Offer Size Adjustment Option”
“Over-allotment Option”	the option granted by us to the International Underwriters, exercisable by the Overall Coordinators (on behalf of the International Underwriters) pursuant to the International Underwriting Agreement, to require our Company to allot and issue up to an aggregate of 15,030,000 additional H Shares (representing in aggregate approximately 15.0% of the Offer Shares initially being offered under the Global Offering assuming the Offer Size Adjustment Option is not exercised at all) or up to 17,284,500 additional H Shares (representing in aggregate approximately 15.0% of the Offer Shares being offered under the Global Offering assuming the Offer Size Adjustment Option is exercised in full), at the Offer Price to, among other things, cover over-allocations in the International Offering, if any, exercisable at any time from the date of the International Underwriting Agreement up to (and including) the date which is the 30th day from the last day for lodging of applications under the Hong Kong Public Offering

DEFINITIONS

“Overall Coordinators”	the overall coordinators as named in the section headed “Directors and Parties Involved in the Global Offering”
“Overseas Listing Trial Measures”	The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and the supporting guidelines (《境內企業境外發行證券和上市管理試行辦法》及其配套指引) promulgated by the CSRC on February 17, 2023 which became effective on March 31, 2023
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Company Law”	Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“PRC GAAP”	generally accepted accounting principles in the PRC
“PRC Legal Adviser”	King & Wood Mallesons, our legal adviser on PRC laws
“Price Determination Agreement”	the agreement to be entered into by Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and our Company on the Price Determination Date to record and fix the Offer Price
“Price Determination Date”	the date, expected to be on or around Monday, November 3, 2025 (Hong Kong time) on which the Offer Price is determined, or such later time as our Company and the Overall Coordinators (on behalf of the Hong Kong Underwriters) may agree, but in any event not later than 12:00 noon on Monday, November 3, 2025
“Prospectus”	this prospectus being issued in connection with the Hong Kong Public Offering
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“Renminbi” or “RMB”	the lawful currency of the PRC

DEFINITIONS

“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SAT”	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“Seres Auto”	Seres Auto Co., Ltd. (賽力斯汽車有限公司), a limited liability company established under the laws of the PRC on September 4, 2012 and a non-wholly owned subsidiary of the Company as at the Latest Practicable Date
“Seres Hubei”	Seres Auto (Hubei) Co., Ltd. (賽力斯汽車(湖北)有限公司) (formerly known as DFSK Motor Co., Ltd. (東風小康汽車有限公司)), a limited liability company established under the laws of the PRC on May 26, 2003 and a wholly-owned subsidiary of the Company as at the Latest Practicable Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai Stock Exchange”	the Shanghai Stock Exchange (上海證券交易所)
“Shanghai Stock Exchange Listing Rules”	the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (《上海證券交易所股票上市規則》), as amended from time to time
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, including both A Shares and H Shares
“Shareholder(s)”	holder(s) of our Share(s)

DEFINITIONS

“Shenzhen Yinwang”	Shenzhen Yinwang Intelligent Technology Co., Ltd. (深圳引望智能技術有限公司), a company held as to 80%, 10% and 10% by Huawei, Seres Auto and Avatr Technology Co., Ltd. (阿維塔科技(重慶)有限公司), respectively, as at the Latest Practicable Date
“Single Largest Group of Shareholders”	refers to Mr. Zhang Xinghai, Sokon Holding and Yu’an Industry
“Sokon Holding”	Chongqing Sokon Holding Company Limited (重慶小康控股有限公司), a limited liability company incorporated in the PRC on December 14, 2010 held as to 50%, 25% and 25% by Mr. Zhang Xinghai, Mr. Zhang Xingli (張興禮) and Mr. Zhang Xingming (張興明), respectively, and a member of our Single Largest Group of Shareholders
“Sponsor-Overall Coordinators”	the sponsor-overall coordinators as named in the section headed “Directors and Parties Involved in the Global Offering”
“Stabilizing Manager”	China International Capital Corporation Hong Kong Securities Limited
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Strategy Committee”	the strategy committee of the Board
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Track Record Period”	the period comprising the three financial years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025
“treasury share(s)”	has the meaning ascribed thereto under the Listing Rules
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement

DEFINITIONS

“U.S.” or “United States”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“U.S. dollar(s)”, “US\$” or “USD”	United States dollar(s), the lawful currency of the U.S.
“U.S. persons”	U.S. persons as defined in Regulation S
“U.S. Securities Act”	United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time
“VAT”	value-added tax
“Yu’an Industry”	Chongqing Yu’an Automobile Industry Co., Ltd. (重慶渝安汽車工業有限公司), a limited liability company incorporated in the PRC on December 16, 2010 and a member of our Single Largest Group of Shareholders, which is held as to 15.8419% by Sokon Holding, 11.9732% by Mr. Zhang Xinghai, 5.9867% by Zhang Xingli (張興禮), 5.9867% by Zhang Xingming (張興明), 4.8221% by Zhang Zhengyuan (張正源) and 0.1468% by Shen Wei (申薇) (each of whom is an executive Director), 1.5650% by Kang Bo (康波), 0.7794% by Liu Lian (劉聯), 0.0711% by Zhou Lin (周林) and 0.0711% by Wang Ping (王平) (each of whom is a member of our senior management), 5.4470% by Zhang Rong (張容), 3.2682% by Zhang Yong (張勇), 2.6630% by Zhang Li (張立) and 1.3378% by Yang Hua (楊華) (each of whom is a relative of our Director and thus a connected person), and 40.04% by 18 other individuals who are employees, ex-employees or individual investors of the Group
“%”	per cent

Certain amounts and percentage figures included in the Prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including our subsidiaries) have been included in this Prospectus in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

GLOSSARY OF TECHNICAL TERMS

This glossary contains definitions of certain technical terms used in this Prospectus in connection with us and our business. These definitions may not correspond to standard industry definitions, and may not be comparable to similarly terms adopted by other companies.

“AI”	artificial intelligence, an area of computer science that focuses on mimicking human intelligence by machines
“AGVs”	automated guided vehicles, portable robots that typically follow along marked long lines or wires on the floor, or uses radio waves, vision cameras, magnets, or lasers for navigation, often used in industrial applications to transport heavy materials around a large industrial building
“AMRs”	autonomous mobile robotics, used in the integrated system of hardware and software for warehouse and logistics management functions
“BEVs”	battery electric vehicles
“BMS”	battery management system, an intelligent system for monitoring, controlling and managing battery pack operation status
“CAGR”	compound annual growth rate, the geometric progression ratio that provides a constant rate of return over the time period
“CLTC”	China Light-duty Vehicle Test Cycle
“EVs”	electric passenger vehicles
“Hardware-in-the-Loop (HIL) Testing”	the process of testing a vehicle’s hardware by integrating it into a software environment and simulating different real-life scenarios for the hardware to react to
“ICE”	internal combustion engine
“IoT”	Internet of Things
“LiDAR”	light detection and ranging, a remote sensing method used to measure the distance and range of the object

GLOSSARY OF TECHNICAL TERMS

“MF platform”	our self-developed platform-based vehicle manufacturing model
“MSRP”	manufacturer suggested retail price
“NEPVs”	new energy passenger vehicles, refer to vehicles that utilize non-conventional vehicle fuels (or conventional fuels combined with new powertrains) as their power source, characterized by low pollution, low energy consumption, and high efficiency
“NEVs”	new energy vehicles, mainly including BEVs, REEVs, plug-in hybrid electric vehicles and fuel cell electric vehicles
“NVH”	noise, vibration and harshness
“OEM”	automotive original equipment manufacturers
“PTL”	pick-to-light system, an order picking technology that utilizes lights and LEDs on racks or shelves to indicate pick locations and guide order pickers through their work
“REEVs”	extended-range electric vehicles
“Super Factories”	the Super Factory (Longsheng), the Super Factory (Fenghuang) and the Super Factory (Longxing), our intelligent factories
“SUV”	sport utility vehicles
“WMS”	warehousing management system

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements and information relating to us and our subsidiaries that are based on the intentions, beliefs, expectations or predictions of our management as well as assumptions made by and information currently available to our management. When used in this Prospectus, the words “aim,” “anticipate,” “believe,” “could,” “expect,” “going forward,” “intend,” “may,” “ought to,” “plan,” “project,” “seek,” “should,” “will,” “would,” “vision,” “aspire,” “target,” “schedules,” and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in this Prospectus, some of which are beyond our control and may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our operations and business prospects;
- our ability to maintain relationships with, and the actions and developments affecting, our major customers and suppliers;
- future developments, trends and conditions in the industries and markets in which we operate or plan to operate;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environment in the industries and markets in which we operate;
- our ability to maintain our market leading position;
- the actions and developments of our competitors;
- our ability to effectively contain costs and optimize pricing;
- the ability of third parties to perform in accordance with contractual terms and specifications;
- our ability to retain senior management and key personnel and recruit qualified staff;
- our business strategies and plans to achieve these strategies, including our service and geographic expansion plans;

FORWARD-LOOKING STATEMENTS

- our ability to defend our intellectual property rights and protect confidentiality;
- the effectiveness of our quality control systems;
- change or volatility in interest rates, foreign exchange rates, equity prices, trading volumes, commodity prices and overall market trends, including those pertaining to the PRC and the industry and markets in which we operate;
- capital market developments; and
- all other risks and uncertainties described in the section headed “Risk Factors” in this Prospectus.

By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Specifically but without limitation, sales could decrease, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realized.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Prospectus might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this Prospectus are qualified by reference to the cautionary statements in this section as well as the risks and uncertainties discussed in the section headed “Risk Factors” in this Prospectus.

In this Prospectus, statements of or references to our intentions or those of our Directors are made as of the date of this Prospectus. Any such information may change in light of future developments.

RISK FACTORS

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

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

We may not be able to successfully compete in the automotive market.

The automotive market is highly competitive both in China and overseas markets. We compete with ICE vehicles and NEVs. Many of our current and potential competitors or new market entrants may have significantly greater financial, technical, manufacturing, marketing and branding, talents, or other resources than we do and may be able to devote greater resources to the design, development, manufacturing, marketing, sales, and support of their vehicles.

Competition in China’s and global automotive markets may intensify in the future. Factors affecting competition include, among others, technological innovation, product quality and safety, product pricing, sales efficiency, manufacturing efficiency, quality of services, branding, and design and styling. Increasing competition may lead to lower vehicle sales and increasing inventory, which may result in downward price pressure and may adversely affect our business, financial condition, results of operations and prospects. During the Track Record Period and up to the Latest Practicable Date, we did not experience downward pricing pressure that is material to our business, and the prices of our vehicle models remained relatively stable. Our ability to successfully compete against other vehicle brands will be fundamental to our future success in existing and new markets and our market share. We cannot assure you that we will be able to compete successfully in our markets. If our competitors successfully compete with our vehicles at more competitive prices or products, our profitability and results of operations may be materially and adversely affected.

Our future growth is dependent on the consumer demand for NEVs.

During the Track Record Period, a majority of our revenue was generated from vehicle sales, particularly NEV sales. The demand for our NEVs will highly depend upon consumers’ demand for and adoption of NEVs, including but not limited to REEVs and BEVs. The market for NEVs is still rapidly evolving, characterized by rapidly changing technologies, intense competition, evolving government regulations and industry standards, and changing consumer demands and behaviors.

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Other factors that may influence the adoption of NEVs include:

- perceptions about vehicle safety in general, in particular safety issues that may be attributed to the use of advanced technology, including BEV and REEV technologies and driving assistance;
- perceptions about NEV quality, safety, design, performance, and cost, especially if adverse events or accidents occur that are linked to the quality or safety of NEVs, whether or not such vehicles are produced by us or other automakers;
- the availability of servicing for NEVs;
- the actual or perceived deterioration of battery capacity over time;
- the environmental consciousness of consumers;
- access to charging stations, implementation of super-fast charging technologies by competitors and cost of charging vehicles;
- the availability of tax and other governmental incentives to purchase and operate NEVs or future regulation requiring increased use of nonpolluting vehicles;
- concerns about electric grid capacity and reliability and the availability of other supporting infrastructure;
- improvements in the fuel economy of the ICE vehicles; and
- macroeconomic factors.

Any of the factors described above may change the consumer demand for our vehicles, including causing current or prospective users not to purchase our vehicles. If the market for NEVs does not develop as we expect or develops more slowly than we expect, our business, financial condition, results of operations and prospects will be affected.

Change of government policies that are favorable for NEVs or domestically manufactured vehicles could materially and adversely affect our business, financial condition, results of operations and prospects.

During the Track Record Period, our business has benefited from government policies that are favorable to the growth of NEVs, as well as subsidies and economic incentives. However, these favorable policies may be subject to changes from time to time, which could materially and adversely affect our business, financial condition, results of operations and prospects.

RISK FACTORS

For example, the PRC government has been implementing strict vehicle emission standards for ICE vehicles. Our REEVs are equipped with both range extending systems and electric drive motors and are thus required to comply with both standards. If the electric vehicle energy consumption standards and vehicle emission standards become significantly stricter, we may invest more resources to upgrade our vehicles or design new vehicles if we are able to at all, which could materially and adversely affect our business, financial condition, results of operations, and prospects.

In addition, changes in classification of NEVs and license plate policies have affected, and may continue to affect our business. In certain cities in China, municipal governments impose quotas and lottery or bidding systems to limit the number of license plates issued to ICE vehicles, but exempt NEVs from these restrictions to incentivize the development of the NEV market. However, with increase of NEVs, certain cities had narrowed the scope of exemptions from the license plate restrictions. For example, our REEVs sold in certain cities are ineligible to enjoy the exemptions from the license plate restrictions available to the BEVs. There are uncertainties whether the arrangements regarding license plate restrictions will reduce the demand for REEVs in these markets. Changes in government policies on the classification of NEVs and license plates, at a local or central level, may materially and adversely affect the demand for our existing and future REEVs, which in turn could materially and adversely affect our business, results of operations, financial conditions and prospects. Furthermore, changes in government incentives or subsidies to support NEVs could adversely affect our business.

We cannot assure you that any further changes in regulatory policies would be favorable to our business. Furthermore, any reduction, elimination, or discriminatory application of government subsidies and economic incentives because of policy changes, the reduced need for such subsidies and incentives due to the perceived success of NEVs, fiscal tightening, or other factors may affect government incentives or subsidies and result in the diminished competitiveness of the NEV industry generally. Our vehicles sales are also affected by government policies. These changes could intensify market competition and reduce our pricing advantage, which in turn could materially and adversely affect our business, results of operations, financial conditions and prospects.

Our industry and its technology are rapidly evolving and may be subject to unforeseen changes. Breakthroughs in other NEV technologies may materially and adversely affect the demand for our vehicles.

We operate in the automotive market, including the rapidly evolving NEV market, which may not become what we currently anticipate. We may be unable to keep up with changes in global NEV technology and, as a result, our competitiveness may suffer. Our research and development efforts may not be sufficient to adapt to changes in the NEV technology. As technologies change, we plan to upgrade or adapt our vehicles and introduce new models in order to provide vehicles with the latest technology, which could involve substantial costs and lower our return on investment for existing vehicles. We cannot assure you that we will be able to compete effectively with other NEVs and integrate the latest technology into our vehicles

RISK FACTORS

against the backdrop of our rapidly evolving industry. Even if we are able to keep pace with changes in technology and develop new models, our prior models could become obsolete more quickly than expected, potentially reducing our return on investment.

We rely on our suppliers to provide raw materials, components, software and services related to our vehicles.

We collaborate with various third-party suppliers for raw materials, components, software and services related to our vehicles. Our procurement may be subject to price volatility caused by various factors beyond our control, such as commodity price fluctuations, changes in supply and demand, logistics and processing costs, inflation and governmental regulations and policies, and we are unsure whether we will be able to pass any of such price increases onto our customers, which may materially and adversely affect our profit margins.

We do not control our third-party suppliers or their business practices. Accordingly, any defects or quality issues or any non-compliance incidents associated with these third-party suppliers could result in quality issues with our vehicles and hence compromise our brand image and results of operations. Additionally, we cannot assure you of third-party suppliers' compliance with ethical business practices, such as environmental responsibilities, fair wage practices, and compliance with labor laws, among others. A lack of demonstrated compliance could lead us to seek alternative suppliers, which could increase our costs and result in delayed delivery of our products, shortages, or other disruptions of our operations. During the Track Record Period and up to the Latest Practicable Date, we did not experience material shortage or disruption of supply from our suppliers. The prices of raw materials or components related to our products fluctuate upon factors beyond our control, and could adversely affect our business. For example, the global supply constraint of semiconductor chips in 2022 and 2023 led to increased prices of chips. Starting from 2022, the supply of automotive-grade chips experienced supply shortages and price increases, primarily due to the rapid growth in demand driven by the explosive growth of NEVs, supply chain disruptions caused by the COVID-19 pandemic, and inventory stockpiling by distributors. From the second quarter of 2023, the chip shortage began easing, as the supply situation began to improve as foundry capacity expanded and domestic substitution efforts in China accelerated, resulting in shortened delivery time and a downward trend in prices. By the end of 2023, the supply shortage of chips was largely resolved, with prices stabilizing at a lower level. To ensure a stable supply of semiconductor chips, we have implemented the following measures: (i) we maintained a pool of semiconductor chip manufacturers and assess their business, quality and supply risks in advance; (ii) we were involved in the chip selection process to identify and avoid risks such as low product maturity, quality issues or potential discontinuation; and (iii) we placed annual stocking orders with suppliers in advance, require them to maintain chip safety stock, closely track delivery schedules and regularly visit suppliers to monitor supply status. Substantial increases in the prices for our raw materials or components would increase our cost of revenue and our operating expenses, and could reduce our margins. Our cost structure is primarily impacted by the price of power batteries. Since 2022, the price of power batteries in China has been on a downward trend, mainly driven by factors such as falling raw material prices, technological advancements, and intensified market competition, which provides a positive

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boost to the development of NEVs. During the Track Record Period and up to the Latest Practicable Date, the price fluctuations of raw materials or components related to our products did not have material and adverse effect on our business, results of operations and financial performance.

For the years ended December 31, 2022, 2023 and 2024 and for the six months ended June 30, 2025, the aggregate purchases from our top five suppliers in each year/period during the Track Record Period amounted to RMB13.9 billion, RMB15.4 billion, RMB72.2 billion and RMB35.2 billion, which accounted for 34.7%, 36.9%, 51.9% and 57.9% of our total purchases for the respective years/periods. For the same periods, purchases from our largest supplier in each year/period during the Track Record Period amounted to RMB5.8 billion, RMB7.2 billion, RMB42.0 billion and RMB20.0 billion, which accounted for 14.5%, 17.4%, 30.2% and 33.0% of our total purchases for the respective years/periods. We purchase automotive parts, services, software and equipment, among others, from such supplier. Our reliance on these suppliers may subject us to concentration and counterparty risks from these suppliers. Our agreements with such major suppliers are typically not exclusive. We cannot assure you that we will be able to maintain our relationships with our suppliers, especially our major suppliers in the future. Any material and adverse change in our relationship with our major suppliers, including our largest supplier during the Track Record Period, could have a materially and adversely affect the competitiveness of our vehicles, which could in turn affect our business, results of operations, financial conditions and prospects. If we experience any disruption in procurement with such suppliers, we cannot assure you that we would be able to successfully retain alternative third-party suppliers or supplies on a timely basis, on acceptable terms, or at all, which may have a material adverse impact on our business operations. Moreover, changes in macroeconomic conditions, geopolitics, regulations, force majeure, or other factors beyond our control or anticipation, could also affect the business of our suppliers, including major suppliers, which may in turn affect our business operations.

We are exposed to concentration risk of sales of AITO brand models.

During the Track Record Period, we primarily derived revenue from the sales of *AITO* brand vehicles. In 2022, 2023, 2024, and for the six months ended June 30, 2024 and 2025, the revenue generated from sales of *AITO* brand vehicles was RMB20.5 billion, RMB24.3 billion, RMB131.9 billion, RMB58.4 billion and RMB56.3 billion, respectively, accounting for 60.3%, 67.9%, 90.9%, 89.9% and 90.3% of our total revenue, respectively. We intend to further optimize our product mix by continuously engaging in the research and development of new models and improving the flexibility and resilience of our supply chain. However, any decrease in demand for our *AITO* brand vehicles, any deterioration in the *AITO* brand's market performance, or any negative publicity associated with *AITO* brand could materially and adversely affect our business, financial conditions and results of operations.

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We may not be able to continue to develop, produce and deliver vehicles of high quality and appeal to users, on schedule, and on a large scale.

The sustainability of our business depends largely on our ability to timely execute our plan to develop, mass produce and deliver vehicles of high quality and appeal to users. Historically, automakers are expected to periodically introduce new and improved models to stay abreast of the market. To remain competitive, we may be required to introduce new vehicle models and perform facelifts on existing vehicle models earlier or more frequently than is originally planned. We cannot assure you that facelifts on our existing models or any future models we launch will appeal to the users as we expect or that any introduction of new models or facelifts will not affect the sales of existing models. To the extent any of our existing vehicle models fails to remain attractive to users, or any new model is not timely launched or well-received by the market, our sales volume could be materially and adversely affected, which in turn could materially and adversely affect our business, financial condition and results of operations. Furthermore, we rely on third-party suppliers for the provision and development of many key parts and materials used in our vehicles. To the extent our suppliers experience any difficulties in providing us with or developing necessary parts, we may experience delays in delivering vehicles. Any delay in the development, production and delivery of our existing or future models, or in performing facelifts to existing models, could negatively affect our growth prospects.

Our continued development, production and delivery of vehicles of high quality to achieve our targeted production volume are and will be subject to risks, including with respect to:

- lack of necessary funding or cost overruns;
- delays or disruptions in our supply chain;
- delays in the research and development of technologies necessary for our vehicles;
- quality control deficiencies; and
- non-compliance with environmental, workplace safety, and other regulations.

Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

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We may not succeed in continuing to develop, maintain, and strengthen our brand, and our brand and reputation could be harmed by negative publicity with respect to us, our Directors, officers, employees, Shareholders, peers, business partners, or our industry in general.

Our business and prospects are affected by our ability to develop, maintain, and strengthen our brand. If we fail to do so we may lose the opportunity to build a critical mass of users. Promoting and positioning our brand will likely depend significantly on our ability to provide high quality vehicles and services and engage with our users as intended, and we have limited experience in these areas. In addition, we expect that our ability to develop, maintain, and strengthen the brand will depend heavily on the success of our branding efforts. We market our brand through media, word-of-mouth, events, and advertising. Such efforts may not achieve the desired results. If we do not develop and maintain a strong brand, our business, financial condition, results of operations, and prospects will be materially and adversely affected.

Our reputation and brand are vulnerable to many threats that can be difficult or impossible to predict, control, and costly or impossible to remediate. From time to time, our vehicles are reviewed by media or other third parties. Any negative reviews or reviews that compare us unfavorably to competitors could adversely affect consumer perception about our vehicles. Negative publicity about us, such as alleged misconduct, unethical business practices, or other improper activities, or rumors relating to our business, Directors, officers, employees, or Shareholders, or negative publicity about third parties that use the same or similar brand name as ours, can harm our reputation, business, and results of operations, even if they are baseless, irrelevant, or satisfactorily addressed. These allegations, even if unproven or meritless, may lead to inquiries, investigations, or other legal actions against us by regulatory or government authorities as well as private parties. Any regulatory inquiries or investigations and lawsuits against us, perceptions of inappropriate business conduct by us or perceived wrongdoing by any member of our management team, among other things, could substantially damage our reputation, and cause us to incur significant costs to defend ourselves. Any negative market perception or publicity regarding our suppliers or other business partners that we closely cooperate with, or any regulatory inquiries or investigations and lawsuits initiated against them, may also have an impact on our brand and reputation, or subject us to regulatory inquiries or investigations and lawsuits. Moreover, any negative media publicity about the auto industry, especially the NEV market, or product or service quality problems of other automakers in the industry in which we operate, including our competitors, may also negatively impact our reputation and brand. In particular, given the popularity of social media, any negative publicity, whether true or not, such as road accidents, vehicle self-ignition, or other perceived or actual safety issues, could quickly proliferate and harm user perceptions and confidence in our brand. Perceived or actual concerns on battery deterioration that are often associated with NEVs could also adversely affect user confidence in our vehicles. If we are unable to maintain a good reputation or further enhance our brand recognition, our ability to attract and retain users, third-party partners, and key employees could be harmed and, as a result, our business, financial condition and results of operations could be materially and adversely affected.

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Our profit is attributable to the launch of certain successful models and the partnership with our significant business partners.

Despite that we already have established a multi-model product line, our historical growth and profitability are largely attributable to the launch of certain successful models, such as *AITO* M9, *AITO* M7 and *AITO* M5. To the extent our product variety, design, and cycles do not meet consumer expectations, or cannot be achieved on our projected timelines and cost and volume targets, our future sales may be adversely affected. If these existing vehicle models fail to remain attractive to users, or new models are not timely launched or well-received by the market, our sales volume could be materially and adversely affected, which in turn could materially and adversely affect our business, financial condition and results of operations.

In addition, our success depends on stable partnerships with our significant business partners in relation to these popular vehicle models. For example, our collaboration with Huawei is a significant contributor to the success of our *AITO* vehicles. We have established long-term and strong business relationship with Huawei, and have been benefited from the products and services provided by Huawei. For details, see “Business – Supply Chain – Collaborations with Huawei.” Interruption to or discontinuation of our partnerships with these business partners may materially and adversely affect our business, financial condition and results of operations.

If we fail to manage our growth effectively, we may not be able to market and sell our vehicles successfully.

We have expanded our operations, and as we ramp up our production, significant expansion will be required, especially in connection with potential increases in sales, providing our users with quality servicing, expansion of our retail, delivery, and sales and servicing network, and managing different models of vehicles. Our future operating results depend to a large extent on our ability to manage this expansion and growth successfully. Risks that we face in undertaking this expansion include, among others:

- managing our supply chain to support fast business growth;
- managing a larger organization with a greater number of employees in different divisions;
- controlling expenses and investments in anticipation of expanded operations;
- establishing or expanding design, manufacturing, sales, and service facilities;
- implementing and enhancing administrative infrastructure, systems, and processes; and
- addressing new markets and potentially unforeseen challenges as they arise.

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Any failure to manage our growth effectively could materially and adversely affect our business, financial condition, results of operations and prospects.

We may not be able to obtain sufficient capital required by our business plans. In addition, our future capital needs may require us to issue additional equity or debt securities that may dilute our Shareholders or introduce covenants that may restrict our operations or our ability to pay dividends.

We will need significant capital to, among other things, conduct research and development, expand our production capacity, and broaden our sales and service network. As we ramp up our production capacity and operations, we may also require significant capital to maintain our property, plant, and equipment and such costs may be greater than what we currently anticipate. We may seek equity or debt financing to finance a portion of our capital expenditures. Such financing might not be available to us in a timely manner or on terms that are acceptable, or at all. If we cannot obtain sufficient capital on acceptable terms, our business, financial condition and prospects may be materially and adversely affected.

Our ability to obtain the necessary financing to carry out our business plan is subject to a number of factors, including general market conditions and investor acceptance of our business plan. These factors may make the timing, amount, and terms and conditions of such financing unattractive or unavailable to us. If we are unable to raise sufficient funds, we will have to significantly reduce our spending, delay, or cancel our planned activities, or substantially change our corporate structure. We might not be able to obtain any funding or service any of the debts we incurred, and we might not have sufficient resources to conduct our business as projected, both of which could mean that we would be forced to curtail or discontinue our operations.

In addition, our future capital needs and other business reasons could require us to issue additional equity or debt securities or obtain a credit facility. The issuance of additional equity or equity-linked securities could dilute our Shareholders. The incurrence of indebtedness would result in an increase in debt service obligations and could result in operating and financing covenants that would restrict our operations or our ability to incur additional indebtedness, to pay dividends to our Shareholders, to repurchase our share capital, or to make certain acquisitions or investments.

If we fail to effectively manage our inventory, our financial condition, results of operations, and prospects may be materially and adversely affected.

We are exposed to inventory risks that may adversely affect our business, financial condition, results of operations and prospects. In order to ensure timely production and delivery, we typically manufacture our vehicles based on customer orders, we determine our level of inventory in advance based on our forecast of customer demands. During the Track Record Period, our inventory primarily included raw materials and consumables, work in progress and finished goods. As of December 31, 2022, 2023 and 2024 and June 30, 2025, we had inventories of RMB3,992.9 million, RMB3,529.2 million, RMB2,552.4 million and RMB3,270.8 million, respectively. As of December 31, 2022, 2023 and 2024 and June 30,

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2025, we recorded provision for inventory write-down of RMB169.0 million, RMB153.5 million, RMB257.5 million and RMB348.3 million, respectively. Our inventory turnover days were 39 days, 41 days, 10 days, 13 days and 11 days in 2022, 2023 and 2024 and for the six months ended June 30, 2024 and 2025, respectively.

However, forecasts are inherently uncertain, and the demand for our vehicles may change between the order date and the projected delivery date. If we fail to accurately forecast the demand, we may experience inventory obsolescence and inventory shortage risk. Inventory levels in excess of demand may result in inventory write-downs or write-offs and the sale of excess inventory at discounted prices, which could adversely affect our profitability. In addition, if we underestimate the demand for our vehicles, we may face shortages in raw materials, which could disrupt production and result in delays in the delivery of our vehicles and harm our reputation. Furthermore, our customers may cancel their orders for many reasons beyond our control, and we cannot assure you that orders will not be canceled by users and will ultimately result in the final purchase and delivery of the vehicles. Any of the above may materially and adversely affect our financial condition and results of operations. As we plan to continue to expand our vehicle offerings, we may continue to face challenges in effectively managing our inventory.

We may face risks in relation to production capacity. Our future success and growth potential are dependent on our ability to successfully implement our production capacity expansion plans and effectively manage our production capacity.

As of the Latest Practicable Date, our production facilities had an overall annual production capacity of approximately 600,000 units. See “Business — Manufacturing, Supply Chain, and Quality Control — Manufacturing.” Our ability to meet the growing demands of customers may be constrained by limitations in our production capacity, and any failure to ensure sufficient production may disrupt our daily operations. In addition, we must estimate our sales volume and the corresponding requirements for production capacity, overcapacity could lead to a negative impact on our profit margins, while under-capacity could limit our business growth.

Moreover, our production facilities may experience business interruptions due to, among others, operational incidents, force majeure events, mechanical failures, or utility shortages and suspensions such as water, electricity, gas or other utilities, which could disrupt our production plans and lead to temporary shutdown or reduced capacity. Any failure to take adequate steps to resolve or eliminate these unexpected issues could extend the downtime, interrupt the operation of our production facilities, reduce our production capacity and result in a loss of sales.

Furthermore, we may expand or convert our existing production facilities and establish new production facilities for production ramp-up of our current and future models with better efficiency and technological capabilities. The expansion or conversions could experience delays or other difficulties and will require significant capital. Our production capacity expansion plan is subject to quality, process, or other issues, and we could encounter similar or additional risks as we establish and develop new production facilities in the future, in

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addition to our existing production facilities. Any failure to complete the expansion of our production facilities on schedule and within budget could adversely affect our financial condition, production capacity and results of operations. Additionally, construction projects are subject to broad and strict government supervision and approval procedures under applicable laws and regulations, and the completion of inspection and acceptance by the authorities. Any of the foregoing could materially and adversely affect our business operations.

We may be unable to adequately control the costs associated with our operations.

Our sustainable development in the future will not only depend on our ability to successfully market our vehicles and other products and services but also to control our costs. We expect to further incur significant costs that will impact our profitability, including research and development expenses as we roll out new models and improve existing models, expenditures in the expansion of our production capacities, additional operating costs and expenses for production ramp-up, raw material and auto parts procurement costs, and selling and distribution expenses as we build our brand and market our vehicles. If we are unable to design, develop, produce, market, sell, and service our vehicles and provide services in a cost-efficient manner, our margins, profitability, and prospects would be materially and adversely affected. For example, we may lose control over the increase of costs in connection with our services including after-sale services. Furthermore, currency fluctuations, tariffs or shortages in petroleum and other economic or political conditions may result in significant increases in freight charges and raw material costs.

Our research and development efforts may not yield expected results.

Our technological capabilities and infrastructure are critical to our success. The industries in which we operate are subject to rapid technological changes and are evolving quickly in terms of technological innovation. We heavily rely on research and development to establish and strengthen our market position. In 2022, 2023 and 2024 and for the six months ended June 30, 2024 and 2025, our research and development expenses were RMB1,313.7 million, RMB1,696.5 million, RMB5,585.5 million, RMB2,827.4 million and RMB2,929.5 million, respectively.

As technologies evolve, we plan to upgrade our vehicles and introduce new models with latest technologies, which will require us to invest resources in research and development. Therefore, we expect that our research and development expenses will continue to be significant. As research and development activities are inherently uncertain, we cannot assure you that we will continue to achieve desirable developments from our research and development activities and successfully commercialize such developments. Consequently, our significant research and development efforts may not yield the results as expected. If our research and development efforts fail to keep up with the latest technological developments, we could suffer a decline in our competitive position, which may materially and adversely affect our business, financial condition and results of operations.

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We may become subject to product liability claims, which could harm our financial condition and liquidity if we are not able to successfully defend or insure against such claims.

We may become subject to product liability claims, which could harm our business, financial condition, results of operations and prospects. During the Track Record Period, we did not experience any material product liability claims, product returns or refunds due to quality defects in both China and overseas markets, as we only had a small number of vehicles returned from distributors, accounting for an immaterial portion of our total vehicle sales. The automotive industry experiences significant product liability claims and we face inherent risk of exposure to claims in the event our vehicles do not perform as expected or malfunction resulting in property damage, personal injury, or death. In particular, our vehicles are equipped with driving assistance system, which are designed to assist drivers in certain driving tasks but are not intended to replace the driver's judgment or control. If drivers become overly reliant on the system, or fail to adhere to the operating instructions and safety guidelines, there is a risk that accidents could occur, including collisions or other incidents causing property damage, personal injury, or death. Even when our system function as designed, the inherent limitations of such technology, combined with unpredictable road conditions, human error, or other factors beyond our control, may result in incidents that could give rise to product liability claims against us.

A successful product liability claim against us could require us to pay substantial monetary compensation. Any insurance coverage might not be sufficient to cover all potential product liability claims. Any lawsuit seeking significant monetary damages may materially and adversely affect our reputation, business, financial condition, and results of operations. Moreover, a product liability claim could generate substantial negative publicity about our vehicles and business and inhibit or prevent commercialization of our future vehicles, which would materially and adversely affect our brand, business, prospects and results of operations.

We may not be able to effectively manage and develop our distribution network and direct sales channels, or efficiently sustain our business relationships with or manage our distributors and customers, which could adversely affect our brands, business, results of operations, financial performance and prospects.

Maintaining an effective distribution network enables smooth deliveries of our vehicles to consumers, and our distributors play an important role in expanding our geographic footprint and driving sales of our vehicles. Failure to maintain our business relationships with existing distributors, to establish relationships with new distributors upon the loss of our existing distributors, and to manage and expand our distributors' distribution coverage could adversely affect our distribution network and hence our business, as well as our brands, results of operations, financial performance and prospects. Our ability to expand distribution coverage is also affected by changes in the relevant regulatory requirements, competitive landscape, and consumer tastes, preferences and spending habits. Failure to effectively respond to such changes may result in an adverse effect on our business and prospects.

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In addition, if our distributors fail to effectively market and sell our vehicles, our market reputation may be damaged, and our ability to grow our business may be adversely affected. Furthermore, we may not be able to successfully manage our distributors' behaviors, or successfully detect or prevent any non-compliance by our distributors with the provisions of our existing distribution agreements. Any non-compliance by our distributors could negatively affect our brands and relationships with other distributors.

In addition, we also sell products directly to customers through self-owned channels. Failure to maintain our business relationships with direct sales customers or to establish relationships with direct sales customers could adversely affect our brands, business, results of operations, financial performance and prospects.

We may be compelled to undertake product recalls or other actions, which could adversely affect our brand image, financial condition, results of operations and prospects.

We may be subject to adverse publicity, damage to our brand, and costs for recalls of our vehicles. We may at various times, voluntarily or involuntarily, initiate a recall if any of our vehicles, including any systems or parts sourced from our suppliers, prove to be defective or non-compliant with applicable laws and regulations. Such recalls, whether voluntary or involuntary, could involve significant expense and could adversely affect our brand image in our target markets, as well as our business, financial condition, results of operations, and growth prospects. During the Track Record Period and up to the Latest Practicable Date, we did not experience product recalls in both China and overseas markets.

Our vehicles are subject to motor vehicle standards and the failure to satisfy such mandated safety standards would materially and adversely affect our business and results of operations.

All vehicles must comply with various standards of the market where the vehicles are sold. Our vehicles must meet or exceed all mandated safety standards in the markets where we sell our vehicles. Rigorous testing and the use of approved materials and equipment are among the requirements for achieving these standards. For example, in China, vehicles must pass various tests and undergo a certification process and be affixed with the China Compulsory Certification before receiving delivery from the factory, being delivered, or being used in any commercial activity, and such certification is also subject to periodic renewal. Furthermore, the PRC government carries out supervision and scheduled or unscheduled inspection of certified vehicles on a regular basis.

In the event that our certification fails to be renewed upon expiry, a certified vehicle has a defect resulting in quality or safety accidents, or consistent failure of certified vehicles to comply with certification requirements is discovered during follow-up inspections, the certification may be cancelled, suspended or even revoked. With effect from the date of cancellation, revocation or during suspension of the certification, where any vehicles fail to satisfy the requirements for certification, they may not to be delivered, sold, imported, or used in any commercial activity any more, which may affect our business and results of operations materially and adversely.

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Battery-related risks may materially harm our business.

On rare occasions, lithium-ion cells can rapidly release the energy they contain by venting smoke and flames in a manner that can ignite nearby materials as well as other lithium-ion cells. If our vehicles or their battery packs experience failure, which could subject us to lawsuits, product recalls, or redesign efforts, all of which would be time consuming and expensive. In addition, any future incident involving lithium-ion cells such as a vehicle or other fire, even if not involving our vehicles, could seriously harm our business.

Any unauthorized control or manipulation of our vehicle systems could result in loss of confidence in us and our vehicles and harm our business.

Our vehicles contain complex information technology systems. For example, our vehicles are designed with built-in data connectivity to accept and install periodic remote updates from us to improve or update the functionality of our vehicles. We have designed, implemented and tested security measures intended to prevent unauthorized access to our information technology networks, our vehicles, and their systems. However, hackers may attempt in the future, to gain unauthorized access to modify, alter, and use our networks, vehicles, and systems to gain control of, or to change, our vehicles' functionality, user interface, and performance characteristics, or to gain access to data stored in or generated by the vehicles. Vulnerabilities could be identified in the future and our remediation efforts may not be successful. Any unauthorized access to or control of our vehicles or their systems or any loss of data could result in accidents, legal claims or proceedings against us. In addition, regardless of their veracity, reports of unauthorized access to our vehicles, their systems, or data, as well as other factors that may result in the perception that our vehicles, their systems, or data are capable of being "hacked," could negatively affect our brand and harm our business, financial condition, results of operations and prospects. During the Track Record Period and up to the Latest Practicable Date, we did not experience unauthorized control or manipulation of our vehicle systems.

We are subject to risks associated with driving assistance system.

Our vehicles are currently equipped with driving assistance system. Any defects of or quality issues with driving assistance system could result in actual or perceived quality issues with our vehicles. We plan to work with third-party suppliers to enhance and expand our vehicles' level of driving assistance system through ongoing research and development. Driving assistance system as an evolving and complex technology is subject to risks, and from time to time there have been accidents associated with such technology. The safety of such technology depends in part on user interaction and users may not be accustomed to using such technology. To the extent accidents associated with our future driving assistance system occur, we could be subject to liability, government scrutiny, and further regulation. See "Regulatory Overview — Regulations and Policies on Intelligent Connected Vehicles and Autonomous Driving." Any of the foregoing could materially and adversely affect our brand image, financial condition, results of operations, and growth prospects.

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Our services, including those provided through third parties, may not be generally accepted by our users. If we are unable to provide or arrange satisfactory services for our users, our business and reputation may be materially and adversely affected.

We cannot assure that our services or our efforts to engage with our users using both our online and offline channels, will be successful, which could affect our revenues as well as our user satisfaction and marketing. Moreover, we are unable to ensure the availability or quality of services provided by third parties, such as road assistance, vehicle logistics, and automobile financing and insurance. If any of the services provided by third parties becomes unavailable or inadequate, our users' experience may be adversely affected, which in turn may materially and adversely affect our business and reputation.

In addition, if we are unable to roll out and establish a widespread service network, user satisfaction could be adversely affected. This, in turn, could materially and adversely affect our sales, results of operations and prospects.

Our business depends substantially on the continued efforts of our senior management, key employees, and qualified personnel, and our operations may be severely disrupted if we lose their services.

Our success depends substantially on the continued efforts of our senior management and key employees with expertise in various areas. If one or more of our senior management members or key employees were unable or unwilling to continue their services with us, we might not be able to replace them easily, in a timely manner, or at all. As we build our brand and become more well-known, the risk that competitors or other companies may poach our talent increases. If any of our senior management members and key employees terminates his or her services with us, our business may be severely disrupted, our financial condition and results of operations may be materially and adversely affected and we may incur additional expenses to recruit, train, and retain qualified personnel. If any of our senior management members or key employees joins a competitor or forms a competing company, we may lose users, know-how and key professionals and staff members. Our key employees has entered into an employment agreement and a non-compete agreement with us. However, if any dispute arises between our senior management or key employees and us, the non-competition provisions contained in their non-compete agreements may not be enforceable, especially in China, where these senior management reside, on the ground that we have not provided adequate compensation to them for their non-competition obligations, which is required under relevant PRC laws.

Our industry is characterized by high demand and intense competition for talent, in particular with respect to qualified talent in the areas of smart vehicle, autonomous driving technologies, and software development, and therefore we cannot assure you that we will be able to attract or retain qualified staff or other highly skilled employees. In addition, our ability to train and integrate new employees into our operations may not meet the growing demands of our business, which may materially and adversely affect our ability to grow our business and our results of operations.

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We have a history of net losses, net current liabilities and operating cash outflow during the Track Record Period, and there is no assurance that we will remain profitable.

We recorded losses for the year of RMB5.2 billion and RMB4.2 billion in 2022 and 2023, respectively. We recorded a profit for the year/period of RMB4.7 billion, RMB1.4 billion and RMB3.1 billion in 2024 and the six months ended June 30, 2024 and 2025, respectively. However, we will continue to invest in research and technology, development and introduction of new products, among others. These efforts may be more costly than we anticipate, and we may not succeed in increasing our revenue sufficiently to offset these expenses, which may affect our profitability in the future.

We recorded net current liabilities of RMB5,355.5 million, RMB11,459.1 million, RMB10,266.9 million and RMB8,161.7 million as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. Net current liabilities may expose us to certain liquidity risks and may constrain our operational flexibility, as well as adversely affect our ability to expand our business. Our future liquidity will primarily depend on our ability to generate adequate cash inflows from our operating activities and adequate external financing, which will be affected by our future operating and financial performance, the performance of the industry in which we operate and prevailing economic and capital market conditions, among other factors, many of which are beyond our control. We may maintain a net current liabilities position in the near future, which may limit our working capital for the purpose of operations or capital for our expansion plans and materially and adversely affect our business, results of operations, financial performance and prospects.

We recorded net cash used in operating activities of RMB1,358.0 million in 2022. We cannot assure you that we will always be able to generate positive cash flows from operating activities in the future. If we continue to record net operating cash outflows in the future, our working capital may be constrained, which may adversely affect our financial performance. Our future liquidity primarily depends on our ability to achieve positive cash flows from our operating activities and adequate external financing such as offering and issuing securities, or other sources such as external debt, which may not be available on terms favorable or commercially reasonable to us or at all. If we fail to obtain sufficient funding in a timely manner and on reasonable terms, such as conditions, restrictive covenants or interest rates, or at all, our ability to meet our payment obligations may be significantly affected and may not be able to expand our business.

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We are exposed to credit risks related to our trade receivables.

Our trade receivables primarily arise from contracts with customers. We generally requires advance receipt of bank acceptance notes from majority of our customers before delivery of goods, while granting credit terms of 30 to 90 days to certain customers. The balance of our trade receivables (before allowance for credit losses) was RMB1,638.0 million, RMB2,379.6 million, RMB2,485.1 million and RMB2,263.3 million, as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively, which represented our maximum exposure as of the respective dates to credit risk in relation to trade receivables. In 2022, 2023 and 2024 and for the six months ended June 30, 2024, we recognized impairment losses under expected credit loss model (net of reversal) of RMB76.9 million, RMB108.8 million, RMB131.1 million and RMB39.7 million, respectively. For the six months ended June 30, 2025, we recorded reversal of impairment losses under expected credit loss model of RMB13.6 million. The turnover days of our trade and other receivables were 33 days, 45 days, 16 days, 16 days and 19 days in 2022, 2023 and 2024 and for the six months ended June 30, 2024 and 2025, respectively. The collection of amounts due from our customers may not be timely. This might result in slow turnover of our trade receivables and restrict our working capital resources. See “Financial Information — Discussion of Certain Key Items from Our Consolidated Statements of Financial Position — Trade and Other Receivables.” If we fail to receive payments from our customers on a timely basis, our cash flows and financial position could be adversely affected. In addition, disputes that arise due to default in payment by customers may also be time-consuming and costly for us in the event we decide to claim for such payments, and we may not be successful, in which case our liquidity, results of operations and financial performance may be adversely affected.

We may incur impairment losses for intangible assets, which may adversely affect our results of operations.

Our intangible assets consist of non-patented technology, trademarks and development costs. As of December 31, 2022, 2023, 2024 and June 30, 2025, our intangible assets amounted to RMB6,777.1 million, RMB9,183.9 million, RMB8,651.6 million and RMB9,865.8 million, respectively. If the carrying value of our intangible assets is considered to exceed its recoverable amount and is therefore determined to be impaired in the future, we would be required to write down the carrying value or record a provision of impairment loss for these intangible assets in our financial statements during the period in which our intangible assets are determined to be impaired. Intangible development assets not ready to use are not subject to amortization and are tested annually for impairment and whenever there is an indication of impairment. For more details, please refer to Note 22 to the Accountant’s Report set out in Appendix I to this prospectus. Impairment losses for intangible assets would adversely affect our results of operations and our financial condition.

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We have granted, and may continue to grant, share incentives, which may result in increased share-based payments.

We recorded the recognized of share-based payment expense of RMB31.7 million, RMB67.4 million, RMB10.5 million and RMB54.6 million in 2022, 2024 and the six months ended June 30, 2024 and 2025, respectively, and the reversal of share-based payment expense of RMB30.8 million in 2023. For details, see Note 42 to the Accountants' Report in Appendix I to this Prospectus. We may incur additional share-based compensation payment expenses if we grant share incentives in the future. We believe the granting of share-based compensation is of significant importance to our ability to attract and retain key personnel and employees, and we may continue to grant share-based compensation to employees in the future. As a result, our share-based payments may increase, which may have an adverse effect on our results of operations.

Our warranty reserves may be insufficient to cover future warranty claims, which could adversely affect our financial condition and results of operations.

We provide warranties for new vehicles, power batteries, electric drive motor, motor control unit and range extenders. Our warranty program is similar to other automakers' warranty programs and is intended to cover all parts and labor to repair defects in material or workmanship in the body, interior, range extender, electric drive motors, battery, powertrain, and brake system. We record and adjust warranty reserves based on changes in estimated costs and actual warranty costs. We cannot assure you that our warranty reserves will be sufficient to cover future warranty claims. We could, in the future, become subject to significant and unexpected warranty claims, resulting in significant expenses, which would in turn materially and adversely affect our financial condition, results of operations, and prospects.

If our vehicle owners modify our vehicles regardless of whether third-party aftermarket products are used, the vehicle may not operate properly, which may create negative publicity and could harm our business.

Automobile enthusiasts may seek to modify our vehicles, including using third-party aftermarket products, to alter their appearance or enhance their performance, which could jeopardize vehicle safety systems. We do not test, nor do we endorse, such modifications or third-party products. Such unauthorized modifications could reduce the safety of our vehicles and any injuries resulting from such modifications could result in adverse publicity which would adversely affect our brand and harm our business, financial condition, results of operations, and prospects.

Change in tax treatments or government grants may adversely affect our results of operations and financial performance.

During the Track Record Period, certain of our PRC subsidiaries were entitled to a preferential income tax rate of 15%. Additionally, we recorded government grants and subsidies of RMB523.5 million, RMB549.5 million, RMB1,068.2 million, RMB659.2 million

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and RMB690.1 million in 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively. Continued eligibility for preferential tax treatment and government grants is subject to recognition and evaluation by the relevant government authorities in China. We cannot assure you that we will continue to receive such preferential tax treatment and government grants at historical levels, or at all. Such changes or uncertainties in tax treatment or government grants may adversely affect our results of operations and financial performance.

Regulatory requirements regarding data protection and information security are still under development, the changes of which or any data protection and information security incidents may have a material and adverse effect on our business, results of operations, financial performance and prospects.

We face significant challenges with respect to cybersecurity and data privacy, including the storage, transmission and sharing of confidential information. We transmit and store personal information of our users related to the use of our vehicles. Therefore, we are subject to laws and regulations relating to the collection, storage, use, processing, transmission, retention, security and transfer of personal information and other data. Any improper handling of personal information or any other information security incidents, such as unauthorized access to our consumer database by hackers, could result in reputation damage and/or civil or regulatory liabilities that may have significant legal, financial and operational consequences.

Regulatory requirements regarding the data security and data protection are still under development, of which the interpretation and application are also still under development and subject to change that may affect us, the changes of which or any data protection and information security incidents could damage our reputation, business, results of operations, financial performance and prospects and/or could lead to civil or regulatory liabilities. Complying with new laws and regulations could also cause us to incur substantial costs or require us to change our business practices in a manner that has a material and adverse effect on our business. For details of cybersecurity-related regulations, the relevant impact and our compliance thereof, see “Regulatory Overview — Regulations on Internet Information Security and Privacy Protection” and “Business — Data Privacy and Cybersecurity.”

We may not be able to adequately protect our intellectual property rights and may be subject to infringement of intellectual property rights, or misappropriation claims, by third parties.

We believe our trademarks, patents and other intellectual property rights are crucial to our success. We may be subject to infringement of our intellectual property rights by third parties. For instance, third parties may copy or otherwise obtain and use our intellectual property rights without our prior authorization. In particular, we may be exposed to the risk of product infringement. During the Track Record Period, we have not experienced any material infringement of our property rights or know-how or misappropriation of our patents and other intellectual property right by third parties. There can be no assurance that there will be no unauthorized use of our intellectual property rights in the market. Infringers may illegally manufacture products using our intellectual property rights without our authorization. Such

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incidents are usually difficult to detect or ban entirely in a timely manner. The occurrence of such incidents may have an adverse impact on our reputation and brands. Our reputation and brands are crucial to our profitability and competitiveness, and any damage to our reputation or brands resulting from product infringement may adversely affect our profitability and competitiveness.

Our measures to enforce or defend our intellectual property rights may not always be successful. We may have to initiate legal proceedings to defend the ownership of our intellectual property rights against any infringement by third parties, which may be costly and time-consuming, and the outcome may be uncertain. If we are unable to adequately protect or safeguard our intellectual property rights, our business, financial condition and results of operations may be adversely affected.

Meanwhile, we are subject to risks of intellectual property right infringement or misappropriation claims by third parties in the course of our operations. Defense against any of these claims may be costly and time-consuming, and adverse determination in any such legal proceedings to which we may become a party may subject us to liabilities, or subject us to injunctions prohibiting the provision and marketing of the relevant brands or products, or other negative consequences, thereby disrupting our business operations, damaging our reputation and brands, and adversely affecting our business, results of operations, financial condition and results of operations.

As our patents may expire, our patent applications may not be granted, and our patent rights may be contested, circumvented, invalidated, or limited in scope, our patent rights may not protect us effectively. In particular, we may not be able to prevent others from developing or exploiting competing technologies, which could materially and adversely affect our business, financial condition and results of operations.

As of June 30, 2025, in China, we had 6,725 patents and 282 registered computer software copyrights, and are applying for 6,651 patents. In addition, as of the same date, we had registered 2,183 trademarks and 99 domain names. As of June 30, 2025, we have 101 patents and 2,366 registered trademarks outside China, and are applying for 127 patents and 1,698 trademarks. We cannot assure you that all our pending patent applications will result in issued patents. Even if our patent applications succeed and we are issued patents accordingly, it is still uncertain whether these patents will be contested, circumvented, or invalidated in the future. In addition, the rights granted under any issued patents may not provide us with meaningful protection or competitive advantages. The claims under any patents may not be broad enough to prevent others from developing technologies that are similar or that achieve results similar to ours. It is also possible that the intellectual property rights of others could bar us from licensing and exploiting our patents. Numerous patents and pending patent applications owned by others exist in the fields where we have developed and are developing our technology. These patents and patent applications might have priority over our patent applications and could subject our patent applications to invalidation. Finally, in addition to those who may claim priority, any of our existing patents or pending patent applications may also be challenged by others on the basis that they are otherwise invalid or unenforceable.

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A member of our Single Largest Group of Shareholders has pledged shares, which may give rise to potential ownership disputes.

As of the Latest Practicable Date, Sokon Holding, a member of our Single Largest Group of Shareholders, has pledged approximately 4.23% of equity interest in our Company. Under applicable PRC regulations, including the Overseas Listing Trial Measures issued by the CSRC, an issuer may be restricted from conducting an overseas listing if its controlling shareholder or shareholders under its control hold shares of the issuer that are subject to significant ownership disputes as a result of being pledged, frozen or involved in litigation or arbitration. If an event of default occurs, include, among others, non-repayment, misrepresentation and breach of certain covenant under the relevant financing arrangements, the lenders may be able to enforce their rights against our Sokon Holding, including enforcing their rights against all of the pledged shares in our Company through legal proceedings. In such event, Sokon Holding may no longer be able to maintain the current level of interest in our Company.

We have not obtained ownership certificates for certain self-owned and leased properties, and certain properties have not been filed, which may adversely affect our business.

As of the Latest Practicable Date, we had not obtained relevant property ownership certificates for certain properties we owned. As of the Latest Practicable Date, for certain leased properties, the lessors with whom we enter into lease agreements did not provide valid property ownership certificates or authorizations from the property owners for the lessors to sublease the properties. Therefore, we cannot ensure that they have the rights or authorizations to lease or sublease such properties to us. As advised by our PRC Legal Adviser, we may not be able to continue to lease such properties if the lease was challenged by a third party.

Furthermore, according to applicable PRC laws and regulations, the lessor and the lessee to a lease agreement are required to file the lease agreement with relevant government authorities within 30 days after the execution of the lease agreement. As of the Latest Practicable Date, we had not filed our lease agreements for certain properties we leased with the local housing administration authorities as required under PRC laws and regulations. As advised by our PRC Legal Adviser, if we and the lessors fail to handle filing for such lease registration as required by the relevant competent authorities, we may be subject to a fine of RMB1,000 to RMB10,000 for each of the unregistered lease agreements.

If we are challenged by third parties or government authorities upon any of the circumstances stated above, we may be subject to fines and may be forced to relocate, as the case may be, and, as a result, our business, results of operations, financial performance and prospects may be adversely affected.

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Our operation requires various approvals, licenses and permits, we may experience difficulties or delays in obtaining the necessary approvals, licenses and permits, which may adversely affect our business, results of operations, financial performance and prospects.

Pursuant to PRC laws and regulations, we are required to maintain various approvals, licenses and permits for our operations, such as ICP license. These approvals, licenses and permits are granted upon satisfactory compliance with the applicable laws and regulations. They are also subject to examinations or verifications by relevant authorities and some of them are valid only for a fixed period subject to renewal and accreditation. We may experience difficulties or delays in obtaining the necessary approvals, licenses and permits. In addition, there can be no assurance that we will be able to obtain or renew all of the approvals, licenses and permits required for existing business operations promptly or at all. If any of these occurs, our ongoing business could be interrupted, and our expansion plan may be delayed.

Moreover, as we expand to more overseas markets, we will be subject to regulatory requirements of local markets, and may need to obtain additional licenses and permits for our business operations. We cannot guarantee that if and when needed, we will be able to obtain such licenses and permits in a timely manner, or at all.

Complying with government regulations may require substantial expenses, and any non-compliance may expose us to liability. In case of any non-compliance, we may have to incur significant expenses and divert substantial management time and resources to resolve any deficiencies. We may also experience negative publicity arising from such deficiencies, which may materially and adversely affect our financial performance and business prospects.

Interruption or failure of our information technology systems could affect our ability to effectively provide our services.

We rely on information technology systems to process, transmit and store information in relation to our operations. These systems are vulnerable to damage or interruption from, among others, fire, terrorist attacks, natural disasters, power loss, telecommunications failures, computer viruses, computer denial of service attacks, or other attempts to harm our systems. Our data centers are also subject to break-ins, sabotage, and intentional acts of vandalism, and to potential disruptions. Some of our systems are not fully redundant, and our disaster recovery planning cannot account for all eventualities. Any problems at our data centers could result in lengthy interruptions in our service. In addition, our products and services are highly technical and complex and may contain errors or vulnerabilities, which could result in interruptions in our services or the failure of our systems.

We may be subject to litigation and other legal proceedings and may not always be successful in defending ourselves against such claims or proceedings.

We and our management may be involved in litigation and other legal proceedings during the ordinary course of business operations related to, among other things, products or other types of liability, labor disputes, contract disputes or intellectual property disputes that may

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adversely affect our results of operations and financial performance. Moreover, in the course of our international expansion, we may be involved in disputes with overseas customers, which may result in additional costs and efforts to handle such disputes. These actions could also expose us to adverse publicity, which might adversely affect our brands, reputation and customer preference for our products. If we become a party in any litigation or other legal proceedings in the future, the outcome of these types of proceedings could be uncertain and lead to legal expenses, and might result in settlements or outcomes that adversely affect our business, results of operations, financial performance and prospects.

In particular, according to the PRC Social Insurance Law (《中華人民共和國社會保險法》) and the Administrative Measures on Housing Fund (《住房公積金管理條例》), employers are required, together with their employees or separately, to pay the social insurance premiums and housing funds for their employees. Employers that fail to make adequate social insurance and housing fund contributions may be subject to fines and legal sanctions. Due to the evolving interpretation and implementation of these laws and regulations, relevant PRC authorities may determine that we shall make supplemental contributions, that we are not in compliance with labor laws and regulations, or that we are subject to fines or other legal sanctions, such as order of timely rectification, and our business, financial condition and results of operations may be adversely affected.

Our business is subject to seasonality, which may cause fluctuations in our operating results.

Our results of operations may vary significantly from period to period due to many factors, including seasonal factors that may affect the demand for our vehicles. The sales volume of passenger vehicles typically culminates in the fourth quarter of the calendar year. It is difficult for us to determine the exact nature or extent of the seasonality of our business. Also, any unusually severe weather conditions in certain regions may impact demand for our vehicles. Our results of operations could also suffer if we do not achieve revenue consistent with our expectations for this seasonal demand because many of our expenses are based on anticipated levels of annual revenue. We also expect our period-to-period results of operations to vary based on our operating costs, which we anticipate will increase significantly in future periods as we, among other things, design, develop and produce our new models, build and equip new production facilities to produce such components, open new retail stores, increase our sales and marketing activities, and increase our administrative functions to support our growing operations.

Due to these fluctuations, comparisons of sales and operating results between different periods within a financial year, between the same periods in different financial years, or between different financial years, are not necessarily indicative of our performance. Nor may our results for any particular quarter or half year be indicative of the results to be achieved for the entire fiscal year. Our results of operations and financial performance in the future may continue to fluctuate throughout a year. Investors should not rely on interim results as being indicative of results our Group may expect for the full year.

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We are or may be subject to risks associated with strategic alliances or acquisitions.

We have entered into and may in the future enter into strategic alliances, including joint ventures or minority equity investments, with various third parties to further our business purpose from time to time. These alliances could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance by third parties, and increases in expenses in establishing new strategic alliances, any of which may materially and adversely affect our business. We may have limited ability to monitor or control the actions of these third parties and, to the extent any of these third parties suffers negative publicity or harm to their reputation from events relating to their businesses, we may also suffer negative publicity or harm to our reputation by virtue of our association with any such third party.

In addition, if appropriate opportunities arise, we may acquire additional assets, technologies, or businesses that are complementary to our existing business. In addition to possible shareholder approval, we may have to obtain approvals and licenses from relevant government authorities for the acquisitions and to comply with any applicable PRC laws and regulations, which could result in increasing delay and costs, and may derail our business strategy if we fail to do so. Moreover, the costs of identifying and consummating acquisitions may be significant. Furthermore, past and future acquisitions and the subsequent integration of new assets and businesses into our own require significant attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our operations. Acquisitions could result in the use of substantial amount of cash, potentially dilutive issuances of equity securities, the occurrence of significant goodwill impairment charges, amortization expenses for other intangible assets, and exposure to potential unknown liabilities of the acquired business. Acquired assets or businesses may not generate the financial results we expect.

Furthermore, any acquired business may be involved in legal proceedings originating from historical periods prior to the acquisition, and we may not be fully indemnified, or at all, for any damage to us resulting from such legal proceedings, which could materially and adversely affect our financial position and results of operations.

If we update our manufacturing equipment more quickly than expected, we may have to shorten the useful lives of any equipment to be retired as a result of any such update, and the resulting acceleration in our depreciation could negatively affect our financial results.

We have invested and expect to continue to invest significantly in what we believe is modern tooling, machinery, and other manufacturing equipment for the product lines and we depreciate the cost of such equipment over their expected useful lives. However, manufacturing technology may evolve rapidly, and we may decide to update our manufacturing process with advanced equipment more quickly than expected. Moreover, as our manufacturing expertise accumulates and manufacturing efficiency increases, we may be able to manufacture our products using less of our installed equipment. The useful life of any equipment that would be retired early as a result would be shortened, causing the depreciation on such equipment to be accelerated, and to the extent we own such equipment, our results of operations could be negatively impacted.

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Environmental, social, and governance matters may impact our business and reputation.

In addition to the importance of their financial performance, companies are increasingly being evaluated by their performance on a variety of environmental, social, and governance (“ESG”) matters, which are considered to contribute to the long-term sustainability of their companies’ performance. A variety of organizations measure the performance of companies on ESG topics, and the results of these assessments are widely publicized. In addition, investment in funds that specialize in companies that perform well in such assessments are increasingly popular, and major institutional investors have publicly emphasized the importance of ESG measures to their investment decisions. Topics taken into account in such assessments include, among others, the company’s efforts and impacts, including impacts associated with suppliers or other partners, on climate change, ethics and compliance with law, diversity, and the role of the Board in supervising various sustainability issues.

In light of investors’ increasing focus on ESG matters, there can be no assurance that we will manage such issues successfully, or that we will successfully meet society’s expectations as to our proper role. Any failure or perceived failure by us in this regard could have a material adverse effect on our reputation and on our operation results, including the sustainability of our business over time.

Our business could be adversely affected by natural disasters, public health crises, economic downturns or other unexpected events.

Natural disasters, health epidemics, acts of war or terrorism or other factors beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the regions where we conduct our business. Our operations may be under the threat of natural disasters, such as floods, earthquakes, sandstorms, snowstorms, fire or drought, the outbreak of a widespread health epidemic, such as swine flu, avian influenza, severe acute respiratory syndrome, or SARS, Ebola, Zika, COVID-19, other factors beyond our control, such as power, water or fuel shortages, failures, malfunction and breakdown of information management systems, unexpected maintenance or technical problems, or are susceptible to potential wars or terrorist attacks.

In addition, any economic downturn, decrease in economic growth rates and other uncertain economic outlook in the market that we operate in could also affect our business, financial condition and results of operations. Acts of war or terrorism may also injure our employees, cause loss of lives, disrupt our business network and destroy our markets. Any of the foregoing events and other events beyond our control could have an adverse effect on the overall business sentiment and environment, cause uncertainties in the regions where we conduct business, cause our business to suffer in ways that we cannot predict and materially and adversely impact our business, financial condition and results of operations.

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We have limited insurance coverage, which could expose us to significant costs.

We have limited liability insurance coverage for our products and business operations. A successful liability claim against us, regardless of whether due to injuries suffered by our users could materially and adversely affect our financial condition, results of operations and reputation. See “Business — Insurance.” Our insurances may not provide adequate coverage for all the risks in connection with our business operations. If we were to incur substantial losses and liabilities that are not covered by our insurance policies, we may be required to bear our losses to the extent that our insurance coverage is insufficient. As a result, we could suffer significant costs, which could have an adverse effect on our business, financial condition and results of operations.

RISKS RELATED TO THE JURISDICTIONS IN WHICH WE OPERATE OUR BUSINESS

Changes in economic, political and social conditions, as well as government policies, laws and regulations, and industry practice guidelines in the countries where the Company operates could have an adverse effect on our business, financial condition and results of operations.

Our business, financial condition and results of operations may be influenced by the economic, regulatory, political and social conditions in the country where we operate. Governments worldwide have implemented, and may continue to introduce, among others, various policies and measures to encourage the economic growth and guide the allocation of resources. The auto industry in general is affected by macro-economic factors, including international, national, regional and local economic conditions, trade relationships, employment levels, customer demand and discretionary spending. Any changes in these factors may have material and adverse effect on our business, financial condition and results of operations.

We face risks associated with the international sale of our vehicles, political relationships, export controls and economic or trade restrictions, and if we are unable to effectively manage these risks, our business, financial condition and results of operations may be materially and adversely affected.

While we have historically derived substantially all of our revenues in China, we have been exploring opportunities to expand into international markets. We may also test sales into other international markets. While we expect China will continue to be our primary market, the marketing and sale of our vehicles to international markets may increase in the future, which will expose us to a number of risks, including, but not limited, to:

- fluctuations in foreign currency exchange rates;

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- increased costs associated with the ability to understand the local markets and develop and maintain effective marketing and distributing presence in various countries;
- providing customer service and support in these markets;
- difficulty with staffing and managing overseas operations;
- competition with existing players in the automotive industry;
- exposure to business cultures where improper business practices may be prevalent;
- challenges in cultivating and maintaining productive relationships with local business partners;
- failure to develop appropriate risk management and internal control structures tailored to overseas operations;
- difficulty and cost relating to compliance with different commercial and legal requirements of the overseas markets in which we offer or plan to offer our products and services including charging and other electric infrastructures;
- failure to obtain or maintain permits for our products or services in these markets;
- different safety concerns and measures needed to address accident-related risks in different countries and regions;
- inability to obtain, maintain or enforce intellectual property rights;
- unanticipated changes in prevailing economic conditions and regulatory requirements; and
- trade barriers such as export requirements, tariffs, taxes and other restrictions and expenses.

Our expansion into international markets will require us to respond timely and effectively to rapid changes in market conditions in the relevant countries. Our success in international expansion depends, in part, on our ability to succeed in different legal, regulatory, economic, environmental, social and political conditions which we have little control over. We may not be able to develop and implement policies and strategies that will be effective in each location where we do business. A change in one or more of the factors described above may have a material adverse effect on our business, financial condition and results of operations.

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With international footprint, our business is subject to constantly changing international economic, regulatory, social, and political conditions, and local conditions in those countries and regions where we operate and we may be subject to various risks relating to legal compliance in different jurisdictions, exposure to potential disputes and litigations, geopolitical actions, trade restrictions or prohibitions, foreign exchange rates, local market conditions, cultural and language difficulties, geopolitical risks, competitions, and taxes. As a result, international political relationships among jurisdictions where we operate and conduct business may affect our cost structure, the demand for our products and our collaboration with business partners. Any such relationship tensions and political concerns may adversely affect our business, results of operations and prospects.

In recent years, the U.S. government imposed targeted economic and trade restrictions on a number of Chinese companies and institutions that limit their access to U.S.-origin goods, software and technologies (collectively, “Items”), as well as items that contain a significant portion of certain U.S.-origin Items or are a direct product of certain U.S.-origin Items. While we have conducted business with some of these entities, including Supplier A and Supplier C, we have no reasons to believe that we have violated the imposed restrictions because we do not export, re-export, or transfer any items that are subject to the Export Administration Regulations to any entities listed on the U.S. Commerce Department’s Entity List. In 2022, 2023, 2024 and the six months ended June 30, 2025, our aggregate purchases from Supplier A and Supplier C amounted to RMB6.8 billion, RMB8.4 billion, RMB44.5 billion and RMB20.5 billion, respectively. The items sold by us to relevant entities mainly include our vehicles and automotive parts. Such items are manufactured in the PRC (i.e. not U.S.-origin items), are not in the U.S. or moving in transit through the U.S., do not incorporate or bundle with any controlled U.S.-origin commodities or software, and are not subject to foreign direct product rules under the Export Administration Regulations. Therefore, that believe there is limited impact resulting from such restrictions on our business. However, as a result of our collaboration with such entities, including Supplier A and Supplier C, we may incur additional efforts when expanding into international markets to ensure compliance with applicable laws and regulations, including but not limited to make necessary alterations and modifications to our vehicles and collaborate with alternative suppliers. For example, before entering into a new international market, we will conduct legal analysis to evaluate whether our business in such market will be affected by our collaborations with companies subject to economic and trade restrictions, and will make necessary alterations and modifications to ensure compliance, which may lead to additional compliance costs. As a result, our international expansion efforts could be negatively affected.

Our internal policy requires employees of relevant entities to comply with all applicable laws, our contracts with relevant entities contain clauses requiring compliances with all applicable laws, and we consult external legal counsel regarding compliance with relevant U.S. trade control and sanctions laws and regulations. As advised by our internal control consultant, no material deficiencies in design were identified in relation to the effectiveness of enhanced internal control measures adopted by us. Based on the foregoing, our Directors are of the view that our Group is not subject to material export control risks. However, U.S. export controls and trade laws and regulations are complex and likely subject to frequent changes, and the

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interpretation and enforcement of the relevant regulations involve substantial uncertainties, which may be changed by political and/or other factors that are not within our control or that are heightened by national security concerns. For example, the U.S. government has tightened certain chip shipments to China. If any potential restrictions, any associated inquiries or investigations, or any other government actions occur, they are difficult or costly to comply with and may, among other things, delay or impede the development of our technology and solutions, and hinder the stability of our supply chain. They could also result in negative publicity, require significant time and attention of the management and subject us to fines, penalties or orders that we cease or modify our existing business practices, if they occur. Any of these events may have an adverse effect on our business, financial condition and results of operations. Based on the independent due diligence work conducted by the Joint Sponsors and taking into account the views and basis of the Directors as disclosed above, nothing has come to the attention of the Joint Sponsors that would reasonably cause the Joint Sponsors to cast doubt on the Directors' view on the above-mentioned export control risks in any material respects.

As a company listed on the Shanghai Stock Exchange, we, our Directors, senior management, employees and Shareholders are subject to securities regulations and exchange listing rules in the PRC.

As a company listed on the Shanghai Stock Exchange, we, our Directors, senior management, employees and Shareholders are subject to securities regulations issued by the CSRC and the Shanghai Stock Exchange Listing Rules. While we are committed to full compliance with all applicable regulatory requirements, new regulations and rules, and changes in the interpretation or enforcement of existing regulations and rules, may be adopted from time to time. To maintain compliance, we may need to devote additional resources and incur compliance-related costs. In addition, the CSRC and the Shanghai Stock Exchange may have periodic or ad hoc inspections, examinations and inquiries with respect to our compliance with relevant regulatory requirements. Prior to the Track Record Period, our controlling shareholder and de facto controller (as defined under the Shanghai Stock Exchange Listing Rules) were subject to an administrative penalty by the CSRC and received a regulatory warning letter from the Shanghai Stock Exchange in 2021 due to non-compliance with relevant information disclosure requirements by the CSRC and under the Shanghai Stock Exchange Listing Rules; prior to the Track Record Period, we and one of our senior management member received regulatory concern from the Shanghai Stock Exchange in 2019 due to non-compliance with relevant information disclosure requirements of the Shanghai Stock Exchange; and during the Track Record Period, one of our non-executive Directors inadvertently traded an insignificant number of A Shares during a black-out period under relevant A-Share rules, but was not subject to any penalties. The aforementioned incidents did not have any material adverse impact on us.

We are subject to the currency exchange regulatory system.

The conversion of RMB into foreign currencies should be in compliance with relevant laws and regulations. We receive the vast majority of our revenue in Renminbi. Shortages in the availability of foreign currency may restrict our ability to remit sufficient foreign currency,

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or otherwise satisfy our foreign currency denominated obligations. Under the existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration with competent government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may restrict access to foreign currencies for current account transactions in the future. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demand, we may not be able to pay dividends in foreign currencies to our Shareholders. Further, we cannot assure you that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of RMB into or out of China.

You should assess the legal protections you are entitled to under legal system in the jurisdictions where we operate.

We are subject to the different applicable laws and regulations of the countries and regions where we operate. Our business and operations in China are subject to primarily written statutes, and prior court decisions offer limited precedential value. Furthermore, we cannot assure you that we can predict the effect of future legal developments in countries and regions where we operate, including the promulgation of new laws and changes in existing laws. In addition, legal proceedings may incur significant costs, divert our resources, and negatively affect our management's focus on strategic planning and execution, which may materially and adversely impact our operational efficiency and overall business performance.

You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management.

We are a company incorporated under the laws of the PRC and the majority of our assets and subsidiaries are located in the PRC. The majority of our Directors and senior management reside within the PRC. The assets of these Directors and senior management also may be located within the PRC. As a result, it may be difficult and time-consuming to effect service of process upon us or most of our Directors and senior management within the PRC. In addition, investors may also experience difficulties in enforcing judgments if there is a lack of reciprocal recognition and enforcement of judicial rulings and awards of other jurisdictions.

Further, the H Shareholders will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Hong Kong Stock Exchange to enforce its rules. Moreover, the Takeovers Code does not have the force of law and provides only standards of commercial conduct considered acceptable for takeover and merger transactions and share repurchases in Hong Kong.

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Changes in international trade policies, geopolitics and trade protection measures, export control and economic or trade sanctions may affect our business, financial condition and results of operations.

Our business operations and financial performance can be influenced by various factors related to international trade policies, geopolitics, trade protection measures, export controls, and economic or trade sanctions. For example, the United States recently imposed tariffs on various countries, including China. These policies have adversely affected the global economy and financial markets. During the Track Record Period, our business in the United States is negligible and we do not rely on materials imported/originated from the U.S.. Therefore, as advised by our legal adviser as to international sanctions, we believe that the direct impact of such tariffs on our business operations and financial performance is not material. However, as relevant policies are rapidly evolving, it may be difficult to evaluate their potential future impacts. Geopolitical conflicts like this may also lead to volatility in financial markets, fluctuations in currency exchange rates and increased procurement costs. In extreme cases, such conflicts could result in economic downturns that materially and adversely impact our operations. If any new tariffs, legislation and/or regulations are implemented, or if existing trade agreements are renegotiated or, in particular, if any government takes retaliatory trade actions due to the recent global trade tension, such changes could have an adverse effect on our business, financial condition and results of operations.

On October 28, 2024, the U.S. Department of the Treasury issued a final rule on outbound investment, or the Outbound Investment Rule, to implement the executive order of August 9, 2023, which became effective on January 2, 2025. The Outbound Investment Rule imposes investment prohibition and notification requirements on U.S. persons for a wide range of investments in entities associated with China (including Hong Kong and Macau), collectively defined as “Covered Foreign Persons,” that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems. U.S. persons subject to the Outbound Investment Rule are prohibited from making, or required to report, certain investments in Covered Foreign Persons, which are defined as “covered transactions.” We believe we are not a “Covered Foreign Person” as defined in the Outbound Investment Rule. However, if we were to be deemed a Covered Foreign Person due to changes in our business operations or amendments to relevant laws and regulations, our ability to raise capital and our stock price may be negatively affected.

The United States and other jurisdictions or organizations, including the European Union, the United Nations, the United Kingdom and Australia, have, through executive orders, legislation or other regulatory means, implemented measures that impose economic sanctions and export controls against such countries or against targeted industry sectors, companies, entities and/or organization and individuals within such countries. To effectively manage our exposures to potential sanctions risks, we have established an internal control system in this regard, including (i) to perform screening procedures in respect of counterparties to our business to ensure none of them are sanctioned targets that will subject the Group to material sanction risks, (ii) conduct control analysis on exported products, and (iii) engage an external expert to audit our compliance system regularly or irregularly to promptly identify and address

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potential compliance loopholes. As advised by our legal adviser as to international sanctions, during the Track Record Period and up to the Latest Practicable Date, (i) we have not initiated any primary sanctioned activities, and (ii) risks arising from secondary sanctions should be relatively limited in the foreseeable future considering that (1) revenue generated from the entity subject to of economic sanctions accounted for a negligible portion of our total revenues (less than 0.2% of our total revenues in 2023 and 2024), (2) we sold vehicles and provided incidental services related to vehicle warranty to such entity, which were for civil-use purpose only and not for military use, (3) there is no U.S. nexus involved, (4) as of the Latest Practicable Date, we have ceased all business with such entity, and (5) we undertake to strictly and effectively implement the internal policy on export control and economic sanctions compliance. Based on the foregoing, our Directors are of the view that our Group is not subject to material sanction risks. Nonetheless, we cannot assure you that our customers or users will not resell our products to sanctioned regions. Our business and reputation could be adversely affected if the authorities of U.S., the EU, the UN, the U.K., Australia or any other jurisdictions were to determine that any of our past or future activities might constitute a violation of the relevant sanctions or provide a basis for a sanction designation of our Group. Based on the independent due diligence work conducted by the Joint Sponsors and taking into account the views and basis of the Directors as disclosed above, nothing has come to the attention of the Joint Sponsors that would reasonably cause the Joint Sponsors to cast doubt on the Directors' view on the above-mentioned sanctions risks in any material respects.

On September 26, 2024, the U.S. Department of Commerce's Bureau of Industry and Security (the "BIS") published a proposed rule that would prohibit the importation into the United States of certain vehicle connectivity system ("VCS") hardware from China or Russia. Additionally, the proposed rule would restrict the importation, sale, or distribution within the United States of completed connected vehicles incorporating VCS or automated driving system software, as well as prohibit manufacturers owned by, controlled by, or under the jurisdiction of China or Russia from selling such vehicles in the U.S. In each of 2022, 2023, 2024 and the six months ended June 30, 2025, sales to the U.S. accounted for less than 0.1% of our total revenues, respectively, and therefore we believe such rule will not have a material impact on our business. On January 14, 2025, the BIS published the final rule addressing national security risks associated with connected vehicle technologies, which will be effective on March 15, 2025, it establishes prohibitions targeting specific hardware and software integral to VCS and automated driving systems, software-related prohibitions and prohibitions against automakers would take effect from 2027, while hardware-related prohibitions would take effect from 2030.

These factors are subject to frequent changes and uncertainties, often driven by political, economic, and social dynamics beyond our control. Such changes can have an impact on trade agreements, tariffs, customs duties, and other aspects of international trade, potentially resulting in increased operational costs and affecting our market access. Additionally, alterations in trade protection measures, such as the imposition of anti-dumping duties, countervailing duties, or safeguard measures, may lead to higher costs or restrictions on our

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exports. Moreover, export controls and economic or trade sanctions can impose limitations on our ability to export products or conduct business in specific markets. Non-compliance with these controls and sanctions can result in legal penalties, reputational harm, and the loss of export privileges.

We are a PRC enterprise and we are subject to PRC tax on our global income, and any gains on the sales of our H Shares by investors and dividends paid to investors on our H Shares may (and in the case of dividends to non-PRC enterprises shareholders, will) be subject to PRC tax.

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

Non-PRC individuals are generally subject to PRC individual income tax under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) with respect to PRC source income or gains at a rate of 20%. We are required to withhold related tax from dividend payments paid to non-PRC resident individuals, unless specifically exempted by the tax authority of the State Council or reduced or eliminated by an applicable tax treaty. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax issued by the MOF and SAT (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》) on May 13, 1994, dividends and bonuses income gained by foreign individuals from foreign-invested enterprises is exempted from individual income tax for the time being.

According to the Circular Declaring that Individual Income Tax Continues to Be Exempted over Individual Income from Transfer of Shares issued by the MOF and the STA (《財政部、國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) effective as of March 30, 1998, income from individuals' transfer of stocks of listed companies continued to be temporarily exempted from individual income tax. On February 3, 2013, the State Council approved and promulgated the Notice of Suggestions to Deepen the Reform of System of Income Distribution (《國務院批轉發展改革委等部門關於深化收入分配制度改革若干意見的通知》). On February 8, 2013, the General Office of the State Council promulgated the Circular Concerning Allocation of Key Works to Deepen the Reform of System of Income Distribution (《國務院辦公廳關於深化收入分配制度改革重點工作分工的通知》). According to these two documents, the PRC government is planning to cease foreign individuals' tax exemption for their dividends and bonuses income obtained from foreign-invested enterprises, and the MOF and the SAT should be responsible for making and implementing details of such plan. However, relevant implementation rules or regulations have not been promulgated by the MOF and the SAT. In light of the foregoing, non-resident individual H Shareholders should be aware that they may be obligated to pay PRC income tax on dividend and bonuses income realized from the H Shares.

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As of the Latest Practicable Date, no aforesaid provisions had expressly provided whether individual income tax shall be levied from non-PRC individuals on the transfer of shares in PRC enterprises listed on overseas stock exchanges, and there is no assurance that the PRC tax authorities will not change these practices, which could result in levying income tax on non-PRC individuals on gains from the sale of our H Shares.

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

Despite the arrangements mentioned above, the interpretation and application of applicable PRC tax laws and regulations by the competent tax authorities will be in accordance with the then effective laws and regulations and may change, and new taxes may be imposed, which in either case may adversely affect the value of your investment in our H Shares.

RISKS RELATED TO THE GLOBAL OFFERING

We will be concurrently subject to PRC and Hong Kong listing and regulatory requirements.

As we are listed on the Shanghai Stock Exchange and will be listed on the Main Board of the Hong Kong Stock Exchange, we will be required to comply with the listing rules (where applicable) and other regulatory regimes of both jurisdictions, unless otherwise agreed by the relevant regulators. Accordingly, we may incur additional costs and consume additional resources in complying with the requirements of both jurisdictions.

Our A Shares are listed on the Shanghai Stock Exchange, and the characteristics of the A Share and H Share markets may differ.

Our A Shares are listed on the Shanghai Stock Exchange. Following the Global Offering, our A Shares will continue to be traded on the Shanghai Stock Exchange and our H Shares will be traded on the Hong Kong Stock Exchange. Under current PRC laws and regulations, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither

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interchangeable nor fungible, and there is no trading or settlement between the H Share and A Share markets. With different trading characteristics, the H Share and A Share market have divergent trading volumes, liquidity and investor bases, as well as different levels of retail and institutional investor participation. As a result, the trading performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the price of our H Shares, and vice versa. Furthermore, due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares when evaluating the investment decision in our H Shares.

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

There was no public market for our H Shares prior to the Global Offering. There can be no guarantee that a public market for our H Shares with adequate liquidity and trading volume will develop and be sustained following the completion of the Global Offering. In addition, the initial Offer Price of our H Shares is expected to be fixed by agreement between the Overall Coordinators (for itself and on behalf of the Underwriters) and us, which may not be indicative of the market price of our H Shares following the completion of the Global Offering. If an active public market for our H Shares does not develop following the completion of the Global Offering, the market price and liquidity of our H Shares may be materially and adversely affected.

The trading volume and market price of our H Shares following the Global Offering may be volatile, which could result in substantial losses to you.

The trading volume and market price of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, Mainland China, the United States and elsewhere in the world. In particular, the performance and fluctuation of the trading volume and market price of other companies with business operations located mainly in Mainland China that have listed their securities in Hong Kong may affect the volatility in the price of and trading volumes for our H Shares. A number of Mainland China-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. Some of these companies have experienced significant volatility, including significant price declines and trading volume fluctuation after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards Mainland China-based companies listed in Hong Kong and consequently may impact the trading performance of our H Shares. These factors may significantly affect the market price and volatility of our H Shares, regardless of our actual operating performance.

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Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance whether and when we will pay dividends in the future.

We have declared dividends in the past. We protect our Shareholders' interest by ensuring a consistent dividend policy. However, there is no assurance that dividends of any amount will be declared or distributed by us in any year in the future. Under the applicable laws and regulations of China and the Articles of Association, the payment of dividends may be subject to certain limitations, and the calculation of our profit under the Accounting Standards for Business Enterprises may differ in certain respects from the calculation under IFRS Accounting Standards. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable laws and regulations of China. See "Financial Information — Dividends." No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our historical dividends should not be taken as indicative of our dividend policy in the future.

Under the existing foreign exchange regulations of mainland China, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration with competent government authorities is required where RMB is to be converted into foreign currency and remitted out of mainland China to pay capital expenses such as the repayment of loans denominated in foreign currencies. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. Further, we cannot assure you that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of RMB into or out of mainland China.

A future or perceived significant increase in the supply of our H Shares in public markets could cause the market price of our H Shares to decrease significantly, and dilute shareholdings of H Shareholders.

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

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You will incur immediate and substantial dilution if the Offer Price of the Offer Shares is higher than the net tangible asset value per Share.

The Offer Price of our Offer Shares is higher than the net tangible asset value per Share immediately prior to the Global Offering. Therefore, purchasers of our Offer Shares in the Global Offering will experience an immediate dilution. Existing Shareholders will receive an increase in the pro forma adjusted consolidated net tangible assets value per share of their shares. See Unaudited Pro Forma Financial Information in Appendix II to this Prospectus.

You should not place any reliance on any information released by us in connection with the listing of our A Shares on the Shanghai Stock Exchange.

As our A Shares are listed on the Shanghai Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in China. As a result, from time to time, we publicly release our financial and operational information on the Shanghai Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with our A Shares is based on the regulatory requirements of the securities authorities, industry standards and market practices in mainland China, which are different from those applicable to the Global Offering. The presentation of financial and operational information for the Track Record Period disclosed on the Shanghai Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this Prospectus. As a result, prospective investors in our H Shares should be reminded that, in making their investment decisions as to whether to purchase our H Shares, they should rely only on the financial, operating and other information included in this Prospectus. By applying to purchase our H Shares in the Global Offering, you will be deemed to have agreed that you will not rely on any information other than that contained in this Prospectus, and any formal announcements made by us in Hong Kong with respect to the Global Offering.

Certain facts, forecasts and statistics derived from external sources contained in this Prospectus may not be reliable and the market opportunity estimates may not be accurate.

We have derived certain facts and other statistics in this Prospectus, particularly those relating to the general economy and automobile industry, from information provided by official government sources and other third-party sources. We have not independently verified information and statistics from official government sources, and there can be no assurance as to the accuracy and reliability of such facts and statistics. You should consider carefully how much weight or importance you should attach to or place on such facts or statistics.

Market opportunity estimates included in this Prospectus, including our ability to capture a meaningful share of the relevant markets, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The variables that go into the calculation of our market opportunity are subject to change over time, and there can be no assurance that our market opportunity estimates will materialize as anticipated. Any expansion

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in our market depends on a number of factors, including the cost, performance, and perceived value associated with our business and those of our competitors. Even if the market in which we compete meets the size estimates and growth forecasted in this Prospectus, our business could fail to grow at similar rates, if at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is inherently subject to certain risks and uncertainties.

Investors should read the entire Prospectus carefully and should not consider any particular statements in this Prospectus or in published media reports without carefully considering the risks and other information contained in this Prospectus.

The Global Offering is being made solely on the basis of the information and representations contained in this Prospectus, which are true and accurate to the best of our knowledge and belief. Any information not contained in this Prospectus should not be relied upon in making an investment decision with respect to the securities being offered. Prior to the publication of this Prospectus, there has been coverage in the media regarding us and the Global Offering, which may have contained, among other things, certain financial information, projections, valuations and other forward-looking information about us and the Global Offering. Investors should be aware that information and opinions published by third-party sources may have been based on outdated, incomplete, or inaccurate information. These sources may also have conflicts of interest, and their opinions may not be independent or objective. The media's coverage of our Company and the Global Offering may be influenced by a wide range of factors, including the bias of individual journalists, the preferences of media outlets, and the demand of advertisers.

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

This Prospectus contains certain statements and information that are forward-looking and uses forward-looking terminology such as “anticipate,” “believe,” “could,” “going forward,” “intend,” “plan,” “project,” “seek,” “expect,” “may,” “ought to,” “should,” “would” or “will” and similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this Prospectus should not be regarded as representations or warranties by us that our plans and objectives will be achieved, and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this Prospectus are qualified by reference to this cautionary statement.

WAIVERS, CONSENTS AND EXEMPTION

In preparation for the Listing, our Company has sought the following waivers from strict compliance with relevant provisions of the Listing Rules and exemption from the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

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

Our management headquarters, senior management, business operations and assets are primarily based outside Hong Kong. The Directors consider that either by means of relocation of our existing executive Directors or appointment of additional executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company or the Shareholders as a whole. Therefore, we do not have, and do not contemplate to have, in the foreseeable future, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules. As such, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules. We will ensure that there is regular and effective communication between us and the Hong Kong Stock Exchange by way of, among others, the following conditions:

- (a) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorized representatives, who will act as our principal channel of communication with the Hong Kong Stock Exchange and ensure that our Company complies with the Listing Rules at all times. The two authorized representatives appointed are Mr. Zhang Zhengping (張正萍) and Ms. Ho Wing Tsz Wendy (何詠紫) (“**Ms. Ho**”) (the “**Authorized Representative(s)**”). Ms. Ho is situated and based in Hong Kong, and will be available to meet with the Hong Kong Stock Exchange within a reasonable time frame upon the request of the Hong Kong Stock Exchange. Both of the Authorized Representatives will be readily contactable by telephone, facsimile (if applicable) and email to deal promptly with enquiries from the Hong Kong Stock Exchange. Our Company has provided contact details of the two Authorized Representatives to the Hong Kong Stock Exchange and will inform the Hong Kong Stock Exchange promptly in respect of any change in the Authorized Representatives;
- (b) when the Hong Kong Stock Exchange wishes to contact our Directors on any matter, each of the Authorized Representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly at all times. We have provided the Hong Kong Stock Exchange with the contact details

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(i.e., mobile phone number, office phone number, email address and fax number, if applicable) of all Directors to facilitate communication with the Hong Kong Stock Exchange. Our Directors will also provide the phone number of the place of his/her accommodation to the Authorized Representatives in the event that any Director expects to travel or otherwise be out of office;

- (c) all our Directors who are not ordinarily resident in Hong Kong have confirmed that they possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with relevant members of the Hong Kong Stock Exchange within a reasonable period of time in Hong Kong, when required;
- (d) pursuant to Rule 3A.19 of the Listing Rules, we have retained Rainbow Capital (HK) Limited as our compliance adviser (the “**Compliance Adviser**”) upon Listing for a period commencing on the Listing Date and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date. The Compliance Adviser will act as an additional channel of communication with the Hong Kong Stock Exchange and will be available to respond to enquiries from the Hong Kong Stock Exchange. The contact details of the Compliance Adviser have been provided to the Hong Kong Stock Exchange;
- (e) the Compliance Adviser will have access at all times to our Authorized Representatives, our Directors and our senior management, who will act as the additional channel of communication with the Hong Kong Stock Exchange when the Authorized Representatives are not available, as prescribed by Rule 3A.23 of the Listing Rules. Our Company shall ensure that our Authorized Representatives, Directors and our senior management members will timely provide such information and assistance as the Compliance Adviser may need or may reasonably request in connection with the performance of the Compliance Adviser’s duties as set forth in the Listing Rules. To the extent reasonably practicable and legally permissible, we will keep the Compliance Adviser informed of all communications and dealings between the Hong Kong Stock Exchange and us. Meetings between the Hong Kong Stock Exchange and our Directors may be arranged through our Authorized Representatives or the Compliance Adviser, or directly with our Directors within a reasonable time frame. We will inform the Hong Kong Stock Exchange as soon as practicable in respect of any change of Authorized Representatives and/or the Compliance Adviser;
- (f) we will appoint other professional advisers (including Hong Kong legal advisers) after the Listing to assist us in dealing with any questions which may be raised by the Hong Kong Stock Exchange and to ensure that there will be prompt and effective communication with the Hong Kong Stock Exchange; and

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- (g) our Company has designated one of our staff members as the communication officer at our headquarters after the Listing who will be responsible for maintaining day-to-day communication with the Authorized Representatives and our Company's professional advisers in Hong Kong, including our legal advisers in Hong Kong and the Compliance Adviser, to keep abreast of any correspondence with and/or enquiries from the Hong Kong Stock Exchange and report to our executive Directors to further facilitate communication between the Hong Kong Stock Exchange and our Company.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules and Chapter 3.10 of the Guide for New Listing Applicants, a new applicant for listing on the Hong Kong Stock Exchange must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of the company secretary.

Note 1 to Rule 3.28 of the Listing Rules provides that the Hong Kong Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and
- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Hong Kong Stock Exchange considers the following factors in assessing the "relevant experience" of the individual:

- (a) length of employment with the issuer and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

WAIVERS, CONSENTS AND EXEMPTION

Our Company has appointed Ms. Shen Wei (申薇) (“**Ms. Shen**”), our executive Director, vice president and Board secretary, as one of our joint company secretaries. The Company believes that it would be in the best interests of the Company and the corporate governance of the Group to have Ms. Shen as its joint company secretary, who is responsible for overseeing compliance matters and Board-related matters of the Company and has day-to-day knowledge of the Company’s affairs. Ms. Shen has the nexus to the Board and close working relationship with the management of the Company necessary to perform the function of a joint company secretary and to take required actions in the most effective and efficient manner. However, Ms. Shen presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. Ho, who is a Chartered Secretary, a Chartered Governance Professional and a fellow member of both The Hong Kong Chartered Governance Institute (“**HKCGI**”) and The Chartered Governance Institute in the United Kingdom and fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules, to act as the other joint company secretary and to provide assistance to Ms. Shen for an initial period of three years from the Listing Date, to enable Ms. Shen to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Ms. Shen may be appointed as a joint company secretary of our Company.

The waiver is valid for an initial period of three years from the Listing Date, and is granted on the condition that Ms. Ho, as a joint company secretary of our Company, will work closely with Ms. Shen to jointly discharge the duties and responsibilities as company secretaries and assist Ms. Shen in acquiring the relevant experience as required under Rules 3.28 and 8.17 of the Listing Rules. Ms. Ho will also assist Ms. Shen in organizing Board meetings and Shareholders’ meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. Ho is expected to work closely with Ms. Shen and will maintain regular contact with Ms. Shen, the Directors and the senior management of our Company. In addition, Ms. Shen will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance her knowledge of the Listing Rules during the three-year period from the Listing. Ms. Shen will also be assisted by (a) the Compliance Adviser, particularly in relation to compliance with the Listing Rules; and (b) the Hong Kong legal advisers of our Company, on matters concerning our Company’s ongoing compliance with the Listing Rules and applicable laws and regulations.

Pursuant to Chapter 3.10 of the Guide for New Listing Applicants, the waiver will be revoked immediately if Ms. Ho ceases to provide assistance to Ms. Shen as a joint company secretary or where there are material breaches of the Listing Rules by our Company for the three-year period after the Listing Date.

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Prior to the expiration of the initial three-year period, the qualifications and experience of Ms. Shen will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. Prior to the expiration of the initial three-year period, we will demonstrate and seek the Hong Kong Stock Exchange's confirmation that Ms. Shen, having benefited from the assistance of Ms. Ho for the preceding three years, will have acquired the skills necessary to carry out the duties of a company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

WAIVERS AND EXEMPTION IN RESPECT OF PARTICULARS OF INFORMATION OF OUR SUBSIDIARIES

Paragraph 26 of Appendix D1A to the Listing Rules requires disclosure of the particulars of any alterations in the capital of any member of the Group within the two years immediately preceding the issue of this Prospectus.

Paragraph 29(1) of Appendix D1A to the Listing Rules and paragraph 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance require this prospectus to include, information in relation to the name, the date and place of incorporation, the general nature of the business, the issued capital and the proportion of the issued capital held or intended to be held, of every company, whether public or private (if applicable), the whole of the capital of which or a substantial proportion thereof is held or intended to be held, or whose profits or assets make or will make a material contribution to the figures in the auditors' report or to the next financial statements of the company.

As of the Latest Practicable Date, we have 70 subsidiaries globally. It would be unduly burdensome for us to disclose the required information in respect of each of our subsidiaries, as our Company would have to incur additional costs and devote significant resources to compiling and verifying the relevant information for such disclosure, which would not be material nor meaningful to investors save for the Major Subsidiaries as referred to below.

We have identified 17 subsidiaries (collectively, the “**Major Subsidiaries**” and each a “**Major Subsidiary**”) that we consider to be material to our operations and/or to have contributed significantly to our financial performance during the Track Record Period. By way of illustration, the Major Subsidiaries (without intercompany eliminations) have, in aggregate, accounted for approximately (i) 172%, 174%, 182% and 177% of our revenue for each of the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively; (ii) 117%, 119%, 134% and 137% of our total assets as at December 31, 2022, 2023 and 2024 and June 30, 2025, respectively; (iii) 76%, 85%, 233% and 117% of our profit before tax for each of the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively; and (iv) 75%, 84%, 240% and 120% of our net profit for each of the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively. Additionally, certain Major Subsidiaries hold assets, intellectual property rights, proprietary technologies or licenses and permits that are considered by the Directors to be material to the Group's business and operations.

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None of the other subsidiaries of our Company that are not Major Subsidiaries have individually contributed 5% or more of our Group's revenue and net profits during each period within the Track Record Period, or total assets as of December 31, 2022, 2023 or 2024 or June 30, 2025, nor hold any assets, intellectual property rights, proprietary technologies or licenses and permits that are considered by the Directors to be material to the Group's business and operations. Accordingly, the remaining subsidiaries which are not Major Subsidiaries of our Group are relatively insignificant to the overall results of our Group, and the non-disclosure of information about them would not prejudice the interests of our Shareholders and the investing public. Rather, the disclosure of the required information in respect of our Company and the Major Subsidiaries already provides sufficient information that is reasonably necessary for potential investors to make an informed assessment of the activities, assets and liabilities, financial position, management and prospects of our Group, its profits and losses and the rights attaching to the securities for which listing is sought.

We have disclosed the particulars of the changes in share capital of our Company and the Major Subsidiaries in the sections headed "Statutory and General Information — Further Information About Our Company — Changes in Share Capital of Our Company" and "Statutory and General Information — Further Information About Our Company — Changes in Share Capital of Our Major Subsidiaries", respectively, in Appendix IV to this Prospectus. We have also disclosed the corporate information (including name, principal business activities, place and date of incorporation and the interest held by the Group) of the Major Subsidiaries as required under Paragraph 29(1) of Appendix D1A to the Listing Rules and paragraph 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in "History, Development and Corporate Structure", and the share capital of the Major Subsidiaries in Note 52 to the Accountants' Report as set out in Appendix I to this Prospectus.

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, waivers from strict compliance with the requirements under paragraphs 26 and 29(1) of Appendix D1A to the Listing Rules, in respect of disclosing (i) the particulars of any alteration in the capital of any member of our Group within the two years immediately preceding the issue of this Prospectus, and (ii) information in relation to the name, date and place of incorporation, public or private status, the general nature of business, the issued capital and the proportion thereof held or intended to be held in this Prospectus.

We have applied for, and the SFC has granted us, a certificate of exemption from strict compliance with the requirements under paragraph 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in respect of disclosing the information of our subsidiaries which are not Major Subsidiaries as required under paragraph 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The exemption is granted by the SFC on the conditions that: (i) the particulars of the exemption are disclosed in this Prospectus; and (ii) this Prospectus is issued on or before October 27, 2025.

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WAIVER IN RESPECT OF CONTINUING CONNECTED TRANSACTIONS

We have entered into and expect to continue certain transactions upon Listing that will constitute partially exempt continuing connected transactions of our Company under the Listing Rules, as described in the section headed “Connected Transactions” in this Prospectus. Our Directors consider that strict compliance with the applicable requirements under the Listing Rules would be impractical, unduly burdensome and would impose unnecessary administrative costs on our Company. Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with the applicable requirements under Chapter 14A of the Listing Rules in respect of such partially exempt continuing connected transactions. For further details, see the section headed “Connected Transactions” in this Prospectus.

WAIVER IN RELATION TO THE 2024 EMPLOYEE STOCK OWNERSHIP PLAN

Rule 17.02(1)(b) of the Listing Rules requires a listing applicant to, *inter alia*, disclose in the prospectus full details of all outstanding awards and their potential dilution effect on the shareholdings upon Listing as well as the impact on the earnings per share arising from the issue of shares in respect of such outstanding awards.

Pursuant to paragraphs 6 to 7 of Chapter 3.6 of the Guide for New Listing Applicants, the Hong Kong Stock Exchange would normally grant waivers from disclosing the names and addresses of certain grantees if the applicant could demonstrate that such disclosures would be irrelevant or unduly burdensome, subject to certain conditions specified therein.

As of the Latest Practicable Date, our Company has granted outstanding share awards (the “Share Awards”) under the 2024 Employee Stock Ownership Plan to 246 grantees (the “Grantee(s)”) for an aggregate of 3,240,729 A Shares, representing approximately 0.19% of the total number of Shares in issue immediately after completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised). Among the outstanding Share Awards, nine Directors or senior management members of the Company and 237 Grantees, who are employees of our Group but not Directors nor senior management members of the Company, were granted Share Awards for 449,874 A Shares and 2,790,855 A Shares, respectively. Save as disclosed in “Statutory and General Information” in Appendix IV to this Prospectus, no Share Awards were granted to any other Directors, senior management members or consultants of our Company under the 2024 Employee Stock Ownership Plan.

We have applied to the Hong Kong Stock Exchange for a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules on the grounds that the waiver will not prejudice the interests of the investing public and full compliance with such disclosure requirements would be unduly burdensome for our Company for the following reasons:

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- (a) given that 246 Grantees are involved for the grant of outstanding Share Awards under the 2024 Employee Stock Ownership Plan, our Directors consider that it would be unduly burdensome to disclose in this Prospectus full details of all the Share Awards granted by us to each of the Grantees, which would significantly increase the cost and time for information compilation and prospectus preparation required for strict compliance with such disclosure requirements, as the Company would need to collect and verify the personal information of a large number of the Grantees to meet the disclosure requirements;
- (b) the disclosure of the personal details of each Grantee, including their names and the number of Share Awards granted to them, may require obtaining consent from all the Grantees in order to comply with personal data privacy laws and principles, and it would be unduly burdensome for our Company to obtain such consents given the number of the Grantees;
- (c) the grant and vesting in full of the Share Awards under the 2024 Employee Stock Ownership Plan will not cause any material adverse impact to the financial position of our Group;
- (d) there will not be any new H Shares issued under the 2024 Employee Stock Ownership Plan as it is an A Share employee stock ownership plan;
- (e) our Directors consider that a lack of full compliance with the above disclosure requirements would not prevent our Company from providing potential investors with sufficient information for an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Group;
- (f) full disclosure of details of the Grantees (which include their names and positions), as well as the Share Awards granted to each of them, would provide the Group's competitors with the Group's employees' compensation details and facilitate their soliciting activities, which may impact the Group's ability to recruit and retain valuable personnel;
- (g) material information on the Share Awards under the 2024 Employee Stock Ownership Plan has been disclosed in "Statutory and General Information — 2024 Employee Stock Ownership Plan" in Appendix IV to this Prospectus to provide prospective investors with sufficient information to make an informed assessment of the potential dilutive effect and impact on earnings per Share of the Share Awards in making their investment decision, and such information includes but is not limited to:
 - (i) a summary of the terms of the 2024 Employee Stock Ownership Plan;

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- (ii) the aggregate number of A Shares subject to the outstanding Share Awards and the percentage in our total issued Shares of which such number represents upon completion of the Global Offering; and
- (iii) the details of the outstanding Share Awards granted under the 2024 Employee Stock Ownership Plan by the range of underlying A Shares, including date of grant, purchase price and the percentage of our Company's total issued share capital upon completion of the Global Offering.

In light of the above, our Directors believe that the grant of the waiver sought and the non-disclosure of the required information will not hinder potential investors from making an informed assessment of the activities, assets and liabilities, financial position, management and prospects of our Group and will not prejudice the interests of the public investors.

The Hong Kong Stock Exchange has granted to us a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules with respect to the Share Awards granted under the 2024 Employee Stock Ownership Plan, subject to the conditions that:

- (a) on an individual basis, full details of the outstanding Share Awards granted by the Company under the 2024 Employee Stock Ownership Plan to each of the Directors and members of the senior management of the Company, including all the particulars required under Rule 17.02(1)(b) of the Listing Rules, be disclosed in this Prospectus;
- (b) in respect of the Share Awards granted by our Company under the 2024 Employee Stock Ownership Plan to the remaining Grantees other than those referred to in sub-paragraph (a) above (the “**Other Grantee(s)**”), the following details will be disclosed in this Prospectus on an aggregate basis and categorized into lots based on the number of A Shares underlying each individual Grantee, being (i) 10,000 A Shares or less; (ii) 10,001 to 20,000 A Shares; and (iii) 20,001 A Shares or more, and the details of each lot of A Shares will be disclosed in this Prospectus, including (i) the number of the Share Awards and A Shares underlying the Share Awards, (ii) date of grant, purchase price of the Share Awards granted, and (iii) the percentage of our Company's total issued share capital represented by such lots upon completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Global Offering);
- (c) the aggregate number of A Shares underlying the outstanding Share Awards and the percentage of our Company's total issued share capital upon completion of the Global Offering will be disclosed in this Prospectus;

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- (d) a summary of the principal terms of the 2024 Employee Stock Ownership Plan will be disclosed in “Statutory and General Information — 2024 Employee Stock Ownership Plan” in Appendix IV to this Prospectus;
- (e) the particulars of this waiver are set out in this Prospectus; and
- (f) a full list of all the Grantees with outstanding Share Awards for A Shares under the 2024 Employee Stock Ownership Plan containing all details as required under Rule 17.02(1)(b) of the Listing Rules and containing all particulars as required under the relevant provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (where applicable) be made available for public inspection in accordance with “Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display — Document Available for Inspection” in Appendix V to this Prospectus.

ALLOCATION OF H SHARES TO EXISTING MINORITY SHAREHOLDERS AND THEIR CLOSE ASSOCIATES

Rule 10.04 of the Listing Rules requires that a person who is an existing shareholder of the issuer may only subscribe for or purchase any securities for which listing is sought which are being marketed by or on behalf of the issuer either in his or its own name or through nominees if the conditions in Rules 10.03(1) and (2) of the Listing Rules are fulfilled. It is provided in Rule 10.03(1) of the Listing Rules that no securities may be offered to existing shareholders on a preferential basis and no preferential treatment may be given to them in the allocation of the securities; and in Rule 10.03(2) that the minimum prescribed percentage of public shareholders required by Rule 8.08(1) must be achieved.

Paragraph 1C of Appendix F1 to the Listing Rules provides that no allocations will be permitted to the existing shareholders of the applicant or their close associates, whether in their own names or through nominees, in the Global Offering unless the conditions set out in Rules 10.03 and 10.04 of the Listing Rules are fulfilled. Chapter 4.15 of the Guide for New Listing Applicants provides that the Stock Exchange will consider giving consent and granting waiver from Rule 10.04 of the Listing Rules to an applicant’s existing shareholders or their close associates to participate in an initial public offering if any actual or perceived preferential treatment arising from their ability to influence the applicant during the allocation process can be addressed.

Prior to the Listing, our Company’s share capital comprises entirely A Shares listed on the Shanghai Stock Exchange. We have a large and widely dispersed public A Share shareholder base.

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted to us, a waiver from strict compliance with the requirements under Rule 10.04 and consent under Paragraph 1C of Appendix F1 to the Listing Rules to permit H Shares in the International Offering to be placed to certain existing minority Shareholders who (i) hold

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less than 5% of the voting rights of A Shares in issue of our Company prior to the completion of the Global Offering and (ii) are not and will not become (upon the completion of the Global Offering) core connected persons of our Company or the close associates of any such core connected person (together, the “**Existing Minority Shareholders**”) or their close associates, subject to the conditions as follows:

- (a) each Existing Minority Shareholder to whom our Company may allocate the H Shares in the International Offering holds less than 5% of the total voting rights of A Shares in issue of our Company before Listing;
- (b) each Existing Minority Shareholder is not, and will not be, a core connected person of our Company or any close associate of any such core connected person immediately prior to or following the Global Offering;
- (c) none of the Existing Minority Shareholders have the right to appoint a Director and/or have any other special rights;
- (d) allocation to the Existing Minority Shareholders or their close associates will not affect our ability to satisfy the public float requirement as prescribed by the Stock Exchange under Rule 8.08 of the Listing Rules or otherwise approved by the Stock Exchange;
- (e) the Joint Sponsors will confirm to the Hong Kong Stock Exchange in writing that based on (i) their discussions with our Company and the Overall Coordinators; and (ii) the confirmations provided to the Stock Exchange by our Company and the Overall Coordinators (confirmations (f) and (g) mentioned below), and to the best of their knowledge and belief, they have no reason to believe that any of the Existing Minority Shareholders or their close associates received any preferential treatment, or is in a position to exert influence on the Company to obtain actual or perceived preferential treatment in the allocation either as a cornerstone investor or as a placee by virtue of their relationship with our Company other than the preferential treatment of assured entitlement under a cornerstone investment following the principles set out in Chapter 4.15 of the Guide for New Listing Applicants, and details of the allocation to the Existing Minority Shareholders holding more than 1% of the issued share capital of the Company immediately prior to the completion of the Global Offering will be disclosed in this Prospectus and/or the allotment results announcement, as the case may be;
- (f) our Company will confirm to the Hong Kong Stock Exchange in writing that:
 - (i) in the case of participation as cornerstone investors, no preferential treatment has been, nor will be, given to the Existing Minority Shareholders or their close associates by virtue of their relationship with our Company, other than the preferential treatment of assured entitlement under a cornerstone investment following the principles set out in Chapter 4.15 of the Guide for

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New Listing Applicants, nor is the Existing Minority Shareholder in a position to exert influence on the Company to obtain actual or perceived preferential treatment, and the Existing Minority Shareholders or their close associates' cornerstone investment agreements do not contain any material terms which are more favorable to the Existing Minority Shareholders or their close associates than those in other cornerstone investment agreements; or

- (ii) in the case of participation as placees, no preferential treatment has been, nor will be, given to the Existing Minority Shareholders or their close associates, nor is the Existing Minority Shareholder in a position to exert influence on the Company to obtain actual or perceived preferential treatment, by virtue of their relationship with our Company in any allocation in the placing tranche;
- (g) in the case of participation as placees, the Overall Coordinators will confirm to the Hong Kong Stock Exchange that, to the best of their knowledge and belief, no preferential treatment has been, nor will be, given to the Existing Minority Shareholders or their close associates by virtue of their relationship with our Company in any allocation in the placing tranche.

DISCLOSURE OF OFFER PRICE

Paragraph 15(2)(c) of Appendix D1A to the Listing Rules provides that the issue price or offer price of each security must be disclosed in the prospectus. Pursuant to Paragraph 12 of the Guide, the Stock Exchange also allows an indicative offer price range to be included in the prospectus, as an alternative to the disclosure of a fixed offer price.

We have applied to the Stock Exchange a waiver from strict compliance with paragraph 15(2)(c) of Appendix D1A to the Listing Rules so that the Company will only disclose the maximum Offer Price in the Prospectus on the below basis:

- (a) The Offer Price will be determined with reference to, among other factors, the closing price of the Company's A Shares on the Shanghai Stock Exchange on the last trading day on or before the Price Determination Date. Our Company is unable to control the trading price of our A Shares on the Shanghai Stock Exchange;
- (b) Setting a fixed offer price or an offer price range with a low-end may adversely affect our ability to price our H Shares in the best interests of our Shareholders and the market price of the A Shares and the Hong Kong Offer Shares;
- (c) Pursuant to paragraphs 9 and 10(b) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the amount payable on application and allotment on each share, and the price to be paid for shares subscribed for, shall be specified in the Prospectus, respectively. Disclosure of a maximum offer price complies with the requirements prescribed under paragraphs 9

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and 10(b) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance by providing a clear indication of the maximum subscription consideration a potential investor shall pay for the Offer Shares; and

- (d) A maximum Offer Price will be disclosed in this Prospectus. This alternative disclosure approach would not prejudice the interests of the investing public in Hong Kong.

The Stock Exchange has granted to us a waiver from strict compliance with paragraph 15(2)(c) of Appendix D1A to the Listing Rules on the conditions that the Prospectus will disclose:

- (a) the maximum Offer Price;
- (b) the time for the determination of the Offer Price and the form of its publication;
- (c) the historical prices of the Company's A Shares and trading volume on the Shanghai Stock Exchange during the Track Record Period and up to the Latest Practicable Date;
- (d) the determinants of the final Offer Price; and
- (e) the source for investors to access the latest market price of the Company's A Shares.

See "Structure of the Global Offering – Pricing and Allocation" in this prospectus for the historical prices of our A Shares and trading volume on the Shanghai Stock Exchange.

CONSENT IN RESPECT OF THE PROPOSED SUBSCRIPTION OF H SHARES BY CERTAIN CORNERSTONE INVESTOR WHO IS CONNECTED CLIENT

Paragraph 1C(1) of Appendix F1 to the Listing Rules provides that no allocations will be permitted to "connected clients" of the overall coordinator(s), any syndicate member(s) (other than the overall coordinator(s)) or any distributor(s) (other than syndicate member(s)) (collectively, the "**Distributors**", and each a "**Distributor**"), without the prior written consent of the Stock Exchange.

Paragraph 1B(7) of the Appendix F1 to the Listing Rules states that "connected client" in relation to an exchange participant means any client which is a member of the same group of companies as such exchange participant.

Huatai Capital Investment Limited ("**HTCI**") has entered into a cornerstone investment agreement with the Company, China International Capital Corporation Hong Kong Securities Limited and Huatai Financial Holdings (Hong Kong) Limited ("**Huatai**"). Huatai Securities Co., Ltd. ("**HTSC**") will enter into a back-to-back total return swap (the "**HT Back-to-back TRS**") in connection with a total return swap order placed by the investment manager acting

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in its capacity as investment manager for and on behalf of the ultimate client (the “**Huatai Ultimate Client (Linyuan)**”) to HTSC (the “**Linyuan TRS**”), pursuant to which HTCI will hold the Offer Shares on a non-discretionary basis to hedge the HT Back-to-back TRS in connection with the Linyuan TRS, while the economic risks and returns of the underlying Offer Shares are ultimately born by the Huatai Ultimate Client (Linyuan), subject to customary fees and commissions. The HT Back-to-back TRS will be fully funded by the Huatai Ultimate Client (Linyuan). During the terms of the HT Back-to-back TRS and the Linyuan TRS, all economic returns of the Offer Shares subscribed by HTCI will be ultimately passed to the Huatai Ultimate Client (Linyuan) and all economic loss shall be ultimately borne by the Huatai Ultimate Client (Linyuan) through the Linyuan TRS and the HT Back-to-back TRS, and HTCI will not take part in any economic return or bear any economic loss in relation to the Offer Shares, subject to customary fees and commissions, which in effect, HTCI will hold the beneficial interest of the Offer Shares on behalf of the Huatai Ultimate Client (Linyuan). Both HTCI and Huatai, one of the Joint Global Coordinators and Joint Bookrunners of the Global Offering, are indirect wholly-owned subsidiaries of HTSC. Accordingly, HTCI is considered as a “connected client” of Huatai pursuant to paragraph 1B(7) of the Placing Guidelines.

We have applied for, and the Stock Exchange has granted, a consent under paragraph 1C(1) of Appendix F1 to the Listing Rules to permit HTCI (the “**Connected Client Cornerstone Investor**”) to participate in the Global Offering as a cornerstone investor on the following basis and conditions as set out in Paragraph 6 of Chapter 4.15 of the Guide for New Listing Applicants:

- (a) any Offer Shares to be allocated to the Connected Client Cornerstone Investor will be held on behalf of independent third parties;
- (b) the cornerstone investment agreement of the Connected Client Cornerstone Investor does not contain any material terms which are more favorable to them (as the case may be) than those in other cornerstone investment agreements;
- (c) no preferential treatment has been, nor will be, given to HTCI by virtue of its relationship with Huatai, in any allocation of Offer Shares in the International Offering other than the assured entitlement under the relevant cornerstone investment agreement;
- (d) HTCI confirms that to the best of its knowledge and belief, it has not received and will not receive preferential treatment in the allocation of Offer Shares in the Global Offering as a cornerstone investor by virtue of its relationship with Huatai, other than the assured entitlement under the relevant cornerstone investment agreement;
- (e) each of the Company, the Overall Coordinators and the Connected Client Cornerstone Investor has provided the Stock Exchange with written confirmations in accordance with Chapter 4.15 of the Guide for New Listing Applicants; and
- (f) details of the cornerstone investments and details of the allocations will be disclosed in this prospectus and the allotment results announcement.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

DIRECTORS' RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors (including any proposed director who is named as such in this Prospectus) collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information with regard to us. The Directors (including any proposed director who is named as such in this Prospectus), having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

CSRC FILING

On September 23, 2025, the CSRC issued a notification on our Company's completion of the PRC filing procedures for the listing of our Shares on the Hong Kong Stock Exchange and the Global Offering. As advised by our PRC Legal Adviser, our Company has completed all necessary filings with the CSRC in the PRC in relation to the Global Offering and the Listing.

UNDERWRITING AND INFORMATION ON THE GLOBAL OFFERING

This Prospectus is published solely in connection with the Hong Kong Public Offering. For applications under the Hong Kong Public Offering, this Prospectus contains the terms and conditions of the Hong Kong Public Offering. The Global Offering comprises the Hong Kong Public Offering of 10,020,000 H Shares initially offered and the International Offering of 90,180,000 H Shares initially offered (subject, in each case, to re-allocation on the basis under the section headed "Structure of the Global Offering"). Details of the arrangements relating to the Over-allotment Option and stabilization are set forth in the section headed "Structure of the Global Offering".

The listing of our H Shares on the Hong Kong Stock Exchange is sponsored by the Joint Sponsors. Pursuant to the Hong Kong Underwriting Agreement, the Hong Kong Public Offering is underwritten by the Hong Kong Underwriters on a conditional basis, with one of the conditions being that the Offer Price is agreed between the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and us. The International Underwriting Agreement is expected to be entered into on or about the Price Determination Date, subject to determination of the pricing of the H Shares and agreement on the Offer Price between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us. For details of the Underwriters and the underwriting arrangements, see the section headed "Underwriting" in this Prospectus.

The H Shares are offered solely on the basis of the information contained and representations made in this Prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

Global Offering or to make any representation not contained in this Prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Joint Sponsor, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of their respective directors, officers, agents, employees, advisers or representatives, or any other party involved in the Global Offering.

Neither the delivery of this Prospectus nor any subscription or acquisition made under it shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this Prospectus or that the information in this Prospectus is correct as at any subsequent time.

For details of the structure of the Global Offering, including its conditions, see the section headed “Structure of the Global Offering”. For the procedures for applying for our H Shares, see “How to Apply for Hong Kong Offer Shares” in this Prospectus. For details of the arrangements relating to the Over-allotment Option and stabilization, see “Structure of the Global Offering”.

DETERMINATION OF THE OFFER PRICE

The H Shares are being offered at the Offer Price which will be determined by the Overall Coordinators (for themselves and on behalf of the Underwriters) and us on or around Monday, November 3, 2025 or such later date as may be agreed upon between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us, and in any event no later than 12:00 noon on Monday, November 3, 2025. If the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company are unable to reach an agreement on the Offer Price on such date, the Global Offering will not proceed.

INFORMATION ABOUT THIS PROSPECTUS

You should rely only on the information contained in this Prospectus to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this Prospectus. Any information or representation not made in this Prospectus must not be relied on by you as having been authorized by us, the Overall Coordinators, the Joint Sponsors, any of the Underwriters, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering. Neither the delivery of this Prospectus nor any offering, sale or delivery made in connection with the H Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this Prospectus or imply that the information contained in this Prospectus is correct as of any date subsequent to the date of this Prospectus.

This Prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this Prospectus sets out the terms and conditions of the Hong Kong Public Offering.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

RESTRICTIONS ON OFFER AND SALE OF THE H SHARES

Each person acquiring the H Shares under the Hong Kong Public Offering will be required to, or be deemed by his acquisition of the H Shares to, confirm that he is aware of the restrictions on offers of the H Shares described in this Prospectus.

No action has been taken to permit a public offering of the H Shares or the general distribution of this Prospectus in any jurisdiction other than in Hong Kong. Accordingly, this Prospectus may not be used for the purposes of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this Prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions and pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

COMMENCEMENT OF DEALING IN THE H SHARES

Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence at 9:00 a.m. on Wednesday, November 5, 2025. The H Shares will be traded in board lots of 100 H Shares each. The stock code of the H Shares will be 9927.

APPLICATION FOR LISTING ON THE HONG KONG STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option). We satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to (i) our revenue for the year ended December 31, 2024, being approximately RMB145.1 billion, which is over HK\$500 million required by Rule 8.05(3) of the Listing Rules; and (ii) our expected market capitalization at the time of Listing, which, based on the maximum Offer Price of HK\$131.50, exceeds HK\$4 billion.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, if the permission for the H Shares to be listed on the Hong Kong Stock Exchange pursuant to this Prospectus has been refused before the expiration of three weeks from the date of the closing of the Global Offering or such longer period not exceeding six weeks as may, within the said three weeks, be notified to us by or on behalf of the Hong Kong Stock Exchange, then any allotment made on an application in pursuance of this Prospectus shall, whenever made, be void.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the H Shares (including any H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option) on the Hong Kong Stock Exchange and compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or on any other date as determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the HKSCC Rules and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made for the H Shares to be admitted into CCASS. Investors should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for Hong Kong Offer Shares are set out in the section headed “How to Apply for Hong Kong Offer Shares.”

H SHARE REGISTER OF MEMBERS AND STAMP DUTY

All of the Offer Shares will be registered on the H Share register of members of the Company maintained by our H Share Registrar, Tricor Investor Services Limited, in Hong Kong. Our principal register of members will also be maintained by us at our legal address in China.

Dealings in the H Shares registered on the H Share register of members of the Company in Hong Kong will be subject to Hong Kong stamp duty.

Unless determined otherwise by the Company, dividends payable in respect of our H Shares will be paid to the Shareholders listed on the H Share register of members of our Company in Hong Kong, by ordinary post, at the H Shareholders’ risk, to the registered address of each H Shareholder of the Company.

PROFESSIONAL TAX ADVICE RECOMMENDED

You should consult your professional advisers if you are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of, or dealing in, the H Shares or exercising any rights attaching to the H Shares. We emphasize that none of our Company, the Overall Coordinator, the Joint Global Coordinators, the Joint Bookrunners, the Joint Sponsors, the Underwriters, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering accepts responsibility for any tax effects or liabilities resulting from your subscription, purchase, holding or disposing of, or dealing in, the H Shares or your exercise of any rights attaching to the H Shares.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

EXCHANGE RATE CONVERSION

Unless otherwise specified, this Prospectus contains certain translations of U.S. dollars into Hong Kong dollars, of Renminbi into Hong Kong dollars, and of U.S. dollars into Renminbi for convenience at the following rates:

US\$1.00: HK\$7.7821

RMB0.9143: HK\$1.00

US\$1.00: RMB7.1152

No estimation is made that any amounts in HK\$, RMB or US\$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.

LANGUAGE

If there is any inconsistency between the English version of this Prospectus and the Chinese translation of this Prospectus, the English version of this Prospectus shall prevail unless otherwise stated. However, if there is any inconsistency between the names of any of the entities mentioned in this English Prospectus which are not in the English language and their English translations, the names in their respective original languages shall prevail.

ROUNDING

Certain amounts and percentage figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

DIRECTORS

Name	Address	Nationality
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Executive Directors

Mr. Zhang Zhengping (張正萍)	Building 107 No. 65 Longning Road Yubei District Chongqing PRC	Chinese
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Mr. Yin Xianzhi (尹先知)	No. 8 No. 43 Chendian Road Shapingba District Chongqing PRC	Chinese
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Ms. Shen Wei (申薇)	No. 8-9-2 Jinke Huayuan Jiangbei District Chongqing PRC	Chinese
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Mr. Zhang Zhengyuan (張正源)	No. 42-15-2 No. 168 Xiaoyanggongqiao Shapingba District Chongqing PRC	Chinese
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Non-executive Directors

Mr. Zhang Kebang (張克邦)	No. 13-17, Unit 2 No. 162 Xinnan Road Yubei District Chongqing PRC	Chinese
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Mr. You Zheng (尤崢)	No. 18 Chechengbei Road Hanyang District Wuhan, Hubei PRC	Chinese
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Mr. Li Wei (李瑋)	No. 1-602, Building 31 Aolin Garden Hanyang District Wuhan, Hubei PRC	Chinese
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DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Name	Address	Nationality
Mr. Zhou Changling (周昌玲)	No. C37-25A, Azure Coast Nanshan District Shenzhen, Guangdong PRC	Chinese
Independent non-executive Directors		
Mr. Li Kaiguo (李開國)	No. 143-7-1 Chaotian Village Jiulongpo District Chongqing PRC	Chinese
Mr. Zhang Guolin (張國林)	No. 98-7-1 Songlin Village Shapingba District Chongqing PRC	Chinese
Mr. Jing Xufeng (景旭峰)	No. 57 Xuanwumen West Avenue Xicheng District Beijing PRC	Chinese
Mr. Li Ming (黎明)	No. 5-1, Unit 1, Building 10 No. 1 Fenglin Road Nanan District Chongqing PRC	Chinese
Mr. Ngai Ming Tak (魏明德)	House C12 Ville de Jardin 33-35 Sui Wo Road Fotan Hong Kong	Chinese

See the section headed “Directors and Senior Management” in this Prospectus for further details of our Directors.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

PARTIES INVOLVED IN THE GLOBAL OFFERING

**Joint Sponsors and
Overall Coordinators**

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

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

Sponsor-Overall Coordinator

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

Joint Global Coordinators

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

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

**Huatai Financial Holdings (Hong Kong)
Limited**
62/F, The Center
99 Queen's Road Central
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Bookrunners

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

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

**Huatai Financial Holdings (Hong Kong)
Limited**
62/F, The Center
99 Queen's Road Central
Hong Kong

Joint Lead Managers

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

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

**Huatai Financial Holdings (Hong Kong)
Limited**
62/F, The Center
99 Queen's Road Central
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Capital Market Intermediaries

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

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

**Huatai Financial Holdings (Hong Kong)
Limited**
62/F, The Center
99 Queen's Road Central
Hong Kong

Legal advisers to our Company

As to Hong Kong and United States laws:

Davis Polk & Wardwell
10/F, The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

As to PRC laws:

King & Wood Malleons
18th Floor
East Tower, World Financial Center
1 Dongsanhuan Zhonglu
Chaoyang District
Beijing
PRC

As to international sanctions laws:

King & Wood Malleons
10F, Building B4
Xinchen Lingang Center
Lane 9, North Yunjuan Road
Shengang Street
Pudong New District
Shanghai
PRC

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Legal advisers to the Joint Sponsors and the Underwriters

As to Hong Kong and United States laws:

Cooley HK

35/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

As to PRC laws:

Haiwen & Partners

20/F, Fortune Financial Center
5 Dong San Huan Central Road
Chaoyang District
Beijing
PRC

Reporting Accountants

Deloitte Touche Tohmatsu

*Certified Public Accountants and Registered
Public Interest Entity Auditor*
35/F, One Pacific Place
88 Queensway
Hong Kong

Industry Consultant

**Frost & Sullivan (Beijing) Inc.,
Shanghai Branch Co.**

Room 2504
Wheelock Square
1717 Nanjing West Road
Shanghai
PRC

Compliance Adviser

Rainbow Capital (HK) Limited

Room 710, 7/F, Wing On House
71 Des Voeux Road Central
Central
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Receiving Banks

Industrial and Commercial Bank of China (Asia) Limited

33/F., ICBC Tower
3 Garden Road
Central
Hong Kong

Bank of China (Hong Kong) Limited

1 Garden Road
Hong Kong

CMB Wing Lung Bank Limited

45 Des Voeux Road Central
Hong Kong

CORPORATE INFORMATION

**Registered Office, Headquarter and
Principal Place of Business in the PRC**

No. 7 Wuyunhu Road
Shapingba District
Chongqing
PRC

Principal Place of Business in Hong Kong

Room 1922, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

Company's Website

www.seres.cn

*(Note: the information contained on this
website does not form part of this
Prospectus)*

Joint Company Secretaries

Ms. Shen Wei (申薇)
No. 7 Wuyunhu Road
Shapingba District
Chongqing
PRC

Ms. Ho Wing Tsz Wendy (何詠紫)
(FCG & HKFCG)
Room 1922, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

Authorized Representatives

Mr. Zhang Zhengping (張正萍)
No. 7 Wuyunhu Road
Shapingba District
Chongqing
PRC

Ms. Ho Wing Tsz Wendy (何詠紫)
Room 1922, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

CORPORATE INFORMATION

Audit Committee

Mr. Li Ming (黎明) (*chairperson*)

Mr. Zhang Kebang (張克邦)

Mr. Zhou Changling (周昌玲)

Mr. Li Kaiguo (李開國)

Mr. Zhang Guolin (張國林)

Remuneration and Appraisal Committee

Mr. Li Kaiguo (李開國) (*chairperson*)

Mr. Yin Xianzhi (尹先知)

Mr. Li Ming (黎明)

Nomination Committee

Mr. Li Kaiguo (李開國) (*chairperson*)

Ms. Shen Wei (申薇)

Mr. Zhang Guolin (張國林)

Strategy Committee

Mr. Zhang Zhengping (張正萍) (*chairperson*)

Mr. Li Wei (李瑋)

Mr. Li Kaiguo (李開國)

ESG Committee

Mr. Zhang Zhengping (張正萍) (*chairperson*)

Mr. Li Kaiguo (李開國)

Mr. Yin Xianzhi (尹先知)

Ms. Shen Wei (申薇)

H Share Registrar

Tricor Investor Services Limited

17/F

Far East Finance Centre

16 Harcourt Road

Hong Kong

CORPORATE INFORMATION

Principal Banks

Bank of China Limited

Chongqing Branch

Jingkou Sub-Branch

No. 34-17, 1/F

Fuxing Group

Jingkou Town Government

Shuangbei Street

Shapingba District

Chongqing

PRC

China Construction Bank

Corporation Chongqing Branch

Shapingba Shuangbei Sub-Branch

No. 139-1-1

Laodongqiao

Shapingba District

Chongqing

PRC

Industrial and Commercial Bank of China

Limited Chongqing Branch

Sanxia Square Sub-Branch

No. 78 Xiaolongkan New Street

Shapingba District

Chongqing

PRC

INDUSTRY OVERVIEW

The information and statistics presented in this section and other sections of this Prospectus, unless otherwise indicated, were extracted from different official government publications and other publications, and from the industry report prepared by Frost & Sullivan, an independent market research and consulting company that was commissioned by us, in connection with the Global Offering. The information from official government sources has not been independently verified by us, the Joint Sponsors, Sponsor-Overall Coordinators, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners, and Joint Lead Managers, any of their respective directors and advisers, or any other persons or parties involved in the Global Offering, and no representation is given as to its accuracy.

In recent years, the global efforts to reduce carbon emissions and the growing consumer awareness of sustainability have spurred rapid advancements in new energy vehicles (NEVs). Governments worldwide have implemented supportive policies, such as subsidies for NEV purchases and increased investments in charging infrastructure, to accelerate their adoption.

Simultaneously, the intelligence level of NEVs has been continuously enhanced, offering consumers advanced features like driving assistance, which better aligns with their demand for intelligent technologies. Furthermore, advancements in battery technology have significantly extended the driving range of NEVs and reduced charging times. These improvements have bolstered consumer confidence in NEVs and increased their market acceptance.

OVERVIEW OF GLOBAL AND CHINA NEW ENERGY PASSENGER VEHICLE MARKET

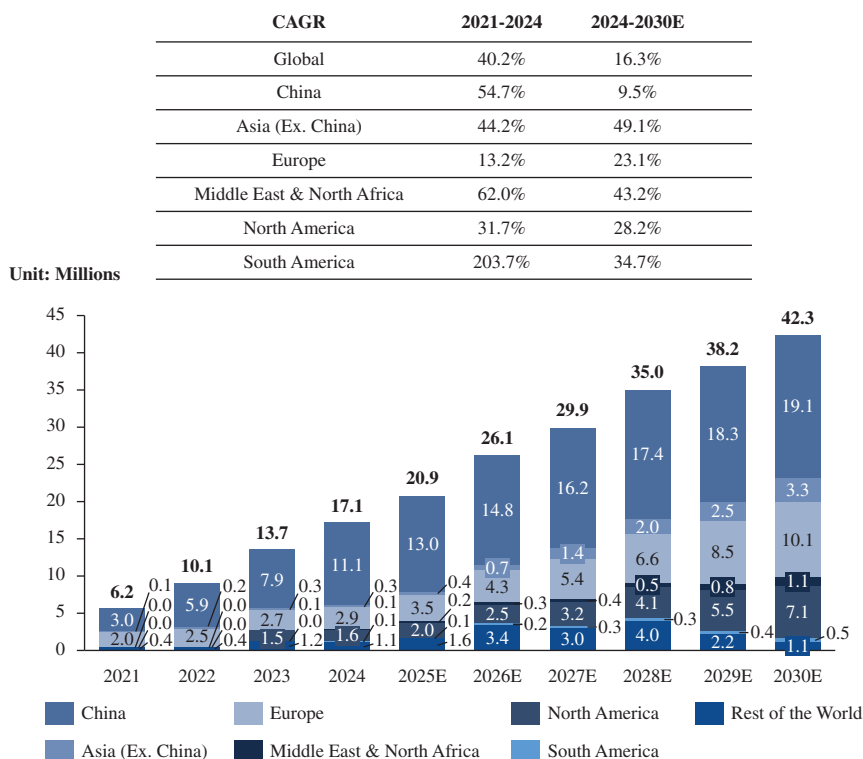
New Energy Passenger Vehicles (NEPVs) refer to vehicles that utilize non-conventional vehicle fuels (or conventional fuels combined with new powertrains) as their power source, characterized by low pollution, low energy consumption, and high efficiency. They primarily include Battery Electric Vehicles (BEVs), Plug-in Hybrid Electric Vehicles (PHEVs), and Range Extended Electric Vehicles (REEVs), among others.

Overview of Global New Energy Passenger Vehicle Market

Driven by the continuous improvements in the technology and performance of NEPVs, policy support from various countries and regions worldwide, as well as the growing environmental awareness among consumers, the global NEPV market has experienced rapid development. The global sales volume of NEPVs surged from 6.2 million units in 2021 to 17.1 million units in 2024, achieving a compound annual growth rate (CAGR) of 40.2% during this period. The penetration rate of NEPVs in the global passenger vehicle market increased from 9.7% in 2021 to 23.0% in 2024. Looking ahead, with the increasing competitiveness of NEPVs, global sales volume of NEPVs are projected to reach 42.3 million units by 2030, with a CAGR of 16.3% from 2024 to 2030, and the penetration rate is expected to rise to 47.0%.

INDUSTRY OVERVIEW

Global New Energy Passenger Vehicle Sales Volume, Breakdown by Regions



Source: International Organization of Motor Vehicle Manufacturers (OICA), China Association of Automobile Manufacturers (CAAM), Frost & Sullivan Report

Note:

- All regions' NEPV sales volume excludes export volume.

From the perspective of NEPV sales across different regions, China has led the world in NEPV sales for ten consecutive years. In 2024, China's NEPV sales volume reached 11.1 million units, accounting for 64.7% of the global NEPV market. By 2030, NEPV sales volume in China are expected to reach 19.1 million units, with a CAGR of 9.5% from 2024 to 2030, representing 45.1% of the global market. In 2024, Europe, North America, and Asia (excluding China) recorded NEPV sales volume of 2.9 million units, 1.6 million units, and 0.3 million units, respectively, accounting for 16.8%, 9.4%, and 1.8% of the global NEPV market. By 2030, NEPV sales volume in these regions are projected to reach 10.1 million units, 7.1 million units, and 3.3 million units, respectively, representing 23.9%, 16.8%, and 7.8% of the global NEPV market.

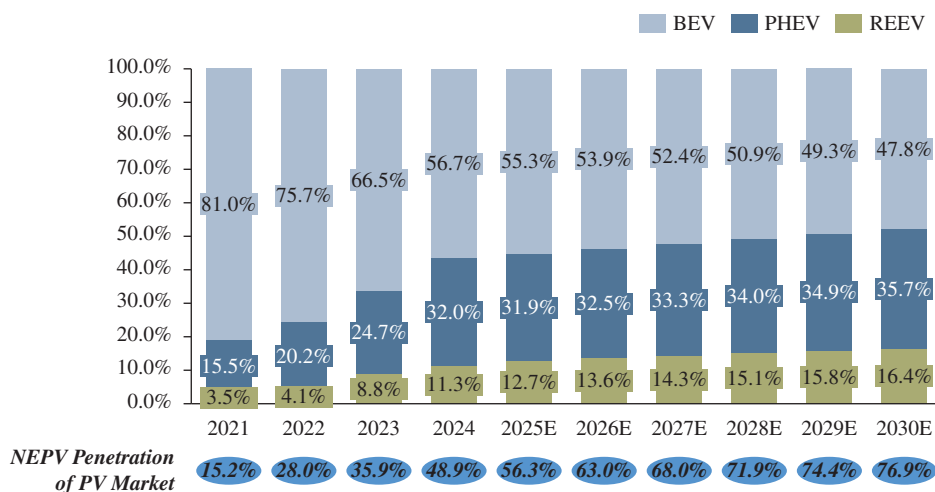
INDUSTRY OVERVIEW

From the perspective of NEPV penetration rates across different regions, the development is uneven due to variations in factors such as energy prices and the maturity of charging infrastructure. In 2024, the NEPV penetration rate in China passenger vehicle market reached 48.9%, significantly higher than the global average of 23.0%. However, in regions outside of China, the NEPV penetration rate in 2024 was 11.8%, with Europe having the highest rate at 19.8%, followed by North America at 9.0%, the Middle East and North Africa at 8.7%, and South America at just 2.8%. Sales growth in different regions will have significant room for improvement in the future. China, Europe, and North America will continue to be the regions with a higher sales share of NEVs. By 2030, the NEPV penetration rates in China, Europe, and North America are projected to reach 76.9%, 61.2%, and 34.4%, respectively.

Overview of China New Energy Passenger Vehicle Market

China NEPV sales volume reached 3.0 million units in 2021 and grew to 11.1 million units in 2024, achieving a CAGR of 54.7% from 2021 to 2024. The NEPV penetration rate in China passenger vehicle market stood at 48.9% in 2024. With the Chinese government's continued policy support and increasing consumer demand, NEPV sales volume are projected to reach 19.1 million units by 2030, with a CAGR of 9.5% from 2024 to 2030. The NEPV penetration rate in China passenger vehicle market is expected to rise to 76.9% by 2030. Meanwhile, by 2030, the market share of ICE passenger vehicles in China is expected to shrink to 23.1%, and NEPV will occupy a dominant position in the overall passenger vehicle market structure.

Penetration Rate of Different Power Type in China NEPV Market



Source: China Association of Automobile Manufacturers (CAAM), Frost & Sullivan Report

INDUSTRY OVERVIEW

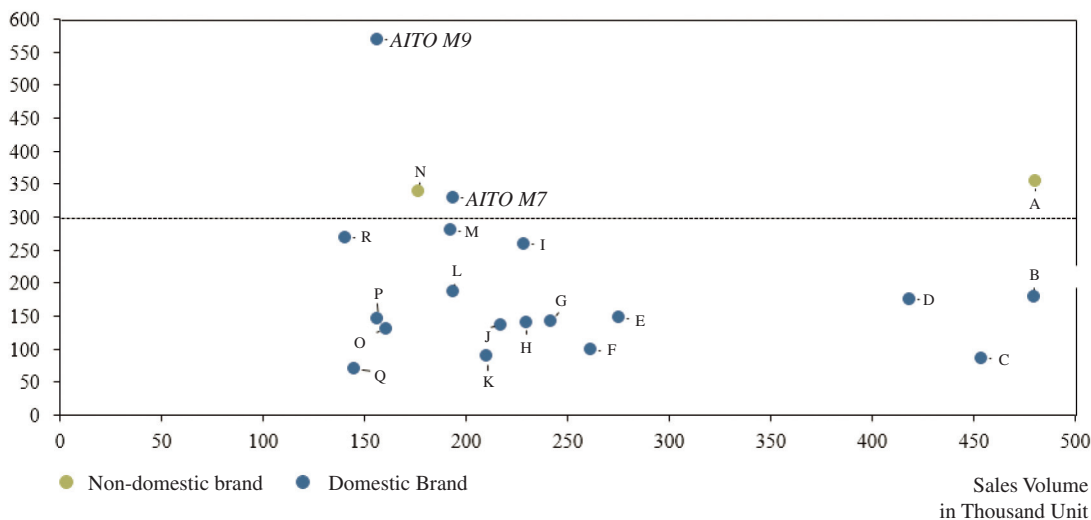
From the perspective of the market share of different powertrain types in NEPVs, BEVs remain dominant. In 2024, the sales volume of BEVs reached 6.3 million units, accounting for 56.7% of the NEPV market. PHEVs and REEVs held shares of 32.0% and 11.3%, respectively. However, REEVs, which effectively address range anxiety, have garnered increasing consumer attention and acceptance, and are expected to become a significant driver of growth in China NEPV market. By 2030, REEV sales volume is projected to reach 3.1 million units, representing 16.4% of the market. Meanwhile, BEVs will remain the primary growth segment in China NEPV market, with sales volume expected to reach 9.1 million units by 2030, accounting for 47.8% of the NEPV market.

Competitive Landscape of China New Energy Passenger Vehicle Market

In China NEPV market, domestic brands dominated the top 20 best-selling models in 2024, accounting for 18 of the top 20 models by sales volume. In the premium NEPV segment, domestic brands also showed strong competitiveness, with 7 domestic brand models ranking among the top 10 models by sales volume. Among them, the *AITO M7* ranked first by sales volume among all the premium domestic brand models. These premium domestic brands provide consumers with comprehensive high-end mobility solutions and exceptional driving assistance experiences. With continuous technological innovation and advancement, China premium domestic brands are poised to reshape the competitive landscape of the market.

Top 20 Best-Selling Models in China NEPV Market: OEM's Suggested Price vs. Sales Volume

OEM's Suggested Retail Price (Maximum)
in Thousand RMB



Source: China Passenger Car Association and Frost & Sullivan Report

INDUSTRY OVERVIEW

Notes:

- (1) A, N are models belong to Brand B, which was established in 2003 and is headquartered in the United States.
- (2) B, C, D, E, G, H, I, J, L, O, R are models belong to Brand A, which was established in 1995 and is headquartered in Shenzhen, Guangdong.
- (3) F, K are models belong to Brand C, which was established in 1985 and is headquartered in the Liuzhou, Guangxi.
- (4) M, S are models belong to Brand D, which was established in 2015 and is headquartered in Beijing.
- (5) P is a model belong to Brand E, which was established in 2017 and is headquartered in the Guangzhou, Guangdong.

In 2024, in terms of sales volume, 9 domestic brands ranked among the top 10 brands in China NEPV market. The brand rankings in China NEPV market are illustrated in the figure below:

Ranking	Brand	Domestic Brand	Market Share, Sale Volume in 2024 (%)
1	Brand A ⁽¹⁾	✓	32.3%
2	Brand B ⁽²⁾	×	6.2%
3	Brand C ⁽³⁾	✓	5.7%
4	Brand D ⁽⁴⁾	✓	4.7%
5	AITO (問界)	✓	3.7%
6	Brand E ⁽⁵⁾	✓	3.3%
7	Brand F ⁽⁶⁾	✓	2.7%
8	Brand G ⁽⁷⁾	✓	2.5%
9	Brand H ⁽⁸⁾	✓	2.1%
10	Brand I ⁽⁹⁾	✓	2.0%

Source: China Passenger Car Association and Frost & Sullivan Report

Notes:

- (1) Brand A was established in 1995 and is headquartered in Shenzhen, Guangdong. Its business covers the manufacturing and sales of passenger vehicles and commercial vehicles, and is owned by a company listed on HKEx and SZSE.
- (2) Brand B was established in 2003 and is headquartered in the United States. Its business covers the manufacturing and sales of passenger vehicles and commercial vehicles, and is owned by a company listed on NASDAQ.
- (3) Brand C was established in 1985 and is headquartered in the Liuzhou, Guangxi. Its business covers the manufacturing and sales of passenger vehicles and commercial vehicles.
- (4) Brand D was established in 2015 and is headquartered in Beijing. Its business covers the manufacturing and sales of passenger vehicles, and is owned by a company listed on HKEx and NASDAQ.
- (5) Brand E was established in 2017 and is headquartered in Guangzhou, Guangdong. Its business covers the manufacturing and sales of passenger vehicles.
- (6) Brand F was established in 2015 and is headquartered in Hangzhou, Zhejiang. Its business covers the manufacturing and sales of passenger vehicles, and is owned by a company listed on HKEx.

INDUSTRY OVERVIEW

- (7) Brand G was established in 2023 and is headquartered in Hangzhou, Zhejiang. Its business covers the manufacturing and sales of passenger vehicles, and is owned by a company listed on HKEx.
- (8) Brand H was established in 2021 and is headquartered in Ningbo, Zhejiang. Its business covers the manufacturing and sales of NEPVs, is owned by a company listed on HKEx.
- (9) Brand I was established in 1997 and is headquartered in Hangzhou, Zhejiang. Its business covers the manufacturing and sales of ICE vehicles and NEVs, including passenger vehicles and commercial vehicles, and is owned by a company listed on HKEx.

Drivers and Trends of Global and China New Energy Passenger Vehicle Market

Intelligentization is Reshaping Consumer Purchase Preferences

The gradual popularization of intelligent automotive features has become a consensus among consumers both in China and globally. In 2024, the penetration rate of Level 2 and above driving assistance vehicles has exceeded 60% in China NEPV market. Intelligentization has emerged as a critical decision-making factor for consumers, who are willing to pay a premium for advanced features. According to the “Intelligent Automotive Development Report (2024)” released by the China EV100, 90% of consumers are willing to pay extra for advanced driving assistance services, with 30% willing to pay over RMB10,000.

As consumer demand for vehicle safety, convenience, and intelligentization continues to rise, the industry is shifting towards more technically demanding and complex application scenarios in advanced driving assistance, such as city NOA (Navigate on Autopilot). Traditional automotive brands lag behind in driving assistance development, while China’s advanced driving assistance solutions have become one of the main choices in the international market. Leveraging its technological advantages, China’s advanced driving assistance solutions are expected to lead the global automotive intelligentization transformation.

Artificial Intelligence Offers Unprecedented Opportunities for Automotive Intelligentization

AI is empowering the iterative upgrade of automotive intelligentization. The development of AI large models is expanding from language models to driving assistance. With advancements in sensors, algorithms, and data processing capabilities, the deep integration of multimodal large models into end-to-end driving assistance represents the latest technological trend. The combination of “AI + 5G” is facilitating breakthroughs in vehicle-road-cloud integration, merging information from vehicles, roadside, and the cloud to significantly enhance the safety, stability, and reliability of driving assistance. This accelerates the pace of automotive intelligentization.

Cross-sector Convergence Drives Innovative Business Models and Product Paradigms

Guided by the software-defined vehicle (SDV) approach, the automotive industry is undergoing two transformative convergence trends. First, deep integration of technologies and products is achieved through end-to-end synergy between software and traditional automotive technologies, empowering vehicles with enhanced intelligence and connectivity. Second,

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cross-sector collaboration sees OEMs, ICT companies, supply chain partners, and end-user service providers forging closer partnerships to pool resources, creating innovative business models and product paradigms. These convergence trends are accelerating the industry's shift toward intelligent, connected, and shared mobility, fueling sustained innovation and growth.

China's Automotive Export Sales will Continue to Rise

China's automotive industry surpassed Japan for two consecutive years (2023 and 2024), becoming the world's largest automotive exporter by volume. In 2024, China's NEPV exports reached 1.2 million units, accounting for 20.5% of global NEPV sales volume outside China, elevating the global standing of Chinese NEV brands. In 2024, China's NEPV exports were primarily directed to Europe, Asia (excluding China), South America, and North America. China's NEPV export volumes are expected to further increase, reaching 3.9 million units by 2030, with a CAGR of 21.7% from 2024 to 2030.

Alongside NEPV exports, Chinese NEV brands are deepening their integration into overseas markets through joint ventures, local manufacturing, and other strategies. This includes enhancing brand value, R&D systems, supply chains, and sales service networks, thereby strengthening the construction of industrial chains in overseas markets. These efforts will serve as key drivers for the future expansion of China's NEPV exports.

China NEPV Domestic Brands will Continue Rapid Growth

Driven by technological innovation, product diversification, and rapid iteration, China NEPV domestic brands are experiencing rapid growth. In 2024, China NEPV market sales volume reached 11.1 million units, with domestic brands accounting for 9.4 million units, or 88.7% of the market. Among the top 5 best-selling NEPV models in China in 2024, 4 were domestic brands, demonstrating significant market influence. Looking ahead, China NEPV domestic brands are expected to continue their rapid growth, reshaping the competitive landscape of the automotive market.

OVERVIEW OF CHINA PREMIUM NEW ENERGY PASSENGER VEHICLE MARKET

Market Size of China Premium New Energy Passenger Vehicle Market

Based on price segmentation, China's NEPV market is categorized into premium and non-premium models. In the overall premium passenger vehicle market, the penetration rate of NEVs is steadily increasing. As consumer demand for electrification, high-tech features, and intelligent experiences grows, more premium brands are accelerating their deployment of NEV models. New energy premium vehicles are gradually eroding the market share of traditional premium ICE vehicles.

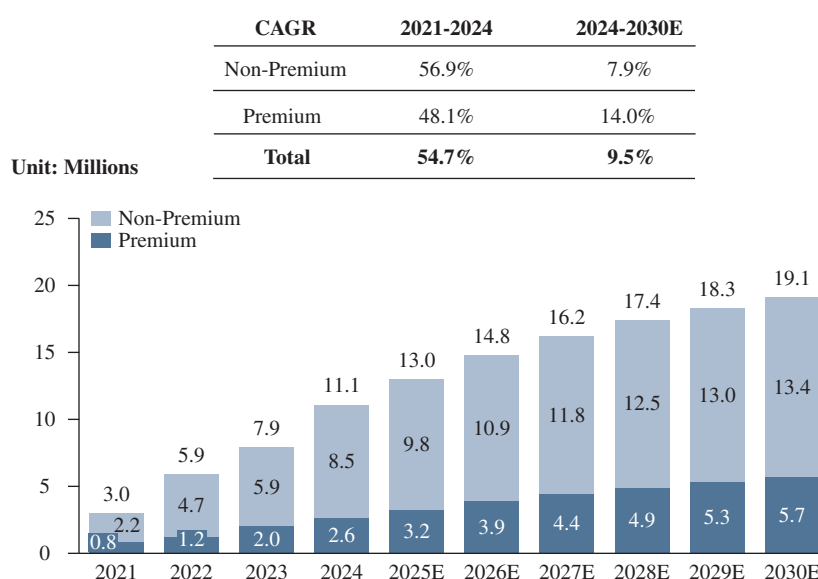
The definition of a premium brand is primarily related to its price. Differences in price lead to variations in automotive products in terms of brand value, model space, functionality, and other aspects, thereby forming the concept of premium among consumers. Generally, vehicles with a selling price higher than 300,000 RMB are classified as premium vehicles in

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China market. This price-based definition applies to the Chinese market. Due to factors such as tariff differences, local consumption levels, local market competition, and corporate marketing strategies, the price of the same model can vary significantly across different regions.

According to Frost & Sullivan, in 2024, the sales volume of premium NEPVs reached 2.6 million units, accounting for 23.4% of the total NEPV market in China. Driven by increasing resident income and consumption upgrades, China premium NEPV market is expected to maintain a steady growth, reaching 5.7 million units by 2030, with a market share of 29.8%. From 2024 to 2030, the market is projected to grow at a CAGR of 14.0%.

China NEPV Sales Volume, Breakdown by Price Level



Source: China Association of Automobile Manufacturers (CAAM), Frost & Sullivan Report

Compared to other regions globally, China has a relatively high penetration rate of NEPVs, reaching 48.9% in 2024. Having already experienced a period of rapid growth, so the projected growth rate in the future is relatively slower. In contrast, other regions around the world have lower NEPV penetration rates, such as 19.8% in Europe, 9.0% in North America, 8.7% in the Middle East and North Africa, and only 2.8% in South America. With the advancement of global NEPV infrastructure construction and technological progress, these regions are expected to enter a period of rapid development with relatively higher growth rates.

In China's premium NEPV market, the past few years have seen significant growth, driven by the overall development of NEPVs in China and the rise of domestic brands. In 2021, the premium NEPV market had a relatively low base (0.8 million in 2021), combined with relatively high NEPV prices and the increasing popularity of NEPVs, which contributed to its high growth rate. The growth rate from 2024 to 2030 is expected to be slower as compared to 2021 to 2024 primarily because with the increased penetration of the premium NEPV, the segment has entered into a stable growth stage. Nonetheless, the growth rate of China's premium NEPV market is still expected to outperform the non-premium segment.

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Competitive Landscape of China Premium New Energy Passenger Vehicle Market

In 2024, in terms of sales volume, four domestic brands — Brand D, AITO, Brand H and Brand J — were among the top five premium NEPV brands in China. The 2024 sales ranking of premium NEPV brands in China is illustrated in the figure below.

Ranking	Premium NEPV Brand	Domestic Brand
1	Brand B ⁽¹⁾	×
2	Brand D ⁽²⁾	✓
3	AITO (問界)	✓
4	Brand H ⁽³⁾	✓
5	Brand J ⁽⁴⁾	✓

Source: China Passenger Car Association, Frost & Sullivan Report

Notes:

- (1) Brand B was established in 2003 and is headquartered in the United States. Its business covers the manufacturing and sales of passenger vehicles and commercial vehicles, and is owned by a company listed on NASDAQ.
- (2) Brand D was established in 2015 and is headquartered in Beijing. Its business covers the manufacturing and sales of passenger vehicles, and is owned by a company listed on HKEx and NASDAQ.
- (3) Brand H was established in 2021 and is headquartered in Ningbo, Zhejiang. Its business covers the manufacturing and sales of NEPVs, is owned by a company listed on HKEx.
- (4) Brand J was established in 2014 and is headquartered in Shanghai. Its business the manufacturing and sales of passenger vehicles, and is owned by a company listed on NYSE, HKEx and SGX.

In 2024, in terms of sales volume, three domestic brand models ranked among the top five models in China premium NEPV market, including *AITO M7*, *AITO M9*, and *S*. In 2024, the ranking of premium NEPV models in China is illustrated in the figure below.

Ranking	Premium NEPV Model	Domestic Brand	Power Type	Market Share, Sales Volume in 2024 (%)
1	A	×	BEV	18.5%
2	AITO M7	✓	REEV	7.4%
3	N	×	BEV	6.8%
4	AITO M9	✓	BEV/REEV	6.0%
5	S	✓	REEV	5.2%

Source: China Passenger Car Association, Frost & Sullivan Report

Notes:

- (1) A, N are models belong to Brand B.
- (2) S is a model belong to Brand D.

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Domestic brands are reshaping the competitive landscape of China premium passenger vehicle market by enhancing product capabilities and elevating brand positioning. Although domestic brands have developed rapidly, they have yet to form globally influential brands. In the future, with technological innovation, comprehensive intelligent features, and consumer acceptance, Chinese domestic premium NEPV brands will have the opportunity to become globally influential brands and China automotive industry is entering a new stage of high-quality development.

Drivers and Trends of China Premium New Energy Passenger Vehicle Market

The shift in consumer structure towards repurchasing and replacement has driven the rapid development of premium NEPV market

Since 2023, China automotive market has entered a phase dominated by additional purchases and vehicle replacements. According to the Frost & Sullivan Report, in 2023, the proportion of additional purchases and replacements in passenger vehicle sales exceeded 50%, and it is expected to reach 60% by 2024. Price upgrades and size upgrades are the main themes in the replacement market, which will further drive the development of premium NEPV market.

In recent years, there has been a clear demand for consumption upgrades in China automotive market. Consumers are increasingly shifting their purchase choices to higher-price segments, with the market share of premium passenger vehicles in China passenger vehicles market increased from 11.0% in 2021 to 13.8% in 2024. And the impact of price competition on consumption decision has been limited, with premium models accounting for 23.4% of China NEPV market in 2024, and it is expected to reach 29.8% by 2030.

In terms of vehicle categories, in China, the sales volume of B-class, C-class, and D-class NEPVs are 3.7 million units, 1.8 million units, and 0.2 million units in 2024, respectively, with year-over-year growth rates of 82.8%, 77.4%, and 122.1%, reflecting the rapid development of China premium NEPV market.

Domestic premium NEPV brands are rapidly replacing traditional premium brands

The competition in the NEPV market is intense, with traditional premium brands making slower progress in their transition to NEVs. Although these brands have a strong technical foundation and brand influence in the ICE vehicle sector, their advanced driving assistance features still face numerous challenges in the process of new energy transformation. For instance, the urban NOA (Navigate on Autopilot) function is mostly limited to a few cities and has yet to gain widespread market acceptance. This not only restricts the market competitiveness of their products but also reflects the need for further breakthroughs in the promotion and application of driving assistance technologies by traditional premium brands.

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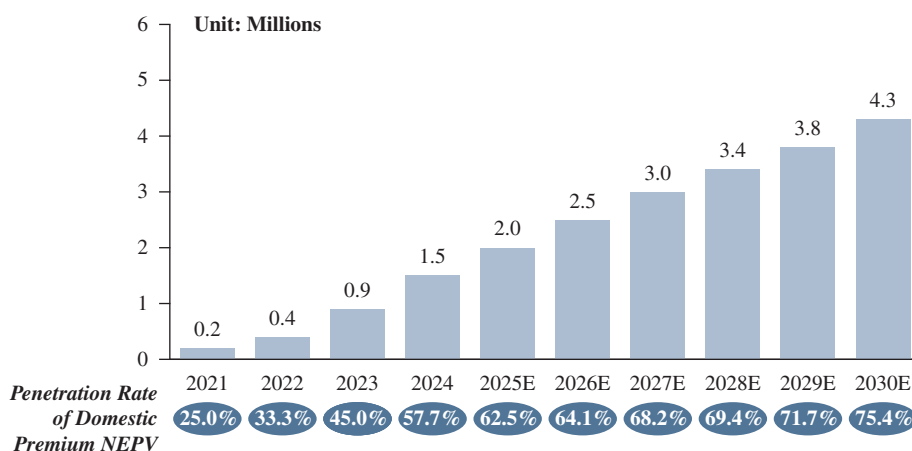
Meanwhile, domestic premium NEPV brands have shown strong performance in driving assistance, gradually becoming powerful competitors in the market. The sales volume of premium NEPVs by domestic brands accounted for 57.7% of the overall China premium NEPV market in 2024, up from 25.0% in 2021. These brands not only lead traditional premium brands in the speed of feature iteration but also offer a more comprehensive and convenient driving experience for consumers by continuously optimizing the richness of driving assistance features. With ongoing technological advancements and increasing market recognition, domestic premium brands are expected to occupy a more significant position in future market competition.

Market Size of China Premium New Energy Passenger Vehicle Market by Domestic Brands

In recent years, a number of well-performing domestic brands have rapidly emerged in the China premium NEPV market. In 2021, the sales volume of premium NEPVs by domestic brands reached 0.2 million units in China, accounting for 25.0% of the overall premium NEPV market. In 2024, the sales volume of premium NEPVs by domestic brands reached 1.5 million units, representing a market share of 57.7%, with a CAGR of 95.7% from 2021 to 2024. With the continuous launch of new products by domestic brands and the enhancement of intelligent features, it is expected that by 2030, the sales volume of premium NEPVs by domestic brands will reach 4.3 million units, accounting for 75.4% of the overall premium NEPV market, demonstrating significant growth potential.

China Premium NEPV Sales by Domestic Brands

	CAGR	2021-2024	2024-2030E
Sales Volume		95.7%	19.2%



Source: China Association of Automobile Manufactures (CAAM), Frost & Sullivan Report

Drivers and Trends of China Premium New Energy Passenger Vehicle Market by Domestic Brands

Chinese domestic brands are reshaping the competitive landscape of the premium NEPV market

In the future, Chinese domestic brands, with their continuous innovation and leading position in NEV technology, as well as their ability to quickly respond to market demands through model iterations, will continue to make breakthroughs in the premium NEPV market. As technology further deepens, product performance continues to optimize, and brand value continues to rise, Chinese domestic brands are expected to further consolidate and expand their market share in the premium NEPV sector, thereby establishing a more competitive and influential high-end brand image in the global automotive industry.

The acceptance of Chinese domestic premium brands by consumers is increasing

Domestic premium NEPV brands have significantly expanded their market share, accounting for 57.7% of China's premium NEPV sales in 2024, up from 25.0% in 2021, reflecting a major shift in consumer preference and competitive dynamics. The advantages of domestic brands in driving assistance technology, smart configurations, and user experience are the main reasons they are able to disrupt the monopoly of traditional automotive brands in the premium vehicle market and gain consumer favor. Leading driving assistance companies, with broader coverage and richer application scenarios, are building consumer loyalty and will further erode the market share of traditional premium brands in the new energy market.

While maintaining the safety and service levels emphasized by traditional premium brands, domestic premium NEPV brands have established a new luxury service system centered around “intelligence,” “proactivity,” and “remote capabilities,” better meeting consumer needs and thereby enhancing the acceptance of Chinese domestic premium brands.

The market potential of domestic premium NEPV brands continues to grow in the future

In the early stages of NEVs development, companies continuously obtained sales volume through constant launching and iterating new models. At the current stage, leading companies have supported sales through core products, demonstrating the strong sales contribution of a single best-selling model. In the future, the contribution of core models to the long-term sales of leading enterprises will become even more evident. Furthermore, domestic premium NEPV brands are gradually establishing a systematic product innovation mechanism and version update capabilities, forming a complete R&D, production, and supply chain system. The sales volume of premium NEPVs by domestic brands accounted for 57.7% of the overall China premium NEPV market in 2024. Driven by brand upgrading and enhanced intelligent features, domestic brands are expected to capture 75.4% of the premium NEPV market in China by 2030.

Entry Barriers of China Premium New Energy Passenger Vehicle Market

High initial investment

The automotive manufacturing industry, as a capital- and technology-intensive sector, requires significant upfront investment in areas such as product design, research and development, production, marketing systems, and after-sales services. Newly established OEMs often lack sufficient initial investment, which limits their development.

Stable supply chain ecosystem

Influenced by the development of intelligent connectivity and new energy technologies, the automotive industry chain will face a restructuring of industrial value. The competition in the automotive industry is no longer limited to competition between models but is evolving into competition between brand ecosystems. Newly established OEMs have yet to cultivate stable upstream and downstream supply chain relationships, making it difficult to achieve a smooth transition through a stable and mature supply chain ecosystem.

New Energy Vehicle Production Qualification Barrier

In recent years, China has tightened its regulations on NEV production qualifications. In 2019, the Regulations on the Administration of Investment in the Automobile Industry were officially implemented, establishing more detailed entry standards for NEV investment projects. In 2020, the Ministry of Industry and Information Technology released the Regulations on the Administration of Admission of NEV Manufacturers and Products, further refining requirements for enterprises in areas such as R&D, production, and after-sales services, significantly raising the industry's entry threshold. As these policies tighten, it has become increasingly difficult for new companies to obtain NEV production qualifications, while existing qualification holders leverage their first-mover advantage and regulatory compliance systems to secure a stronger position in the market.

Production costs and economies of scale

OEMs that have established economies of scale can leverage their purchasing power and supply chain influence to mitigate the impact of raw material cost fluctuations and sporadic supply shortages on production costs. Additionally, OEMs can effectively dilute fixed production costs through scale production. It is difficult for newly established OEMs to achieve effective economies of scale when facing these challenges due to their restricted production capacities.

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Intelligent ecosystem and supporting services

The ongoing evolution of the intelligentization raises higher requirements for OEMs to provide advanced, safe, and stable driving assistance experiences and a complete intelligent ecosystem. Newly established OEMs lack the necessary accumulation and find it difficult to capture market share in a short period.

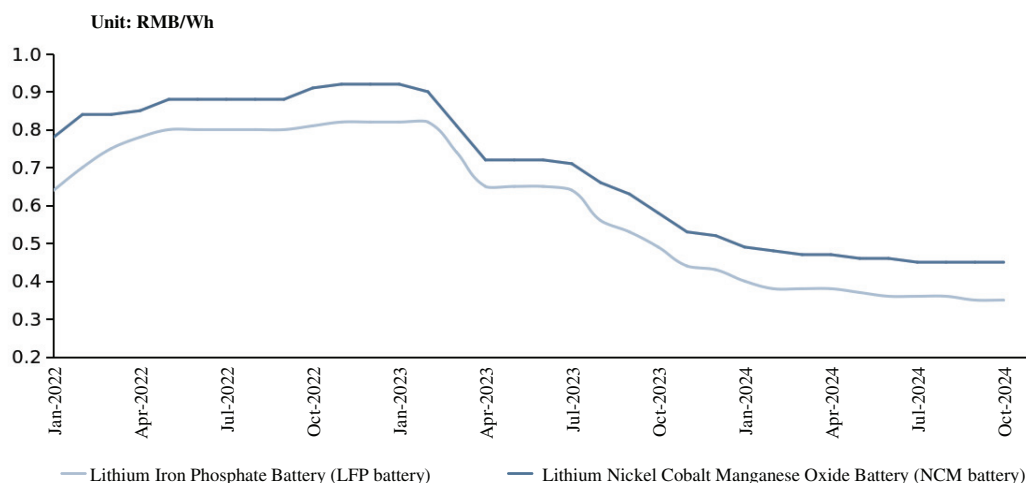
Full-process integration capability

Building full-process integration capabilities, including product design, R&D, production, marketing systems, and after-sales services, helps OEMs maintain a sustained competitive advantage. It can significantly reduce product development costs, shorten product delivery time, and ensure smooth product delivery through comprehensive services, improving the customer experience both pre-sale and post-sale. Newly established OEMs find it difficult to integrate these capabilities within a short period.

HISTORICAL PRICE TRENDS OF MAJOR NEV RAW MATERIALS AND COMPONENTS

The cost structure of NEPVs is primarily influenced by the price of power batteries. Since 2022, the price of power batteries in China has been on a downward trend. This price decline is mainly driven by factors such as falling raw material prices, technological advancements, and intensified market competition. It is expected that these factors will continue to drive the reduction in power battery prices, providing a positive boost to the development of the NEPV market.

China Power Battery Cell Price



Source: Wind, Frost & Sullivan Report

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THE LATEST OUTLOOK ON TARIFFS AND THE IMPACT ON THE NEV SUPPLY CHAIN

In recent years, certain countries have imposed high tariffs on Chinese automotive exports. For instance, the U.S. has levied additional tariffs on Chinese vehicles, significantly raising the cost of market entry and weakening the price competitiveness of Chinese brands. According to the latest policy, the United States has imposed an additional 25% tariff on automobiles and key automotive components imported from China. And for the European Union, in October 2024, it imposed anti-subsidy tariffs of up to 35.3% on NEVs manufactured in China. Recently, however, the EU has adjusted its policy, replacing the existing tariffs with a “minimum import price” mechanism.

These changes in trade policies have had a profound impact on the global NEV supply chain. The European Union’s adoption of a “minimum import price” mechanism may erode the price advantage of Chinese NEVs in the European market, compelling Chinese manufacturers to raise prices or accelerate local production in Europe to bypass trade barriers. Since China’s NEV exports to the U.S. remain relatively limited, high U.S. tariffs are expected to have a greater impact on component exports than on vehicles themselves. As one of the world’s leading exporters of automotive parts, China faces significant challenges under current U.S. tariff policies. In response, Chinese companies are optimizing their supply chains, expanding into alternative markets, and accelerating localization in overseas regions. Overall, these policies may lead to a restructuring of the global NEV supply chain, increasing operational costs for companies and affecting vehicle pricing and consumer choices worldwide.

SOURCE OF INFORMATION

Our Company has commissioned Frost & Sullivan, an independent market research company, to analyze the passenger vehicle market and compile a report. The information disclosed in this prospectus regarding Frost & Sullivan is extracted from the Frost & Sullivan Report. We have agreed to pay Frost & Sullivan a fee of RMB298,000 for the preparation of the Frost & Sullivan Report. The payment of this fee is not contingent upon our successful listing or the outcome of the report.

The Frost & Sullivan Report is based on both primary and secondary research obtained from various sources. Primary research includes interviews with key industry participants in the new energy passenger vehicle market and other experts relevant to our business. Secondary research includes a review of company reports, independent research reports, and data from Frost & Sullivan’s proprietary research database as well as government databases.

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In compiling and preparing this report, Frost & Sullivan has made the following assumptions:

- During the forecast period, the social, economic, and political environments of the PRC, and other major global markets will remain stable, ensuring the continued and steady development of the passenger vehicle industry;
- Government policies on the passenger vehicle market will not undergo significant changes.

Frost & Sullivan believes that the fundamental assumptions used in preparing this report, including those for future projections, are factual, accurate, and not misleading. Frost & Sullivan has conducted an independent analysis of the data; however, the accuracy of its review conclusions largely depends on the accuracy of the collected information.

REGULATORY OVERVIEW

The major laws, regulations, regulatory documents and regulatory policies in China that affect our business operations are listed below:

REGULATIONS ON AUTOMOBILE PRODUCTION

Pursuant to the Provisions on Administration of Investment in Automotive Industry (《汽車產業投資管理規定》), which was promulgated by the National Development and Reform Commission (the “NDRC”) on December 10, 2018 and became effective on January 10, 2019, automobile investment projects are divided into two categories of vehicle investment projects (including fuel vehicles and pure electric vehicles) and other investment projects. Vehicle and other investment projects are subject to filing management by local development and reform departments, with the vehicle projects being administered by development and reform departments at the provincial level. In addition, the provisions categorize extended-range electric vehicles as electric vehicles.

The production of automobiles is also required to comply with the relevant rules of the Ministry of Industry and Information Technology (the “MIIT”), and to be included in the Announcement of Vehicle Manufacturers and Products (《道路機動車輛生產企業及產品公告》) after being approved by the MIIT. In order to optimize the admission administration of automobile manufacturers and products, the MIIT promulgated the Administrative Measures on the Admission of Vehicle Manufacturers and Products (《道路機動車輛生產企業及產品准入管理辦法》) on November 27, 2018, which came into effect on June 1, 2019. These measures unify the admission regulations for all types of vehicle manufacturers and products, and simplify the management procedures for the admission of vehicle manufacturing. In addition, for the admission of passenger vehicle and new energy vehicle manufacturers and products, different admission regulations issued by the MIIT shall be applied, including but not limited to the Administrative Rules on the Admission of Passenger Vehicle Manufacturers and Products (《乘用車生產企業及產品准入管理規則》) which took effect from January 1, 2012, and the Administrative Rules on the Admission of New Energy Vehicle Manufacturers and Products (《新能源汽車生產企業及產品准入管理規定》) which was promulgated on January 6, 2017, revised on July 24, 2020 and took effect from September 1, 2020.

According to the Administrative Rules on the Admission of New Energy Vehicle Manufacturers and Products, the MIIT is responsible for implementing the admission as well as supervision and management of new energy vehicle manufacturers and products nationwide. The competent authorities of industry and information technology of provinces, autonomous regions and municipalities directly under the Central Government are responsible for the daily supervision and management of new energy vehicle manufacturers and products within their administrative areas, and cooperating with the MIIT in carrying out the relevant work of admission management. The new energy vehicle manufacturers and products that have passed the review are released by the MIIT through an announcement. New energy vehicle manufacturers shall produce new energy vehicle products in accordance with the licensing requirements specified in the announcement. New energy vehicle manufacturers shall continuously meet the relevant requirements for admission review and production consistency to ensure the normal operation of the new energy vehicle product safety assurance system.

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REGULATIONS ON COMPULSORY PRODUCT CERTIFICATION

Pursuant to the Administrative Regulations on Compulsory Product Certification (2022 Amendment) (《強制性產品認證管理規定(2022年修訂)》) that was promulgated by the SAMR and became effective on November 1, 2022, and the Catalogue of Descriptions and Table of Definitions for Compulsory Product Certification (2023 Amendment) (《強制性產品認證目錄描述與界定表(2023年修訂)》) issued by the SAMR on August 10, 2023, the SAMR is in charge of the supervision and quality certification of automobiles. The motor vehicles and their safety accessories, motor vehicle tires and safety glass in the absence of the compulsory product certificate and the mandatory certification mark of China, shall not leave the factory, export or put on sale.

REGULATIONS ON AUTOMOBILE SALES AND CONSUMER RIGHTS AND INTERESTS PROTECTION

According to the Administrative Measures on Automobile Sales (《汽車銷售管理辦法》) promulgated by the MOFCOM and became effective from July 1, 2017, the local commerce authorities above the county level shall supervise and manage the sale of automobiles and their related service activities within their administrative areas; automobile suppliers and dealers are required to file the basic information through the national automobile circulation information management system operated by the competent commerce department within 90 days after the receipt of a business license. Where there is any change to the information filed, automobile suppliers and dealers must update such information within 30 days after such change. The competent commerce department conducts supervision and inspection in accordance with the “double random” method, and collaborates with relevant departments to establish corporate credit records. Suppliers and dealers are required to cooperate with the investigation carried out by the regulatory authorities in accordance with the law.

According to the Law of the People’s Republic of China on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》), which was last amended by the Standing Committee of the National People’s Congress (the “SCNPC”) on October 25, 2013 and effective from March 15, 2014, operators bear the obligation to ensure the safety of goods or services, and shall ensure that the goods or services they provide meet the requirements for the protection of the safety of persons and property. For goods and services that may endanger consumers’ life, health or property safety, they shall fulfill their duty of truthful disclosure to consumers, including providing clear risk warnings, proper usage instructions and preventive measures against potential hazards. If the operator finds that the goods or services provided by it are defective and may pose safety risks, it shall immediately report to the relevant administrative departments and disclose the information to consumers as well as take measures such as stopping the sales, issuing warnings, recall, harmless disposal, destruction of the products, discontinuation of production or service. Operators who violate the above provisions are subject to civil or criminal liability depending on the severity of the circumstances.

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REGULATIONS ON PRODUCT LIABILITY AND THE RECALL OF DEFECTIVE AUTOMOBILES

According to the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》), which was promulgated by the SCNPC on February 22, 1993 and amended on July 8, 2000, August 27, 2009 and December 29, 2018, it's prohibited to produce or sell products that do not meet the standards and requirements for the protection of human health and the safety of persons and property. Products shall not present an unreasonable risk of endangering the safety of persons or property. If a product is defective and causes damage to persons or the property of others, the victim may claim compensation from the producer of the product or the seller of the product. Producers or sellers of non-compliant products may be ordered to cease the production or sale of the products and could be subject to confiscation of the products illegally produced or sold and be fined. Any illegal income will be confiscated, and in severe cases, an offender's business license may be revoked.

According to the Administrative Provisions on Defective Automotive Product Recalls (《缺陷汽車產品召回管理條例》), which was promulgated by the State Council on October 22, 2012 and amended on March 2, 2019, the product quality supervision department of the State Council is responsible for the supervision and administration of recalls of defective automotive products nationwide. Pursuant to these administrative provisions, manufacturers of automotive products are required to take measures to eliminate defects in the products they sell and recall all defective automotive products. The product quality supervision department of the State Council is responsible for the supervision and administration of recalls nationwide, and may entrust provincial departments to undertake part of the work, relevant technical institutions to undertake specific technical work, and other relevant departments shall be responsible for relevant supervision and administration within the scope of their respective responsibilities, and establish an information sharing mechanism. Manufacturers who attempt to conceal defects or do not recall defective automotive products in accordance with the relevant regulations will be subject to penalties, including fines. Any illegal income will be confiscated, and in severe cases, the relevant permit will be revoked by the licensing authority.

Pursuant to the Implementation Rules on the Administrative Provisions on Defective Automotive Product Recalls (《缺陷汽車產品召回管理條例實施辦法》) promulgated by the SAMR on November 27, 2015 and last amended on October 23, 2020, if a manufacturer is informed of any possible defect in its automobile products, it shall immediately organize an investigation and analysis and truthfully report the results of the investigation and analysis to the SAMR. If a manufacturer confirms the existence of a defect in its automobile products, it shall immediately cease the production, sale or import of the defective automobile products and recall all such defective products in accordance with applicable laws and regulations. All entities and individuals are entitled to report potential automotive defects. The SAMR establishes information management systems and information sharing mechanisms, and is responsible for collecting, analyzing, releasing information and filing manufacturer information. Manufacturers shall establish a traceable information management system to maintain information such as product design, manufacturing and car owners and complete the filing with the SAMR, with any change to the information being updated in a timely manner.

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Operators shall also establish and maintain the information related to the operation of automotive products. Operators and parts producers are required to report and announce defect information. Manufacturers that fail to update the filing information according to the provisions, and parts producers that fail to cooperate with the defect investigation will be ordered to rectify within a prescribed period, and failure to rectify within the prescribed period will result in fines. The violation of these provisions constitutes the legal treatment under other laws and regulations. If a crime is constituted, criminal liability shall be pursued. Administrative penalties shall be imposed by the market regulatory authorities with jurisdiction over the location where the violation occurred.

According to the Guiding Opinions on Further Strengthening the Construction of Safety System for New Energy Vehicle Enterprises (《關於進一步加強新能源汽車企業安全體系建設的指導意見》) issued by the MIIT, the Ministry of Public Security, the Ministry of Transport, the Ministry of Emergency Management and the SAMR on March 29, 2022, enterprises shall comprehensively enhance their safety capabilities in safety management mechanism, product quality, operation monitoring, after-sales service, accident response and handling, as well as network security, improve the safety of new energy vehicles, and promote the high-quality development of the new energy vehicle industry.

According to the Circular on Further Improving the Regulation of Recall of Automobile with OTA Technology (《關於進一步加強汽車遠程升級(OTA)技術召回監管的通知》) promulgated by the SAMR on November 23, 2020 and effective from the same date, automobile producers that provide technical services through Over-The-Air, or OTA, in respect of the vehicles sold, are required to complete filing with the SAMR. In addition, if a producer adopts the OTA method to eliminate defects in automobile products and implements a recall, it shall formulate a recall plan and file it with the SAMR. If the OTA method fails to effectively eliminate defects or cause new defects, the producer shall take recall measures again.

Pursuant to the Circular on Further Strengthening the Admission, Recall, and Online Software Update Management for Intelligent Connected Vehicles (《關於進一步加強智能網聯汽車產品准入、召回及軟件在線升級管理的通知》) jointly issued by the MIIT and the SAMR on February 25, 2025, automobile manufacturers shall proactively assume the primary responsibility for product quality and safety, and enhance their capabilities in line with the research and development and production of intelligent connected vehicle products and the conduct of OTA upgrading activities. OTA upgrading activities that do not involve changes in the main technical parameters of products, enterprises can implement the upgrade after completing the filing; Where changes in the main technical parameters of products are involved, enterprises shall not implement the upgrade until they have obtained the permit for the change of the product and completed the filing. OTA upgrading activities involving the automatic driving function of automobiles shall obtain a corresponding permit in accordance with the relevant provisions of admission management.

FAVORABLE POLICIES RELATING TO NEW ENERGY VEHICLES IN CHINA

Government Subsidies for New Energy Vehicle Purchasers

According to the Notice on Further Effectively Completing the Work Concerning Trade-in of Vehicles (《關於進一步做好汽車以舊換新有關工作的通知》) jointly issued by the MOFCOM and other six ministries and commissions on August 15, 2024 and effective on the same day, it's reiterated to raise the subsidy standard for automobile scrapping and replacement, increase the capital support from the central government, optimize the review, fund allocation supervision procedures for automobile scrapping and replacement and strengthen oversight and management.

On October 30, 2024, the MOF issued the Notice on the Advance Allocation of 2025 Energy Conservation and Emission Reduction Subsidy Funds (《關於提前下達2025年節能減排補助資金預算的通知》), which provides for the early allocation of subsidy funds for energy conservation and emission reduction in 2025, which will be used for the settlement of subsidy funds for the promotion and application of new energy vehicles during 2021 and earlier years, the advanced fund allocation for new energy vehicles that have been promoted but not yet completed the settlement process and the incentive funds for the demonstration application of fuel cell vehicles in the second year.

According to the Notice on Effectively Completing the Work Concerning Trade-in of Vehicles in 2025 (《關於做好2025年汽車以舊換新工作的通知》) jointly issued by the MOFCOM and other seven ministries and commissions on January 14, 2025 and effective on the same day, on the one hand, the scope of automobile scrapping and replacement support has been further expanded to include the purchase of new energy passenger vehicles. In addition, the registration period for new energy passenger vehicles eligible for scrapping has been extended by eight months to December 31, 2018, while other models have been extended by one year. On the other hand, the subsidy standard for vehicle replacement has been improved. Individual consumers who transfer a passenger vehicle registered under their own name and purchase a new one will receive subsidy support for vehicle replacement, and the maximum subsidy for purchasing a single new energy passenger vehicle shall not exceed RMB15,000 in 2025.

Reduction and Exemption of Vehicle Purchase Tax

According to the Announcement on Continuing and Optimizing the Vehicle Purchase Tax Relief Policies for New Energy Vehicles (《關於延續和優化新能源汽車車輛購置稅減免政策的公告》) jointly promulgated by the MOF, the SAT and the MIIT on June 19, 2023 and implemented on the same day, it is clearly stipulated that the period of exemption from vehicle purchase tax for new energy vehicles will be further extended to December 31, 2025; Among them, the exemption amount of each new energy passenger vehicle shall not exceed RMB30,000; For new energy vehicles purchased between January 1, 2026 and December 31, 2027, the vehicle purchase tax shall be halved, and the reduction amount of each new energy passenger vehicle shall not exceed RMB15,000.

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According to the Announcement on Adjusting the Technological Requirements for New Energy Vehicle Products for Reduction and Exemption of Vehicle Purchase Tax (《關於調整減免車輛購置稅新能源汽車產品技術要求的公告》) jointly promulgated by the MOF, the SAT, the MIIT and the Ministry of Science and Technology on December 7, 2023, the period from January 1, 2024 to May 31, 2024 is the transition period. From January 1, 2024, the models listed in the Catalogue of New Energy Vehicle Models Exempt from Vehicle Purchase Tax (《免徵車輛購置稅的新能源汽車車型目錄》) before December 31, 2023 and are still valid will be automatically transferred to the Tax Reduction and Exemption Catalogue (《減稅目錄》). For relevant models, it's required to upload tax reduction and exemption identifiers, power change mode identifiers, power change mode models, fuel cell models, etc. in accordance with the requirements of the announcement to supplement the corresponding supporting materials. Since 2024, the MIIT has issued the 2nd, 12th and 14th batches of the Catalogue of New Energy Vehicle Models for Reduction and Exemption of Vehicle Purchase Tax (《減免車輛購置稅的新能源汽車車型目錄》), and many models of SERES, including the *AITO M5*, *M7*, *M8*, *M9* are included in this catalogue and are entitled to enjoy the relevant preferential policies of reduction and exemption of vehicle purchase tax.

Exemption of Vehicle and Vessel Tax

According to the Notice of the Policies on Energy-saving and New-energy Vehicles and Vessels Enjoying Vehicle and Vessel Tax Reduction and Exemption (《關於節能新能源車船享受車船稅優惠政策的通知》) jointly promulgated by the MOF, the Ministry of Transport, the SAT and the MIIT on July 10, 2018, new energy vehicles (including cell-electric commercial vehicles), plug-in (including extended-range) hybrid vehicles, fuel cell commercial vehicles are exempt from vehicle and vessel tax, whereas purely electric passenger vehicle and fuel cell passenger vehicles are not subject to vehicle and vessel tax. Eligible vehicles are listed in the Catalogue of New Energy Vehicle Models Enjoying Vehicle and Vessel Tax Reduction and Exemption (《享受車船稅減免優惠的節約能源使用新能源汽車車型目錄》) jointly promulgated by MIIT and the SAT from time to time. Since 2024, the MIIT has issued the 58th, 68th and 70th batches of the Catalogue of New Energy Vehicle Models Enjoying Vehicle and Vessel Tax Reduction and Exemption, and many models of SERES, including the *AITO M5*, *M7*, *M8*, *M9* are included in this catalogue and are exempted from vehicle and vessel tax.

New Energy Vehicle Credit Schemes

According to the Measures for the Parallel Administration of the Corporate Average Fuel Consumption and New Energy Vehicle Credits of Passenger Vehicle Enterprises (《乘用車企業平均燃料消耗量與新能源汽車積分並行管理辦法》) jointly promulgated by the MIIT, the MOF, the MOFCOM, the General Administration of Customs of the People's Republic of China and the QSIQ on September 27, 2017, amended on June 29, 2023 and became effective on August 1, 2023, the MIIT shall establish a vehicle fuel consumption and new energy vehicle credits management platform to comprehensively facilitate the publicity, carry-over, trading and other work of corporate average vehicle fuel consumption and new energy vehicle credits. Passenger vehicle enterprises shall, in accordance with the requirements of the MIIT, submit relevant data on the fuel consumption of their produced and imported passenger vehicles and new energy passenger vehicles, and conduct credit carry-over or trading through the vehicle fuel consumption and new energy vehicle credits management platform.

Promote New Energy Vehicle Consumption

The NDRC and the National Energy Administration implemented the Implementation Opinions on Accelerating the Construction of Charging Infrastructure to Better Support New Energy Vehicles Going to the Rural Areas and Rural Revitalization (《關於加快推進充電基礎設施建設更好支持新能源汽車下鄉和鄉村振興的實施意見》) on May 14, 2023 to boost new energy vehicles go to the rural areas and to innovate the construction, operation and maintenance mode of rural charging infrastructure, provide diversified purchase support policies to support the purchase and use of new energy vehicles in rural areas, and strengthen the publicity service management of new energy vehicles in rural areas.

On March 28, 2024, the People's Bank of China and the National Financial Regulatory Administration jointly issued the Notice on Adjusting Policies Related to Auto Loans (《關於調整汽車貸款有關政策的通知》) to increase financial support for automobile consumption, promote the trade-in of automobiles, and stabilize and expand automobile consumption. According to the notice, the maximum loan ratios of private-use new energy vehicles shall be independently determined by financial institutions, and financial institutions are encouraged to strengthen the innovation of financial products and services according to the segment scenarios of new vehicles, used vehicles, and old vehicles for new ones, and appropriately reduce and exempt the liquidated damages generated by early settlement of loans in the process of exchanging old vehicles for new ones, so as to better support reasonable automobile consumption demand.

On May 15, 2024, 5 ministries and commissions including the MIIT promulgated and implemented the Notice on Launching New Energy Vehicles to Rural Areas in 2024 (《關於開展2024年新能源汽車下鄉活動的通知》). According to the notice, to accelerate the process of bridging the gap in the consumption and use of new energy vehicles in rural areas and empower the construction of beautiful villages and rural revitalization, the MIIT, the NDRC, the Ministry of Agriculture and Rural Affairs, the MOFCOM and the National Energy Administration, in accordance with the work deployment of promoting large-scale equipment replacement and consumer goods trade-in, jointly organized the campaign of new energy vehicles to rural areas by selecting a number of new energy vehicle models that suitable for the rural market, with good reputation and reliable quality for promotion in the rural market. Among them, SERES' Dongfeng Xiaokang EC36II, Landian E5 and Fengguang Mini EV are all listed in the catalogue of new energy vehicles for rural areas in 2024.

The Notice on Further Clarifying the Requirements for the Government Procurement Proportion of New Energy Vehicles (《關於進一步明確新能源汽車政府採購比例要求的通知》) promulgated and implemented by the MOF on December 19, 2024 explicitly requires that the competent budget units at all levels shall determine the annual government procurement proportion of new energy vehicles for the respective departments (including their budget units) in a coordinated manner. Where the new energy vehicles can meet the actual usage needs, the proportion of new energy vehicles in the total annual procurement of official vehicles shall, in principle, not be less than 30%. Among them, for official vehicles (such as confidential and

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communication vehicles) with relatively fixed routes, single usage scenarios, and primarily urban driving, the procurement shall, in principle, be 100% new energy vehicles. When procuring vehicle leasing services, priority shall be given to leasing and using new energy vehicles.

On January 20, 2025, the General Office of eight departments, including the MOFCOM, jointly issued the Notice on Launching a Pilot Reform of Automobile Circulation and Consumption (《關於開展汽車流通消費改革試點工作的通知》), which proposes that a pilot reform of automobile circulation and consumption will be carried out during the period from 2025 to 2027 to stimulate the vitality of the automobile consumption market and promote the high-quality development of the automobile market. The pilot tasks mainly include: (1) stabilizing and expanding automobile consumption; (2) promoting the efficient circulation of used vehicles; (3) cultivating the environment of automobile culture; (4) improving the recycling system of scrapped automobiles; (5) promoting the digital circulation and consumption of automobiles.

Promote the Production, Research and Development of New Energy Vehicles

The Development Plan for the New Energy Vehicle Industry (2021-2035) (《新能源汽車產業發展規劃(2021-2035年)》) promulgated and implemented by the General Office of the State Council on October 20, 2020, takes deepening supply-side structural reform as the main line, adheres to the direction of electrification, connectivity and intelligence, and upholds the principles of market-led, innovation-driven, coordinated and open development to promote high-quality and sustainable development of the industry. The plan proposes two phased targets, that is, by 2025, the market competitiveness of new energy vehicles will be enhanced with breakthroughs in key technologies, and by 2035, the core technology will reach the international advanced level with comprehensive development in various fields achieved.

Further Construction of Electric Vehicle Charging Infrastructure

On January 10, 2022, ten departments, including the NDRC, the National Energy Administration and the MIIT, jointly issued the Implementation Opinions on Further Improving the Service Capacity of Electric Vehicle Charging Infrastructure (《關於進一步提升電動汽車充電基礎設施服務保障能力的實施意見》). The document clearly states that by the end of the “14th Five-Year Plan” period, China’s electric vehicle charging capacity should be further improved to form a moderately advanced, balanced, intelligent and efficient charging infrastructure system that can meet the charging needs of more than 20 million electric vehicles.

On June 8, 2023, the General Office of the State Council issued and implemented the Guidance on Further Building a High-quality Charging Infrastructure System (《關於進一步構建高質量充電基礎設施體系的指導意見》), proposing a number of measures to further build a high-quality charging infrastructure system, including building a convenient and efficient intercity charging network, establishing an interconnected charging network for city clusters and metropolitan areas, building a well-structured urban charging network, building an effectively covered rural charging network, actively advancing the construction of charging

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infrastructure in residential areas, vigorously promoting the construction of charging infrastructure in public areas, encouraging social capital participation in construction and operation, formulating and implementing unified standards, and establishing an information network platform, and strengthening industry standard management.

REGULATIONS AND POLICIES ON INTELLIGENT CONNECTED VEHICLES AND AUTONOMOUS DRIVING

On July 27, 2021, the MIIT, the Ministry of Public Security and the Ministry of Transport issued the Norms on Administration of Road Testing and Demonstration Application of Intelligent Connected Vehicles (Trial Implementation) (《智能網聯汽車道路測試與示範應用管理規範(試行)》), which came into effect on September 1, 2021, with the aim to regulate the road testing and demonstration application activities of intelligent connected vehicles. The norms make it clear that the testing entity shall be an independent legal entity in China, with the capability of technology research and development, test evaluation and civil compensation, and has established protocol to test the performance of the autonomous driving system and is capable of conducting remote monitor; The demonstration application entity may be an independent legal entity or a consortium (requiring at least one member with operational capabilities), and shall execute a liability agreement. The driver must hold a valid driver's license for the corresponding vehicle with more than 3 years of driving experience, no accumulated maximum penalty points recorded in the past 3 years, no record of serious violation or drunk driving in the past 1 year, and has emergency response ability after training. Tested vehicles include passenger vehicles, commercial vehicles and special operation vehicles (excluding low-speed automobiles and motorcycles), which must be unregistered, pass some mandatory safety inspections, feature dual manual/autonomous driving modes and have real-time data transmission capabilities. The testing and demonstration application shall comply with the management requirements of the temporary driving vehicle license plate, operate in strict accordance with the scope of the declaration, and prohibit brake testing on public roads. In the event of serious injury/death or vehicle damage, the entity shall report within 24 hours and submit the accident analysis report within 5 working days. The policy promotes the development and application of intelligent connected vehicle technology by unifying test standards, expanding test scenarios (including highways) and strengthening safety supervision.

Under the Opinions of the Ministry of Industry and Information Technology on Strengthening the Administration of Intelligent Connected Vehicle Manufacturers and Access of Products (《工業和信息化部關於加強智能網聯汽車生產企業及產品准入管理的意見》), which was issued by the MIIT and implemented on July 30, 2021, enterprises producing auto products with autonomous driving function shall ensure that the auto products at least satisfy the following requirements: (1) it is capable of automatically identify the failure of the autonomous driving system and whether the designed operating conditions are continuously met, and take risk mitigation measures to achieve the minimum risk level; (2) it is equipped with human-machine interaction function displaying the operating condition of the autonomous driving system; (3) it has an event data recording system and autonomous driving data recording system to meet relevant functions, performance and safety requirements for accident reconstruction, liability determination and cause analysis, etc.; (4) it must satisfy the safety

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requirements to ensure functional safety, expected functional safety, network safety and other process safety, as well as testing requirements such as simulation nature, closed area, actual road, network safety, software upgrade, data recording, to avoid foreseeable and preventable accidents under the designed operating conditions of the tested vehicles.

According to the Taxonomy of Driving Automation for Vehicles (GB/T 40429-2021) (《汽車駕駛自動化分級》) issued by the SAMR and the Standardization Administration of China on August 20, 2021 and implemented on March 1, 2022, driving automation functions of automobiles can be divided into: Level 0 (Emergency Assistance); Level 1 (Partial Driver Assistance); Level 2 (Combined Driver Assistance); Level 3 (Conditionally Automated Driving); Level 4 (Highly Automated Driving); Level 5 (Fully Automated Driving).

According to the Notice on Carrying out the Pilot Program of Market Access and Road Passage for Intelligent Connected Vehicles (《關於開展智能網聯汽車准入和上路通行試點工作的通知》) jointly promulgated and implemented by the MIIT, the Ministry of Public Security, the Ministry of Housing and Urban-Rural Development and the Ministry of Transport on November 17, 2023, intelligent connected vehicle products equipped with autonomous driving functions and mass production conditions are selected for access pilot, and to carry out road access pilots in restricted areas for intelligent connected vehicles that have gained access. Vehicles used for transport operations must comply with the operational qualification and management requirements set by the competent transportation authorities. The autonomous driving functions of intelligent connected vehicles mentioned in this notice refer to the functions of Level 3 Driving Automation (Conditionally Automated Driving) and Level 4 Driving Automation (Highly Automated Driving) as defined under the national standard Taxonomy of Driving Automation for Vehicles (GB/T 40429-2021).

REGULATIONS ON CORPORATION

On December 29, 1993, the SCNPC issued the PRC Company Law (《中華人民共和國公司法》) (the “PRC Company Law”), which was amended by the SCNPC on December 29, 2023 and came into force on July 1, 2024. All companies established in the PRC are subject to the PRC Company Law. The PRC Company Law regulates the establishment, operation, corporate structure, and management of corporate entities in China and classifies companies into limited liability companies and limited companies by shares. Such regulations are also applicable to foreign-invested enterprises established in China.

REGULATIONS ON FOREIGN INVESTMENT IN CHINA

Administration on Foreign Investment

On March 15, 2019, the NPC promulgated the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), which came into effect on January 1, 2020 and replaced the Equity Joint Venture Law of the PRC (《中華人民共和國中外合資經營企業法》), the Cooperative Joint Venture Law of the PRC (《中華人民共和國中外合作經營企業法》), and the Wholly Foreign-Owned Enterprise Law of the PRC (《中華人民共和國外資企業法》),

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together with their implementation rules and ancillary regulations. Pursuant to the Foreign Investment Law of the PRC, “foreign investment” refers to investment activities directly or indirectly conducted by one or more natural persons, business entities, or otherwise organizations of a foreign country within China, or foreign investors, and the investment activities include the following situations: (i) a foreign investor, individually or collectively with other investors, establishes a foreign-invested enterprise in China; (ii) a foreign investor acquires stock shares, equity shares, shares in assets, or other similar rights and interests of an enterprise within China; (iii) a foreign investor, individually or collectively with other investors, invests in a new project in China; and (iv) investments in other means as provided by laws, administrative regulations, or the State Council.

In addition, the Foreign Investment Law of the PRC also provides several protective rules and principles for foreign investors and their investments in China, including, among others, that local governments must abide by their commitments to foreign investors; foreign-invested enterprises are allowed to issue stocks and corporate bonds; expropriation or requisition of the investment of foreign investors is prohibited except for special circumstances, in which case statutory procedures must be followed and fair and reasonable compensation must be made in a timely manner; mandatory technology transfer is prohibited; and the capital contributions, profits, capital gains, proceeds out of asset disposal, licensing fees of intellectual property rights, indemnity or compensation legally obtained, or proceeds received upon settlement by foreign investors in China may be freely remitted inward and outward in Renminbi or foreign currencies. Also, foreign investors or foreign-invested enterprises should be imposed legal liabilities for failing to report investment information in accordance with the requirements.

On December 26, 2019, the State Council approved the Implementation Rules of Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), which came into effect on January 1, 2020. The Implementation Rules of Foreign Investment Law of the PRC restates certain principles of the Foreign Investment Law of the PRC and provides further provisions regarding the organizational forms, transfer of equity interests, distribution of profits and the distribution of remaining assets of foreign-invested enterprises.

Access to Foreign Investment

Pursuant to the Foreign Investment Law of the PRC, the State Council will publish or approve to publish a catalog for special administrative measures, or a “negative list”. The Foreign Investment Law of the PRC grants national treatment to foreign-invested enterprises, except for those foreign-invested enterprises that operate in industries deemed to be either “restricted” or “prohibited” in the “negative list.”. The Foreign Investment Law of China provides that foreign-invested enterprises operating in restricted or prohibited industries shall require market entry clearance and other approvals from relevant PRC governmental authorities.

Investment activities in China by foreign investors are principally governed by the Special Administrative Measures for the Access of Foreign Investment (Negative List) (《外商投資准入特別管理措施(負面清單)》) and the Catalog of Industries for Encouraging Foreign

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Investment (《鼓勵外商投資產業目錄》) promulgated and amended from time to time by the MOFCOM and the NDRC. The Negative List and the Encouraging Catalog classify industries of foreign investment into three categories of “encouraged”, “restricted” and “prohibited”.

The currently effective negative list is the Special Administrative Measures for the Access of Foreign Investment (Negative List) (2024 Edition) (《外商投資准入特別管理措施(負面清單) (2024年版)》), which was published by the MOFCOM and NDRC on September 6, 2024 and became effective on November 1, 2024. In addition, on October 26, 2022, the MOFCOM and the NDRC also jointly promulgated the Catalog of Industries for Encouraging Foreign Investment (2022 Edition) (《鼓勵外商投資產業目錄(2022年版)》), which became effective on January 1, 2023. According to the above list and catalog, investment in new energy vehicle manufacturing does not belong to the restricted and prohibited industries of foreign investment.

REGULATIONS ON VALUE-ADDED TELECOMMUNICATIONS SERVICES

Classification and Supervision of Value-added Telecommunications Services

According to the Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) promulgated by the State Council on September 25, 2000, last amended and implemented on February 6, 2016, and its attachment, the Classified Catalog of Telecommunications Services (《電信業務分類目錄》), the State implements a system of permits for the operation of telecommunications business that are classified according to the type of telecommunications business. Telecommunications businesses are categorized into basic telecommunications services and value-added telecommunications services. Basic telecommunications services refer to the provision of public network infrastructure, public data transmission, and basic voice communication services. Value-added telecommunications services refer to telecommunications and information services provided through public network infrastructure. Operators of basic telecommunications services shall obtain the Operation Permit for Basic Telecommunications Services issued by the competent authority and the operators of value-added telecommunications services shall obtain the Operation Permit for Value-added Telecommunications Services issued by the competent authority. Operators without required business licenses will be subject to penalties including rectification orders, warnings, fines, and confiscation of illegal gains. In serious cases, violators may face suspension of business operations.

According to the Classified Catalog of Telecommunications Services (2015 Edition) (《電信業務分類目錄(2015年版)》) promulgated by the MIIT on December 28, 2015 and last amended on June 6, 2019, value-added telecommunications services are divided into two categories. Category I value-added telecommunications services include internet data center services, content delivery network services, domestic internet protocol virtual private network services and internet access services. Category II value-added telecommunications services include online data processing and transaction processing services, domestic multiparty communication services, store and forward services, call center services, information services and code and regulation conversion services.

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Foreign-invested Telecommunications Services

According to the Regulations on the Administration of Foreign-invested Telecommunications Enterprises (《外商投資電信企業管理規定》) promulgated by the State Council in December 2001, last amended on March 29, 2022 and became effective on May 1, 2022, the ultimate proportion of contribution by the foreign investors of a foreign-invested telecommunications enterprise engaged in value-added telecommunications services (including the radio paging business in the basic telecommunications services) shall not be more than 50%, unless otherwise stipulated by the state.

According to the Special Administrative Measures for the Access of Foreign Investment (Negative List) (2024 Edition), in the telecommunications services committed to being open under China's WTO accession, the proportion of foreign shares in value-added telecommunications services shall not exceed 50% (except for e-commerce, domestic multiparty communication services, store and forward services, and call center services), with telecommunications services to be opened up to foreign capital is limited.

Internet Information Services

Internet information services are part of the value-added telecommunications services. Pursuant to the Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》) promulgated by the State Council in 2000 and amended in 2011 and 2024, “internet information services” refer to the provision of information through the internet to online users, and are divided into “commercial internet information services” and “non-commercial internet information services.” A commercial internet information service operator must obtain an ICP license before engaging in any commercial internet information services in China, while the ICP license is not required if the operator will only provide internet information on a non-commercial basis, but an ICP filing is required.

The Administrative Provisions on Information Services of Mobile Internet Applications (《移動互聯網應用程序信息服務管理規定》), which was promulgated by the State Internet Information Office in June 2016, amended and took effect in August 2022, further stipulates that information services providers of mobile internet applications are subject to these provisions, including acquiring relevant qualifications and being responsible for the management of information security.

REGULATIONS ON INTERNET INFORMATION SECURITY AND PRIVACY PROTECTION

Cyber Security

In November 2016, the SCNPC promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》), or the Cybersecurity Law, which became effective on June 1, 2017. The Cybersecurity Law requires that network operators, including network services providers, take technical measures and other necessary measures in accordance with applicable laws and regulations and the compulsory requirements of the national and industrial standards to safeguard the safe and stable operation of its networks. We are subject to such requirements as

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we are operating a website and mobile application and providing certain internet services mainly through our mobile application. The Cybersecurity Law further requires network services providers to formulate contingency plans for network security incidents, take corresponding remedial measures upon the occurrence of any incident endangering cybersecurity, and report to the competent departments. Network service providers are also required to maintain the integrity, confidentiality and availability of network data. The Cybersecurity Law reaffirms the basic principles and requirements specified in other existing laws and regulations on personal information protection, such as the requirements on the collection, use, processing, storage, and disclosure of personal information, and network services providers being required to take technical and other necessary measures to ensure the security of the personal information they have collected and prevent the personal information from being divulged, damaged, or lost. Any violation of the Cybersecurity Law may subject a network services provider to warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of filings, shutdown of websites, or criminal liabilities.

According to the Decision on the Maintenance of Internet Security (《關於維護互聯網安全的決定》) enacted by the SCNPC on December 28, 2000 and amended in August 2009, any illegal activities conducted via the internet, such as intentionally inventing and spreading destructive programs such as computer viruses to attack computer systems and communications networks; intentionally inventing and spreading destructive programs such as computer viruses to attack computer systems and communications networks; establishing on the internet pornographic web sites or web pages, providing services for connecting pornographic web sites, or spreading pornographic books and periodicals, movies, audiovisuals or pictures; using the internet to insult others or fabricate facts to defame others, will be subject to criminal liability under the relevant provisions of the Criminal Law if they constitute a crime, and if such activities violate public security administration regulations but do not constitute a crime, penalties shall be imposed pursuant to the Public Security Administration Punishments Law (《治安管理處罰法》).

The Provisions on Technical Measures for the Protection of Internet Security (《互聯網安全保護技術措施規定》) promulgated by the Ministry of Public Security on December 13, 2005 and came into effect on March 1, 2006 requires internet service providers and organizations that use interconnection services to implement technical measures for the protection of internet security from any threat to network security, such as computer viruses and network attacks and breaches. All internet access service providers are required to take measures to keep a record of and preserve user registration information. Where illegal information is identified in public information services, transmission shall be immediately suspended and relevant records preserved. The implementation of these measures by internet service providers and organizations that use interconnection services shall be subject to supervision and inspection by the public security authorities in their respective jurisdictions. Upon discovering violations of the aforementioned provisions, public security authorities may, depending on the circumstances, take corrective measures including rectification within a prescribed period of time, warnings, confiscation of illegal gains, fines, suspension of network connection, shutdowns for rectification, etc., and, if necessary, may recommend the original licensing or approval agencies to revoke business licenses or cancel network access qualifications.

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Personal Information Protection

Pursuant to the Decision on Strengthening the Protection of Online Information (《關於加強網絡信息保護的決定》) issued by the SCNPC on December 28, 2012 and the Provisions on the Protection of Personal Information of Telecommunication and Internet Users (《電信和互聯網用戶個人信息保護規定》) issued by the MIIT on July 16, 2013 and November 7, 2016, respectively, and the Cybersecurity Law, any collection and use of a user's personal information must be consensual, legal, reasonable, and necessary, and must be limited to specified purposes, methods, and scopes. An internet information service provider must also keep such information strictly confidential, and is further prohibited from divulging, tampering with, or destroying any such information, or selling or providing such information to other parties. An internet information service provider is required to take technical and other measures to prevent the collected personal information from any unauthorized disclosure, damage, or loss. In case of any actual or potential leakage of user personal information, internet information service providers must take immediate remedial measures and make timely reports to the relevant regulatory authorities and inform users in accordance with the regulations. Any violation of these laws and regulations may subject the internet information service provider to warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of filings, shutdown of websites, or even criminal liabilities.

Pursuant to the Notice of the Supreme People's Court, the Supreme People's Procuratorate, and the Ministry of Public Security on Lawfully Punishing Criminal Activities Infringing upon the Personal Information of Citizens (《最高人民法院、最高人民檢察院、公安部關於依法懲處侵害公民個人信息犯罪活動的通知》) issued on April 23, 2013 and the Interpretation of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Regarding Legal Application in Criminal Cases Infringing upon the Personal Information of Citizens (《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》) issued on May 8, 2017 and effective on June 1, 2017, the following activities may constitute the crime of infringing upon a citizen's personal information: (i) providing a citizen's personal information to specified persons or releasing a citizen's personal information online or through other methods; (ii) providing legitimately collected information relating to a citizen to others without such citizen's consent (unless the information is processed, not traceable to a specific person, and not recoverable); (iii) collecting a citizen's personal information by purchasing, accepting, or exchanging such information or collecting a citizen's personal information in the course of performing duties or providing services in violation of applicable regulations; or (iv) obtaining, selling, or providing a citizen's personal information in an illegal manner.

Pursuant to the Announcement on Conducting Special Supervision Against the Illegal Collection and Use of Personal Information by Apps (《關於開展App違法違規收集使用個人信息專項治理的公告》) issued and implemented on January 23, 2019, app operators should collect and use personal information in compliance with the Cybersecurity Law and should be responsible for the security of personal information obtained from users and take effective measures to strengthen the protection of personal information. Furthermore, app operators must not force their users to make authorization by means of bundling, suspending installation, or

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in other default forms and should not collect personal information in violation of laws or regulations, or breach of user agreements. Such regulatory requirements were emphasized by the Notice on the Special Rectification of Apps Infringing upon Users' Personal Rights and Interests (《關於開展App侵害用戶權益專項整治工作的通知》) issued by the MIIT on October 31, 2019. On November 28, 2019, the Cyberspace Administration of China, the MIIT, the Ministry of Public Security, and the SAMR jointly issued the Methods of Identifying Illegal Collection and Use of Personal Information by Apps (《App違法違規收集使用個人信息行為認定方法》). This regulation further illustrates certain commonly seen illegal practices of app operators in terms of the protection of personal information, including: “failure to publicize rules for collecting and using personal information,” “failure to expressly state the purpose, manner, and scope of collecting and using personal information,” “collection and use of personal information without consent of users,” “collecting personal information irrelevant to the services provided by the app in violation of the principle of necessity,” “provision of personal information to others without users' consent,” “failure to provide the function of deleting or correcting personal information as required by laws,” and “failure to publish information such as methods for complaints and reporting.”

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) promulgated by the SCNPC on August 20, 2021 and effective on November 1, 2021 integrates the scattered rules with respect to personal information rights and privacy protection. The law aims to protect personal information rights and interests, regulate the processing of personal information, ensure the orderly and free flow of personal information in accordance with the law, and promote the reasonable use of personal information. Personal information, as defined in the law, refers to information related to identified or identifiable natural persons and recorded by electronic or other means, but excluding the anonymized information. The law provides the circumstances under which a personal information processor could process personal information, which include but not limited to, where the consent of the individual concerned is obtained and where it is necessary for the conclusion or performance of a contract to which the individual is a contractual party. It also stipulates certain specific rules with respect to the obligations of a personal information processor, such as to inform the purpose and method of processing to the individuals.

Pursuant to the Measures for Cybersecurity Review (《網絡安全審查辦法》) jointly promulgated by the Cyberspace Administration of China and other authorities on December 28, 2021 and became effective on February 15, 2022, critical information infrastructure operators that purchase network products and services and network platform operators engaging in data processing activities that affect or may affect national security must be subject to the cybersecurity review. The measures further elaborate the factors to be considered when assessing the national security risks of the relevant activities, including, among others: the risk of core data, important data, or a large amount of personal information being stolen, leaked, destroyed, and illegally used or exited the country, the risk of critical information infrastructure, core data, important data, or a large amount of personal information being affected, controlled, or maliciously used by foreign governments after listing abroad and network information security risk, etc.

Data Security

According to the Data Security Law of the PRC (《中華人民共和國數據安全法》) promulgated on June 10, 2021 and took effect on September 1, 2021, a data classification and hierarchical protection system is introduced based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or entities when such data is tampered with, destroyed, divulged, or illegally acquired or used. The law also provides for a national security review system for the data processing activities which affect or may affect national security.

On August 16, 2021, the Cyberspace Administration of China, the NDRC, the MIIT, the Ministry of Public Security and the Ministry of Transport jointly issued the Several Provisions on Automobile Data Security Management (for Trial Implementation) (汽車數據安全管理若干規定(試行)), which further elaborates the principles and requirements for the protection of personal information and important data in the automobile industry, and defines organizations engaged in automobile data processing activities, including automobile manufacturers, parts and software suppliers, dealers, maintenance service providers, and mobility service enterprises as automobile data processors. Automobile data processors are required to comply with the requirements of relevant laws and regulations when processing automobile data during the process of design, production, sales, use, operation and maintenance of an automobile. The regulation has come into effect on October 1, 2021.

The Regulations on the Administration of Cyber Data Security (《網絡數據安全管理條例》) (the “Cyber Data Regulations”) promulgated on September 24, 2024 and effective on January 1, 2025 mainly focus on the protection of personal information, ensuring the security of important data, establishing an efficient, convenient and safe cross-border data flow mechanism, and regulating network platform service providers. In terms of the protection of personal information, the Cyber Data Regulations have refined the provisions of the Personal Information Protection Law on notification, consent, and the exercise of rights by individuals. In terms of ensuring the security of important data, the Cyber Data Regulations clarify the requirements for the development of important data catalogs and the obligations of network data processors to identify and report important data, stipulate the responsibilities of cyber data security leaders and cyber data security management agencies, and provide provisions for the risk assessment scenarios and assessment contents of important data. In terms of establishing an efficient, convenient and safe cross-border data flow mechanism, the Cyber Data Regulations further optimize the cross-border data flow mechanism on the basis of the experience in formulating and implementing departmental rules such as the Measures on Security Assessments for the Outbound Transfer of Data (《數據出境安全評估辦法》), the Measures on the Standard Contract for the Outbound Transfer of Personal Information (《個人信息出境標準合同辦法》) and the Provisions on Facilitating and Regulating Cross-border Data Flow (《促進和規範數據跨境流動規定》).

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The Measures for Data Security Administration in the Industry and Information Technology Field (Trial Implementation) (《工業和信息化領域數據安全管理辦法(試行)》) promulgated on December 8, 2022 and implemented on January 1, 2023 is a top-level system for data security administration in the industry and information technology field, which mainly includes the following seven aspects: First, define the concept of data and data processors in the industry and information technology field, and clarify the scope and responsibilities of supervision; Second, establish requirements for data classification management, important data identification and filing; Third, put forward corresponding security management and protection requirements for different levels of data covering the collection, storage, processing, transmission, provision, disclosure, destruction, exit, transfer and entrusted processing of data; Fourth, establish operational mechanisms for data security monitoring and early warning, risk information reporting and sharing, emergency response, and complaints handling; Fifth, outline the relevant requirements for data security monitoring, certification and evaluation; Sixth, stipulate the requirements for supervision and inspection; Seventh, clarify the legal responsibility and punishment measures for violation of relevant laws and regulations.

REGULATIONS ON E-COMMERCE

On August 31, 2018, the SCNPC promulgated the E-Commerce Law of the PRC (《中華人民共和國電子商務法》) (the “E-Commerce Law”), which became effective on January 1, 2019. Pursuant to the E-Commerce Law, e-commerce platform operators are required to prepare a contingency plan for cybersecurity incidents and take technical and other necessary measures to prevent online illegal and criminal activities. The E-Commerce Law also expressly requires e-commerce platform operators to take necessary actions to ensure fair dealing on their platforms to safeguard the legitimate rights and interests of consumers, including to prepare platform service agreements, transaction information record-keeping, and transaction rules, to prominently display such documents on the platform’s website, and to keep such information for no less than three years following the completion of a transaction. Where the e-commerce platform operators conduct self-operated business on their platforms, they need to distinguish and mark their self-operated business from the businesses of the business operators using the platform in a clear manner and should not mislead consumers. The e-commerce platform operators should bear the civil liability of a commodity seller or service provider for the business marked as self-operated pursuant to the law.

REGULATIONS ON LAND AND THE DEVELOPMENT OF CONSTRUCTION PROJECTS

Project Filling

Pursuant to the Measures for the Administration of Approval and Filing of Enterprise Investment Projects (《企業投資項目核准和備案管理辦法》) promulgated by the NDRC on March 8, 2017 and effective on April 8, 2017, enterprise investment projects (refer to fixed assets investment projects invested and constructed by enterprises within the territory of China) related to national security, layout of major production capacity across the country, strategic resources development and major public interests, etc. are subject to approval

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management. Other projects are subject to filing management. Unless otherwise stipulated by the State Council, projects subject to filing management shall be filed according to the principle of territorial jurisdiction. Provincial governments shall be responsible for formulating measures for the administration of project filing within their respective administrative regions, specifying the filing authorities and their respective jurisdictions.

Land Grants

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

Project Construction

Pursuant to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》) promulgated by the SCNPC on October 28, 2007 and amended on April 24, 2015 and April 23, 2019, a construction work planning permit must be obtained from the competent urban and rural planning government authority for the construction of any structure, fixture, road, pipeline and other engineering projects within an urban or rural planning area.

After obtaining a construction work planning permit, subject to certain exceptions, a construction enterprise must apply for a construction permit from the construction authority under the local people's government at the county level or above pursuant to the Administrative Provisions on Construction Permit of Construction Projects (《建築工程施工許可管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development on June 25, 2014, implemented on October 25, 2014, and amended on September 28, 2018 and March 30, 2021.

Pursuant to the Administrative Measures for Reporting Details Regarding Acceptance Examination upon Completion of Buildings and Municipal Infrastructure (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》) promulgated by the Ministry of Construction (the predecessor of the Ministry of Housing and Urban-Rural Development) on April 4, 2000 and amended on October 19, 2009, and the Provisions on Acceptance Examination upon Completion of Buildings and Municipal Infrastructure (《房屋建築和市政基礎設施工程竣工驗收規定》) promulgated and implemented by the Ministry of Housing and Urban-Rural

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Development on December 2, 2013, upon the completion of a construction project, the construction enterprise must apply to the competent government department at the county level or above where the project is located for examination upon completion of the building and for filing purpose, and to obtain the filing form for acceptance and examination upon completion of the construction project.

Leased Property

According to the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and became effective on February 1, 2011, the lessor and the lessee are required to complete property leasing registration and filing formalities with the competent construction (real estate) authority of the municipality, city or county people's government where the leased property is located within 30 days from execution of the property lease contract. A party to the lease agreement who fails to complete the relevant leasing registration procedure will be subject to a fine ranging from RMB1,000 to RMB10,000.

Furthermore, Regulation on Housing Leasing (《住房租賃條例》), which was promulgated by the State Council and came into effect on September 15, 2025, stipulates that the lessors shall file the housing lease contract with the real estate administration department at the location of the leased housing through the housing leasing management service platform or other means.

REGULATIONS ON ENVIRONMENTAL PROTECTION

Environmental Protection

Pursuant to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) (the "Environmental Protection Law") promulgated by the SCNPC on December 26, 1989, amended on April 24, 2014 and effective on January 1, 2015, any entity which discharges or will discharge pollutants during the course of operations or other activities must implement effective environmental protection measures and procedures to control and properly handle waste gas, wastewater, waste residue, dust, malodorous gases, radioactive substances, noise, vibrations, electromagnetic radiation, and other hazards produced during such activities. Environmental protection authorities impose various administrative penalties on persons or enterprises in violation of the Environmental Protection Law. Such penalties include warnings, fines, orders to rectify within a prescribed period, orders to cease construction, orders to restrict or suspend production, orders to make a recovery, orders to disclose relevant information or make an announcement, imposition of administrative action against relevant responsible persons, and orders to shut down enterprises.

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Environmental Impact Assessment

Pursuant to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) issued by the SCNPC on October 28, 2002, effective on September 1, 2003 and most recently amended on December 29, 2018, the State implements classification management of the environmental of construction projects according to the degree of impact of the construction projects on the environment. Constructing entities shall prepare an environmental impact report, and an environmental impact report form, or should fill in an environmental impact registration form for declaration and filling. Construction entities whose environmental impact assessment documents for a construction project have not been examined by the approval authority in accordance with the law or have not been approved after examination shall not commence construction.

In accordance with the Regulations on the Administration of Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998, last amended on July 16, 2017 and effective from October 1, 2017, the PRC practices a system that evaluates the environmental impact of a construction project. A construction entity shall submit an environmental impact report or environmental impact statement before the commencement of the construction project for approval or submit the environmental impact registration form in accordance with the requirement of the competent administrative department of environmental protection under the State Council for the record. Besides, after the completion of a construction project for which an environmental impact report or an environmental impact statement has been prepared, the construction entity shall, in accordance with the standards and procedures prescribed by the competent administrative department of environmental protection under the State Council, conduct acceptance checks on the supporting environmental protection facilities and prepare an acceptance report. For construction projects which are constructed in phases, put into production or use in phases, its corresponding environmental protection facilities shall be inspected and accepted in phases.

Pollutant Discharge Permits

Pursuant to the Classified Management Catalog of Pollutant Discharge Permits for Stationary Sources of Pollution (2019 Edition) (《固定污染源排污許可分類管理名錄(2019年版)》), which was promulgated by the Ministry of Ecology and Environment on December 20, 2019, the state implements classified management over pollutant discharge entities, which are divided into key management, simplified management and registration management according to the volume of pollutants produced, the volume of emissions and the degree of environmental impact. A pollutant discharge entity subject to registration management is not required to apply for a pollutant discharge permit, but only need to fill in its basic information and pollution prevention and control measures adopted on the management information platform of state pollutant discharge permits.

The Regulations on the Administration of Pollutant Discharge Permits (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 further strengthen the regulatory framework by requiring pollutant discharge entities to be subject to either key

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management or simplified management based on their emission scale and degree of environmental hazard. The regulations stipulate that the application, review and information disclosure for pollutant discharge permits shall be completed through a unified national information platform to ensure a transparent and efficient process. In addition, the pollutant discharge permit is valid for five years, and pollutant discharge entities shall submit a renewal application to the examination and approval authority 60 days before the expiration of the validity period to maintain their legal pollutant discharge qualification.

REGULATIONS ON WORK SAFETY

According to the Work Safety Law of the PRC (《中華人民共和國安全生產法》), which was promulgated by the SCNPC on June 29, 2002, amended on August 27, 2009, August 31, 2014 and June 10, 2021 and effective on September 1, 2021, production and operating business entities must establish objectives and measures for work safety and improve the working environment and conditions for workers in a planned and systematic way. A work safety protection scheme must also be set up to implement the work safety job responsibility system. In addition, production and operating business entities must arrange work safety training and provide their employees with protective equipment that meets the national or industrial standards.

The Special Equipment Safety Law of the PRC (《中華人民共和國特種設備安全法》), which was promulgated by the SCNPC on June 29, 2013 and came into force on January 1, 2014, aims to strengthen the safety management of special equipment, prevent special equipment accidents, protect personal and property safety, and promote economic and social development. Special equipment refers to boilers, pressure vessels (including gas cylinders), pressure pipelines, elevators, cranes, passenger cable-ways, large entertainment facilities and in-plant (in-factory) special motor vehicles that involve great danger to personal and property safety. The Law stipulates the production (including design, manufacture, installation, transformation and repair), operation, use, inspection and testing of special equipment and the supervision and management measures for the safety of special equipment.

REGULATIONS ON ENERGY CONSERVATION REVIEW

According to the Energy Conservation Law of the PRC (《中華人民共和國節約能源法》) promulgated by the SCNPC on October 26, 2018 and came into effect on the same day, the State shall implement an energy conservation assessment and review system for fixed asset investment projects. For projects which do not meet the compulsory energy conservation standards, the construction entity shall not commence construction; where the construction is completed, the project shall not be put into production or use.

According to the Measures for the Energy Conservation Review of Fixed Asset Investment Projects (《固定資產投資項目節能審查辦法》) promulgated by the NDRC on March 28, 2023 and came into effect on June 1, 2023, for an enterprise-invested project, the construction entity shall obtain the review opinions on energy conservation issued by the energy conservation review authority prior to the commencement of construction. For a project

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which has not undergone the energy conservation review or fails to pass the energy conservation review in accordance with these measures, the construction entity shall not commence construction, or the project shall not be put into production or use if it is already completed.

REGULATIONS ON FIRE SAFETY

Pursuant to the Fire Safety Law of the PRC (《中華人民共和國消防法》), which was promulgated by the SCNPC on April 29, 1998, amended on October 28, 2008, April 23, 2019 and April 29, 2021, and the Interim Provisions on Administration of Fire Control Design Review and Acceptance of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020, amended on August 21, 2023 and became effective on October 30, 2023, the construction entity of a large-scale crowded venue (including a production and processing plant with a total floor area of over 2,500 square meters) and other special construction projects must apply for fire control design review with competent fire control authorities, and complete the inspection and acceptance procedures for fire control design review after the construction project is completed. The construction entity of other construction projects must complete the filing with the competent authorities responsible for the inspection and acceptance for fire control design review within five business days after passing the construction completion inspection and acceptance. If the construction entity fails to pass the fire safety inspection before such construction project is put into use or fails to conform to the fire safety requirements after such inspection, it will be subject to orders to suspend the construction of projects, use of such projects, or operation of relevant business, and a fine.

REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Patent Law

According to the Patent Law of the PRC (《中華人民共和國專利法》) which took effect on June 1, 2021, and the Implementation Rules of Patent Law of the PRC (《中華人民共和國專利法實施細則》) which came into effect on January 20, 2024, the patent administration department under the State Council is responsible for patent administration nationwide. The patent administration departments of the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government are responsible for patent administration within their respective jurisdictions. The PRC patent system adopts a first-to-file principle, which means that when more than two persons file different patent applications for the same invention, only the person who files the application first is entitled to obtain a patent for the invention. A patent is valid for twenty years in the case of an invention, ten years in the case of utility models and fifteen years in case of designs, all calculated from the date of filing the application.

Copyright

The Copyright Law of the PRC (《中華人民共和國著作權法》) (the “Copyright Law”), which was promulgated on September 7, 1990 and amended in 2001, 2010 and 2020, provides that Chinese citizens, legal persons, or other organizations own copyright for their works (whether published or not), which include, among others, works of literature, art, natural science, social science, engineering technology, and computer software. Copyrights include personal rights such as the right of publication and right of authorship, as well as property rights such as the right of reproduction and the right of distribution. Copyright protection has been extended to Internet activities, products distributed over the Internet, and software products. Unless otherwise provided in the Copyright Law, reproducing, distributing, performing, projecting, broadcasting or compiling a work or communicating the same to the public via an information network without permission from the owner of the copyright therein, will constitute infringement of copyrights. An infringer of copyrights is subject to various civil liabilities, which include ceasing infringement activities, eliminating the impact of infringement, apologizing to the copyright owners, and compensating the loss of the copyright owners. In addition, according to the Copyright Law, authors and other copyright owners may complete the registration of their works with a registration agency recognised by the State copyright authority.

According to the Regulations on the Protection of Computer Software (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991, and most recently amended on January 30, 2013 and taken into effect on March 1, 2013, computer software must be developed independently by the developer and must be already in a material form. Chinese citizens, legal persons, or other organizations own copyright for the software developed by them (whether published or not) under the regulations. Copyright owners of software may complete the registration with a software registration agency recognised by the copyright authority of the State Council. The registration certificates issued by the software registration agency serve as the preliminary proof of the registered matters.

According to the Measures for Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) (partially amended in 2004) issued and implemented by the National Copyright Administration on February 20, 2002, the applicant for the registration of software copyright shall be the copyright owner of the said software and the natural person, legal person or other organisation that inherits, acquires or receives the software copyright. The National Copyright Administration is in charge of the management of software copyright registration nationwide, and the National Copyright Administration recognizes the Copyright Protection Center of China as a software registration institution.

Trademark Rights

According to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982, last amended on April 23, 2019 and effective from November 1, 2019, and the Implementation Regulations of the Trademark Law of the PRC

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(《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002, last amended on April 29, 2014 and effective on May 1, 2014, in China, registered trademarks include commodity trademarks, service trademarks, collective marks and certification marks.

The Trademark Office of China National Intellectual Property Administration is responsible for trademark registrations and management in China. The registered trademark is valid for a term of 10 years. Trademarks are renewable every ten years where a registered trademark needs to be used after the expiration of its validity term. A registration renewal application must be filed within twelve months prior to the expiration of the term. A trademark registrant may license its registered trademark to another party by entering into a trademark license contract. Trademark license agreements must be filed with the Trademark Office to be recorded. The licensor must supervise the quality of the commodities on which the trademark is used, and the licensee must guarantee the quality of such commodities. China has adopted a “first come, first file” principle with respect to trademark registration. Where the trademark for which a registration application has been made is identical with or similar to another trademark which has already been registered or been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Any person applying for the registration of a trademark may not prejudice the existing right first obtained by others, nor may any person register in advance a trademark that has already been used by another party and has already gained a “sufficient degree of reputation” through such party’s use. Using a trademark that is identical with or similar to a registered trademark with respect to the same kind of or similar commodities without the authorization of the trademark registrant constitutes an infringement of the exclusive right to use a registered trademark. The infringer shall, in accordance with the regulations, undertake to cease the infringement, take remedial action, and pay damages, etc.

Domain Names

According to the Administration Measures for Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and effective on November 1, 2017, the MIIT is in charge of the administration of Internet domain names in China. The registration of domain names follows a “first come, first file” principle, unless otherwise stipulated by the corresponding implementation rules for domain name registration. The registration of domain names is handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

REGULATIONS ON FOREIGN EXCHANGE CONTROL

Pursuant to the Regulations on the Management of Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996 and most recently amended and effective on August 5, 2008, China’s foreign exchange transactions can be categorized into current account items (such as trade-related receipts and payments, and payment of interest and dividends) and capital account items (such as direct equity

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investments, loans, and repatriation of investment). Funds under either current or capital account items may only be remitted in or out through foreign exchange transactions (such as settlement or purchase) after obtaining necessary approvals and passing reasonable reviews.

According to the Notice of the SAFE on Further Improving and Adjusting Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知》) promulgated on November 19, 2012, came into effect on December 17, 2012 and further amended on May 4, 2015, in order to deepen the reform of the foreign exchange administration system, simplify the administrative approval procedures and promote investment and trade facilitation, the SAFE decided to improve foreign exchange administration for direct investment by repealing or adjusting certain administrative approval items for foreign exchange administration in direct investment, including but not limited to cancellation of approval for the opening of a foreign exchange account or the entry of any amount in the foreign exchange account under direct investment.

On February 13, 2015, the SAFE issued the Notice of the SAFE on Further Simplifying and Improving the Policies for Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (partially abolished in December 2019), which came into effect on June 1, 2015. Pursuant to the notice, the SAFE cancels the administrative approvals of foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment, simplifies certain procedures for handling foreign exchange transactions under direct investment, and banks will directly review and handle foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment.

On May 11, 2013, the SAFE issued the Provisions on the Foreign Exchange Administration of Domestic Direct Investment by Foreign Investors (《外國投資者境內直接投資外匯管理規定》), which became effective on May 13, 2013, amended on October 10, 2018 and partially abolished on December 30, 2019. According to the regulations, the SAFE and its local branches shall manage the direct investment by foreign investors in China by way of registration, and banks shall handle the foreign exchange business under direct investment in the PRC based on the registration information provided by the SAFE or its branches.

On December 26, 2014, the SAFE promulgated and implemented the Notice on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《關於境外上市外匯管理有關問題的通知》). According to the notice, a domestic company shall, within 15 business days after the completion of its overseas listing and issuance, go through the registration of overseas listing with the Administration of Foreign Exchange at the place of its registration. After the overseas listing of a domestic company, a domestic shareholder intending to increase or reduce his holding of shares of the overseas listed company in accordance with relevant provisions shall register his overseas shareholding with the local Administration of Foreign Exchange at the place where he resides within 20 working days before the increase and reduction of shares.

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On March 30, 2015, the SAFE promulgated the Notice of the SAFE on Reforming the Management Method for the Settlement of Foreign Exchange Capital of Foreign-Invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》), which came into effective on June 1, 2015 and was partially abolished on December 30, 2019 and March 23, 2023. According to the notice, foreign-invested enterprises could settle their foreign exchange capital on a discretionary basis based on the actual needs of their business operations. In addition, according to the Notice of the SAFE on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), which was promulgated and implemented by the SAFE on June 9, 2016 and partially amended on December 4, 2023, discretionary foreign exchange settlement applies to foreign exchange capital funds, foreign debt and repatriated funds from overseas listing, and the corresponding RMB capital from foreign exchange settlement may not be used to extend loans to non-related enterprises, except for the circumstances explicitly permitted by the business scope.

The SAFE promulgated and implemented the Notice on Further Promoting the Reform of Foreign Exchange Control and Improving Authenticity and Compliance Verification (《關於進一步推進外匯管理改革完善真實合規性審核的通知》) on January 26, 2017, which stipulates several capital control measures with respect to outbound remittance of profits from domestic entities to offshore entities, including the following: (1) when handling outward remittance of profits equivalent to more than USD50,000 (exclusive) for a domestic institution, banks shall, under the principle of genuine transaction, check board resolutions regarding profit distribution (or partners resolutions regarding profit distribution), the original version of tax filing records and audited financial statements; and (2) domestic institutions shall hold income to account for previous years' losses before remitting the profits. Moreover, according to the notice, domestic institutions shall make detailed explanations of the source of investment funds and the usage of the funds (utilization plan), and provide board resolutions (partners resolutions), contracts and other proof of authenticity.

On October 23, 2019, the SAFE promulgated the Notice on Further Facilitating Cross-Board Trade and Investment (《關於進一步促進跨境貿易投資便利化的通知》) which became effective on the same date (except for Article 8 Paragraph 2, which became effective on January 1, 2020, and partially amended on December 4, 2023). According to the notice, non-investment foreign-invested enterprises are permitted to make domestic equity investments with their capital funds under the condition that the prevailing Special Administrative Measures for the Access of Foreign Investment (Negative List) are not violated and the relevant domestic investment projects are true and compliant; restrictions on the use of funds for foreign exchange settlement of domestic accounts for the realization of assets have been removed and restrictions on the use and foreign exchange settlement of foreign investors security deposits have been relaxed; under the prerequisite of ensuring true and compliant use of funds and complying with the prevailing administrative provisions on use of income under the capital account, eligible enterprises in the pilot area are also allowed to use income under the capital account, such as capital funds, foreign debt, and proceeds from overseas listing, for domestic payment without the need of providing materials to the bank in advance for authenticity verification on an item by item basis.

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Pursuant to the Circular on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《關於優化外匯管理支持涉外業務發展的通知》) promulgated by the SAFE on April 10, 2020 which came into effect on 1, June 2020, under the prerequisite of ensuring true and compliant use of funds and complying with the prevailing administrative provisions on use of income under the capital account, eligible enterprises are allowed to use income under the capital account, such as capital funds, foreign debt, and proceeds from overseas listing, for domestic payment without the need of providing materials to the bank in advance for authenticity verification on an item by item basis.

On December 4, 2023, the SAFE issued and implemented the Notice on Further Deepening Reforms to Facilitate Cross-Board Trade and Investment (《關於進一步深化改革促進跨境貿易投資便利化的通知》), which provides that the equity transfer consideration funds in foreign currency received by a domestic equity transferor (including institutions and individuals) from domestic entities, as well as the foreign exchange funds raised by domestic enterprises through overseas listing, may be directly remitted to the settlement account of capital accounts. Funds in the settlement account of capital accounts may be settled and used at discretion.

The Guidelines for Foreign Exchange Business under Capital Accounts (2024 Edition) (《資本項目外匯業務指引(2024年版)》), which was issued by the SAFE on April 3, 2024 and came into effect from May 6, 2024, stipulates that the funds raised by domestic enterprises through overseas listing shall, in principle, be repatriated to China in a timely manner, either in RMB or foreign currency.

REGULATIONS ON OVERSEAS DIRECT INVESTMENT

According to the Provisions on the Foreign Exchange Administration of Overseas Direct Investment by Domestic Institutions (《境內機構境外直接投資外匯管理規定》), which was promulgated by the SAFE on July 13, 2009 and came into effect on August 1, 2009, enterprises in mainland China may apply for foreign exchange registration for overseas direct investment after obtaining approval for overseas investment. In addition, according to the Notice on Further Simplifying and Improving the Policies for Foreign Exchange Administration of Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》), which was promulgated by the SAFE on February 13, 2015 and came into effect on June 1, 2015, the administrative approval for foreign exchange registration for overseas direct investment has been canceled, and banks are entitled to directly review and conduct the foreign exchange registration for overseas direct investment.

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) which was issued by the MOFCOM on September 6, 2014 and became effective from October 6, 2014, the MOFCOM and competent commerce authorities at the provincial level shall subject the overseas investment of enterprises to filing or approval management based on the actual circumstances of the investment. Overseas investment involving sensitive countries or regions or sensitive industries shall be subject to approval management. Overseas investment under other circumstances shall be subject to filing management.

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Pursuant to the Administrative Measures for Overseas Investment by Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and took effect on March 1, 2018, the investing activities of enterprises in mainland China such as acquiring overseas ownerships, controlling rights, operating and management rights and other relevant interests by way of investing assets and interests or providing financing and guarantees to control its overseas enterprises, either directly or indirectly, are required to obtain approval or filing with the NDRC in accordance with the relevant conditions of the overseas investment projects. Overseas investment projects that involve sensitive countries and regions or sensitive industries shall be subject to approval management by the NDRC and non-sensitive overseas investment projects shall be subject to filing management. For non-sensitive projects of US\$300 million or above invested by local enterprises in mainland China or carried out by overseas enterprises controlled by them, the investors shall file with the NDRC and non-sensitive overseas investment projects, of which the investment amount of investors in mainland China is less than US\$300 million (exclusive) shall file with the provincial counterpart of the NDRC.

REGULATIONS ON IMPORTS AND EXPORTS

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) formulated by the SCNPC on May 12, 1994 and last amended on December 30, 2022, foreign trade operators engaged in the import and export of goods or technologies are not required to register with competent department of foreign trade under the State Council or its authorized institution. The competent department of foreign trade under the State Council or its authorized institution shall grant a license to the consignee or consignor who applies for automatic licensing prior to completing customs clearance formalities for imports and exports subject to automatic licensing. For the import and export of technologies that are subject to free import and export, the contract filing and registration with the competent department of foreign trade under the State Council or its authorized institution shall be completed.

According to the Customs Law of the PRC (《中華人民共和國海關法》) promulgated by the SCNPC on January 22, 1987 and amended and implemented on April 29, 2021, the Customs of the People's Republic of China serves as the state's entry and exit customs supervision and administration authority. The Customs shall exercise its jurisdiction in all aspects in accordance with relevant laws and administrative regulations, including the supervision of inbound and outbound vehicles, goods, baggage items, postal items and other items, the assessment and collection of customs duties and other taxes and fees, the detection and prevention of smuggling, the preparation of customs statistics and the handling of other customs business.

In addition, pursuant to the Provisions of the Customs of the PRC on the Administration of Registration of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs on November 19, 2021 and effective from January 1, 2022, "customs declaration entities" refer to the consignees or consignors of imported or exported goods or customs declaration enterprises officially

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registered at the Customs. An enterprise applying for registration shall obtain the market entity qualification. The registration of customs declaration entities shall remain valid indefinitely, while a temporary registration is valid for 1 year and may be renewed upon expiration.

According to the Law of the PRC on Import and Export Commodity Inspection (《中華人民共和國進出口商品檢驗法》) promulgated by the SCNPC on February 21, 1989 and last amended and implemented on April 29, 2021 and the Regulations for the Implementation of the Law of the PRC on Import and Export Commodity Inspection (《中華人民共和國進出口商品檢驗法實施條例》) promulgated by the State Council on August 31, 2005, last amended on March 29, 2022 and effective on May 1, 2022, the exit and entry inspection and quarantine institutions shall conduct inspection on the import and export commodities listed in the Catalog and other import and export commodities subject to exit and entry inspection and quarantine as prescribed by laws and administrative regulations. The exit and entry inspection and quarantine institutions shall conduct a random inspection of the import and export commodities not covered by the aforementioned inspections in accordance with the state provisions. Import goods subject to statutory inspection shall not be sold or used without undergoing inspection. Export goods subject to inspection shall not be exported if they have not been inspected or fail to pass the inspection.

REGULATIONS ON TAXATION

Enterprise Income Tax

On March 16, 2007, the NPC promulgated the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “Enterprise Income Tax Law”), which was amended on February 24, 2017 and December 29, 2018. On December 6, 2007, the State Council enacted the Regulations for the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), which became effective on January 1, 2008 and amended on April 23, 2019 and December 6, 2024. Under the Enterprise Income Tax Law and the relevant implementation regulations, “resident enterprises” are defined as enterprises that are established in China in accordance with PRC laws, or that are established in accordance with the laws of foreign countries but whose actual management is conducted within China. Resident enterprises are subject to enterprise income tax on their income derived from both within and outside China. “Non-resident enterprises” are defined as enterprises that are established under the laws of foreign countries and whose actual management is conducted outside China, but have established institutions or premises in China, or have no such established institutions or premises but have income generated from inside China. An enterprise income tax rate of 25% is applied. However, if non-resident enterprises have not established institutions or premises in China, or if they have established institutions or premises in China but there is no actual relationship between the relevant income derived in China and the established institutions or premises set up by them, enterprise income tax is set at the rate of 20% with respect to their income sourced from inside the PRC. High-tech enterprises that require key state support are subject to a reduced enterprise income tax rate of 15%.

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Value-Added Tax

According to the Provisional Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例》), which was promulgated by the State Council on December 13, 1993, effective on January 1, 1994 and last amended on November 19, 2017, and the Detailed Rules for the Implementation of the Provisional Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》), which was promulgated by the MOF and the SAT on December 25, 1993 and effective on the same day, and last amended on October 28, 2011 and effective on November 1, 2011, all enterprises and individuals engaged in the sale of goods, provision of processing, repair and replacement services, sales of services, intangible assets, real property, and the import of goods within the PRC territory are VAT taxpayers and subject to value-added tax.

China's value-added tax rate has undergone multiple reforms: (1) According to the Provisional Regulations on Value-Added Tax of the PRC, unless otherwise stipulated, the tax rate is 17% for taxpayers engaged in the sale of goods, provision of labour services, or tangible movable property leasing services or import of goods; the tax rate is 11% for taxpayers engaged in sales of transportation, postal, basic telecommunications, construction, or immovable leasing services, sales of immovables, transfer of land use rights, or sales or import of specific goods; the tax rate is 6% for taxpayers selling services or intangible assets, unless otherwise specified. (2) According to the Notice on Adjusting Value-added Tax Rate (《關於調整增值稅稅率的通知》) promulgated by the MOF and the SAT on April 4, 2018, the original tax rates of 17% and 11% applicable to taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10% respectively, and the adjustment came into effect from May 1, 2018. (3) Pursuant to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》) jointly promulgated by the MOF, the SAT and the General Administration of Customs of the PRC on March 20, 2019, the original tax rates of 16% and 10% applicable to taxpayers who have VAT taxable sales activities or imported goods are adjusted to 13% and 9% respectively, and the adjustment came into effect from April 1, 2019.

On December 25, 2024, the SCNPC promulgated the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》), which will take effect on January 1, 2026. Upon its implementation, the Provisional Regulations on Value-Added Tax of the PRC will be repealed simultaneously.

Consumption Tax

According to the Interim Regulations of the PRC on Consumption Tax (《中華人民共和國消費稅暫行條例》), which was promulgated by the State Council on December 13, 1993, amended on November 10, 2008 and effective on January 1, 2009, and the Detailed Rules for the Implementation of the Interim Regulations of the PRC on Consumption Tax (《中華人民共和國消費稅暫行條例實施細則》), which was promulgated by the MOF and the SAT on December 15, 2008 and effective on January 1, 2009, entities and individuals that produce, process upon commission and import the consumption goods prescribed in the Interim

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Regulations of the PRC on Consumption Tax within the territory of the PRC, as well as entities and individuals designated by the State Council that sell consumption goods prescribed in this Regulations are the taxpayers of consumption tax who shall pay consumption tax.

Urban Maintenance and Construction Tax and Education Surcharge

According to the Urban Maintenance and Construction Tax Law of the PRC (《中華人民共和國城市維護建設稅法》) promulgated by the SCNPC on August 11, 2020, and effective on September 1, 2021, the entities and individuals that pay value-added tax and consumption tax within the territory of the PRC are the taxpayers of urban maintenance and construction tax and shall pay the urban maintenance and construction tax. Urban maintenance and construction tax are calculated based on the actual amount of value-added tax and consumption tax paid by the taxpayer according to the law. The urban maintenance and construction tax shall be paid on the basis of net of the amount of VAT refunded by the end-of-period tax credit rebate in accordance with relevant regulations. No urban maintenance and construction tax shall be levied on the value-added tax and consumption tax paid for the imported goods or for the sales of labor services, services and intangible assets in China by overseas entities or individuals. Urban maintenance and construction tax rates are as follows: (1) If the taxpayer is located in an urban area, the tax rate is 7%; (2) If the taxpayer is located in a county or town, the tax rate is 5%; (3) If the taxpayer is not located in the urban area, county or town, the tax rate is 1%.

According to the Provisional Regulations on the Collection of Education Surcharge (《徵收教育費附加的暫行規定》) promulgated in 1986 and last amended and implemented on January 8, 2011, the entities and individuals that pay consumption tax, value-added tax and business tax, except entities that pay the rural education surcharge, shall pay education surcharge. The education surcharge is calculated based on the actual amount of value-added tax, business tax and consumption tax paid by each entity and individual, and the education surcharge rate is 3%, which is paid at the same time as value-added tax, business tax and consumption tax, respectively.

Stamp Duty

In accordance with the Stamp Tax Law of the PRC (《中華人民共和國印花稅法》) promulgated by the SCNPC on June 10, 2021 and came into effect on July 1, 2022, entities and individuals that issue taxable certificates and conduct securities transactions within the territory of PRC are the taxpayers of stamp duty and shall pay the stamp duty. Entities and individuals who issue taxable certificates and conduct securities transactions outside the territory of the PRC to be used within the territory of the PRC are also subject to stamp duty. The taxable certificates include written contracts (such as loan contracts, financial leasing contracts, purchase and sales contracts, work contracts, construction project contracts, transportation contracts, technology contracts, lease contracts, warehousing contracts, custody contracts, property insurance contracts, etc.), property rights transfer certificates, business accounting books, securities transactions, and others.

REGULATORY OVERVIEW

Transfer Pricing

During the Track Record Period, our PRC subsidiaries exported vehicle parts to our Indonesian subsidiaries, the transaction amounts of which were immaterial. Moreover, given the Annual Contemporaneous Documentation for the Related-party Transactions prepared by tax adviser for the PRC subsidiary, the related-party transactions of the PRC subsidiary are in line with arm's length principle.

REGULATIONS ON DIVIDEND DISTRIBUTION

Profit Distribution System

The principal laws and regulations regulating the distribution of dividends by foreign-invested enterprises in China include the Company Law of the PRC (《中華人民共和國公司法》), the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) and the Implementation Rules for the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》). Under the current regulatory regime in China, foreign-invested enterprises in China may pay dividends only out of their undistributed profits determined in accordance with PRC accounting standards and regulations. After distributing the after-tax profits for the year, PRC companies (including foreign-invested enterprises) shall set aside 10% of their after-tax profits as the statutory reserve fund. When the aggregate balance in the statutory reserve fund reaches 50% or more of a company's registered capital, the company need not make any further allocations to that fund. Where the statutory reserve fund of a company is not enough to make up its losses for the preceding year, the current year's profits shall be used first to make up the losses before being allocated to the preceding statutory reserve fund. Subject to a resolution of the shareholders' general meeting, after allocation has been made to a company's statutory reserve fund from its after-tax profits, the company may set aside funds for the discretionary reserve fund.

According to the Foreign Investment Law of the PRC, the capital contributions, profits, capital gains, proceeds out of asset disposal, licensing fees of intellectual property rights, indemnity or compensation legally obtained, or proceeds received upon settlement by foreign investors within China, may be freely remitted inward and outward in RMB or a foreign currency.

Dividend Withholding Tax

According to the Reply on the Imposition of Enterprise Income Tax on Dividends of B Shares and Other Shares Received by Non-resident Enterprises (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》), which was promulgated and implemented by the SAT on July 24, 2009, PRC resident enterprises that publicly issue and list shares (A shares, B shares or overseas shares) on stock exchanges in or outside the PRC shall withhold enterprise income tax at a rate of 10% on dividends of 2008 and thereafter distributed to non-resident enterprise shareholders. Non-resident enterprise shareholders entitled to preferential tax treatment shall make registration in accordance with the relevant provisions of the tax treaties.

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According to the Notice on Tax Policies Concerning the Pilot Program of Shanghai-Hong Kong Stock Connect (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) issued by the MOF, the SAT and the CSRC on October 31, 2014 and implemented on November 17, 2014, (1) for dividends received by domestic individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the H share companies shall apply to China Securities Depository and Clearing Corporation Limited (“CSDC”) for the provision of a register of domestic individual investors from CSDC to the H share companies, based on which the H share companies shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. Individual investors who have paid the withholding tax abroad may apply for a tax credit with the competent tax authorities under CSDC with a valid tax deduction certificate. Dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect shall be subject to the individual income tax as mentioned above. (2) Dividends received by domestic enterprise investors from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall be included in their total income and shall be subject to the enterprise income tax according to law. Dividends received by domestic resident enterprises which have been holding the H shares continuously for no less than 12 months shall be exempted from the enterprise income tax according to law.

Pursuant to the Arrangement Between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), if the beneficial owner of the dividends is a company directly owning at least 25% of the capital of the company which pays the dividends, the tax levied shall not exceed 5% of the total dividends. In other circumstances, the tax levied shall not exceed 10% of the total dividends.

REGULATIONS ON LABOR

Labor Law and Labor Contracts

According to the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated by the SCNPC on July 5, 1994 and last amended on December 29, 2018 and took effect on the same day, employers are required to ensure workplace safety and health in accordance with national laws and regulations, provide relevant training to their employees, prevent accidents during work and reduce occupational hazards.

According to the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007, last amended on December 28, 2012 and effective on July 1, 2013, a written labor contract must be concluded if a labor relationship is to be established; Where an employee’s remuneration is below the local minimum wage standard, the employer shall pay the difference.

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Social Insurance and Housing Provident Funds

In accordance with the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) issued by the SCNPC on October 28, 2010, last amended on December 29, 2018 and became effective on the same day, as well as other relevant provisions, an employee shall participate in five types of social insurance funds, including pension insurance, medical insurance, unemployment insurance, maternity insurance and work-related injury insurance. The premiums for maternity insurance and occupational injury insurance are paid by the employer, while the premiums for pension insurance, medical insurance and unemployment insurance are paid by both the employer and the employee. Employers shall apply for completion of social security registration with the local social security agency within 30 days from the date of incorporation with their business license, registration certificate or corporation seal. Employers shall apply for completion of social security registration with the local social security agency for their employees within 30 days from the date of employment.

In accordance with the Regulation on the Administration of Housing Provident Funds (《住房公積金管理條例》) issued by the State Council on April 3, 1999, last revised on March 24, 2019, and became effective on the same day, an employer shall register with the competent managing center for housing provident funds and contribute to the housing provident funds for its employee. Where an employer fails to pay up housing provident funds within the prescribed time limit, the employer may be ordered to make payment within a certain period, where the payment has not been made after the expiration of the time limit, an application may be made to the court for compulsory enforcement.

REGULATIONS ON ANTI-MONOPOLY AND ANTI-UNFAIR COMPETITION

Anti-Monopoly

According to the Anti-Monopoly Law of the PRC (《中華人民共和國反壟斷法》) (the “Anti-Monopoly Law”) which was promulgated by the SCNPC on August 30, 2007, came into effect on August 1, 2008 and last amended on June 24, 2022, the prohibited monopolistic acts include monopoly agreements, abuse of a dominant market position and concentration of undertakings that may have the effect to eliminate or restrict competition.

According to the provisions of the Anti-Monopoly Law, “monopoly agreements” refer to agreements, decisions or other concerted practices that eliminate or restrict competition. Unless the exemption conditions stipulated in the Anti-Monopoly Law are met, competing business operators, as well as operators and their trading counterparts, are prohibited from reaching monopoly agreements as defined by the Anti-Monopoly Law, such as agreements for fixing or altering prices of goods, agreements for limiting the production or sales volume of goods, agreements for dividing the sales market or the raw materials procurement market, agreements for fixing the price of goods for resale to third parties, etc. An operator shall also not organize other operators to reach monopoly agreements or provide substantive assistance to other operators to reach monopoly agreements.

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Pursuant to the Anti-Monopoly Law, “abuse of a dominant market position” means that an operator with a dominant market position engages in practices of abuse of dominant market position, including (1) selling products at unfairly high or purchasing at unfairly low prices; (2) selling products at a price lower than cost without just cause; (3) refusing to conduct transactions with the counterparty without just cause, and other four practices prohibited by the Anti-Monopoly Law. Among them, “dominant market position” shall refer to a position where an operator may control the prices of commodities, their quantity, and other terms of transaction within relevant markets, or obstruct or otherwise affect the entrance of other operators into relevant markets. The SAMR promulgated the Provisions on the Prohibition of Abuse of Market Dominant Position (《禁止濫用市場支配地位行為規定》) on March 10, 2023, which took effect on April 15, 2023, to further prevent and stop the abuse of market dominant position.

Pursuant to the Anti-Monopoly Law, the “concentration of undertakings” refers to: (1) a merger of undertakings; (2) acquisition of control over other undertakings by acquiring equities or assets; or (3) acquisition of control over, or the possibility of exercising decisive influence on, other undertakings by contract or by any other means. Where a concentration of undertakings reaches the declaration threshold stipulated by the State Council, a declaration must be made to the anti-monopoly law enforcement authorities under the State Council in advance. If a declaration is not made, the concentration may not be carried out. Where a concentration of undertakings does not reach the declaration threshold stipulated by the State Council, but there is evidence that the concentration of undertakings has or may have the effect of excluding or limiting competition, the anti-monopoly law enforcement authorities under the State Council may order the operators to file the concentration of undertakings. Where one of the following is the case relevant to the concentration of undertakings, declaration to the anti-monopoly law enforcement authorities under the State Council is not required: (1) one of the parties to the concentration of undertakings holds 50% or more assets or shares with voting rights in each of the other operators; or (2) 50% or more assets or shares with voting rights in each of the parties to the concentration of undertakings are held by the same operator which is not a party to the concentration.

Anti-Unfair Competition

Pursuant to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) (the “Anti-Unfair Competition Law”) promulgated by the SCNPC on September 2, 1993, last amended and came into effect on April 23, 2019, “act of unfair competition” means the act of a business operator of disrupting the order of market competition and causing damage to the lawful rights and interests of other business operators or consumers in its production or distribution activities, in violation of this Law. Among them, “operators” refers to natural persons, legal persons and unincorporated organizations engaged in the production or sale of goods or provision of services (goods as referred hereinafter include services). According to the provisions of the Anti-Unfair Competition Law, operators: (1) shall not engage in misleading commercial practices; (2) shall not bribe the following entity or individual by offering money or assets or other means; (3) shall not affect commercial promotions for the performance, functions, quality, sales status, users’ comments or honor received in respect of

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their products in a false or misleading manner, attempting to cheat or mislead consumers, or help other operators to carry out false or misleading commercial publicity by organizing false transactions or other means; (4) shall not commit acts of infringement of trade secrets; (5) shall not fabricate or disseminate any false or misleading information to harm the credit standing of competitors or the reputation of competitors' commodities. In addition, operators conducting prize-based sales or engaging in production and business activities via the internet should also comply with the relevant provisions of the Anti-Unfair Competition Law.

REGULATIONS ON SECURITIES AND OVERSEAS LISTINGS

Securities Laws and Regulations

The Securities Law of the People's Republic of China, which was promulgated by the SCNPC on December 29, 1998, and was latest amended on December 28, 2019 and took effect on March 1, 2020, comprehensively regulating activities in the PRC securities market including issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of securities regulatory authorities, etc. The Securities Law further regulates that a domestic enterprise issuing securities overseas directly or indirectly or listing their securities overseas shall comply with the relevant provisions of the State Council. The CSRC is the securities regulatory body set up by the State Council to supervise and administer the securities market according to law, and maintain order in the market. Currently, the issue and trading of H shares are principally governed by the laws, regulations, rules and normative documents promulgated by the State Council and the CSRC.

Overseas Listing filings

On February 17, 2023, the CSRC issued the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies" (《境內企業境外發行證券和上市管理試行辦法》) together with regulatory rules and applicable guidelines, which took effect on March 31, 2023, implementing unified filing management for direct and indirect overseas issuance and listing of securities by domestic enterprises, and the issuer shall perform filing procedures and report relevant information to the securities regulatory authority under the State Council. The issuer that seeks to list its securities in overseas markets directly is required to file the application documents for overseas offering and listing with the CSRC within three working days after its submission of the application. It is also stipulated that no overseas offering and listing shall be made by domestic enterprises under any of the following circumstances: (1) it is clearly prohibited from listing for financing by national laws, administrative regulations and relevant provisions; (2) overseas offering or listing will threaten or jeopardize national security as reviewed and determined by the relevant competent authorities of the State Council in accordance with the law; (3) the domestic enterprises and their controlling shareholders, de facto controllers have committed corruption, bribery, embezzlement, misappropriation of property or criminal offences that disrupted the socialist market economic order within the last three years, or are being investigated by judicial authorities because of suspected crime, or being investigated for material violations or

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incompliance with laws and regulations; (4) the domestic enterprises are being investigated according to law because of suspected crime or material violations of laws and regulations and no explicit conclusion or opinion has yet been made thereof; (5) there are material ownership disputes over equity held by the controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller.

The major laws, regulations, regulatory documents and regulatory policies in Indonesia that affect our business operations are listed below:

REGULATIONS ON BUSINESS LICENSES OF INDUSTRIAL PROJECTS IN INDONESIA

In general, every party conducting industrial activities must have an industrial business license, as stipulated in the Government Regulation (“**GR**”) No. 107 of 2015 on Industrial Business License (“**GR No. 107/2015**”). Meanwhile, an industrial company is defined as any party who carries out activities in the field of industrial business domiciled in Indonesia.

In Indonesia, Seres Group Co. Ltd (the “**Company**”) operates through two Indonesian subsidiaries, namely, PT Sokonindo Automobile (“**PTSA**”) and PT Yuan Powertrain Indonesia (“**PTYP**”) (hereinafter collectively referred to as the “**Indonesian Companies**”). Pursuant to GR No. 5 of 2021 on the Implementation of Risk-Based Business Licensing (“**GR No. 5/2021**”), business activities are classified into:

- (1) Low-risk business activities;
- (2) Medium risk business activities, which consist of (i) Medium-Low risk business activities and (ii) Medium- High business activities; and
- (3) High-risk business activities.

The classification of risk above will determine the required licenses for the business activity of the Indonesian Companies.

The application of the licenses would be subject to the Risk Based Approach (“**RBA**”) licensing regime.

(a) PTSA

Based on PTSA Business Identification Number (“**NIB**”) No. 8120008863219 issued by the Online Single Submission RBA (“**OSS-RBA**”) dated 31 August 2018, the effective business activities of PTSA are as follows:

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Indonesia Standard Industrial Classification/Klasifikasi Baku Lapangan usaha Indonesia (“KBLI”) Number	Risk Level	Business Licensing
(KBLI 29101) — Industry of Four or More- Wheeled Motor Vehicles	Medium-high	NIB and Standard Certificate
(KBLI 45301) — Wholesale Trade of Automobile Spare parts and Accessories . .	Low	NIB

Since PTSA’s business activities fall under the category of medium-high and low, there is a requirement for additional business licenses apart from the NIB. In addition, it is important to note for conducting certain supporting activities, the relevant ministries or agencies may request to acquire Business Licensing to Support Business Activities (*Perizinan Berusaha Untuk Menunjang Kegiatan Usaha* or “**PBUMKU**”) if they deem it necessary either before or after the operational and/or commercial phases of the business activities commence.

Based on the above, PTSA has obtained the Industrial Business License of Foreign Investment Company No. 357/1/IU/PMA/2017 dated 30 March 2017 and Industrial Business License dated 11 March 2020 issued by OSS. Both of these licenses have fulfilled the commitment and is effective as long as PTSA carries out its business and/or activities in accordance with the provisions of the prevailing laws and regulations in Indonesia.

(b) PTYP

Based on PTYP’s NIB No. 9120202602484 issued by the OSS-RBA dated 28 June 2019, the effective business activities of PTYP are as follows:

Indonesia Standard Industrial Classification/KBLI Number	Risk Level	Business Licensing
(KBLI 28199) — Manufacture of Machinery for Other General Purposes which cannot be Classified Elsewhere	Medium-low	NIB and Standard Certificate
(KBLI 45201) — Car Repair	Medium-low	NIB and Standard Certificate
(KBLI 45301) — Wholesale of Car Spare Parts and Accessories	Low	NIB
(KBLI 46599) — Wholesale of Other Machinery, Appliances and Equipment . . .	Medium	NIB
(KBLI 29300) — Manufacture of Spare Parts and Accessories for Four-Wheeled or More Motor Vehicles	Medium-high	NIB and Standard Certificate
(KBLI 52101) — Warehousing and Storage as a supporting activity	Low	NIB

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Since PTYP's business activities fall under the category of medium-high, medium-low, and low, there is a requirement for additional business licenses apart from the NIB. In addition, it is important to note for conducting certain supporting activities, the relevant ministries or agencies may request to acquire PBUMKU if they deem it necessary either before or after the operational and/or commercial phases of the business activities commence.

Based on the above, PTYP has obtained:

- (1) Industrial Business License dated 28 June 2019 issued by OSS for KBLI 28199 — Manufacture of Machinery for Other General Purposes which cannot be Classified Elsewhere;
- (2) Trading Business License dated 28 June 2019 issued by OSS for KBLI 45201 — Car Repair and KBLI 45301 — Wholesale of Car Spare Parts and Accessories;
- (3) Trading Business License dated 28 June 2019 issued by OSS for KBLI 46599 — Wholesale of Other Machinery, Appliances and Equipment; and
- (4) Industrial Business License dated 28 June 2019 issued by OSS for KBLI 29300 — Manufacture of Parts and Accessories of Motor Vehicles with Four or More Wheels.

Currently, PTYP operates its business solely under KBLI 29300 (Manufacture of Parts and Accessories of Motor Vehicles with Four or More Wheels). The other KBLIs have not yet been applied for by PTYP. These licenses have fulfilled the commitment and is effective as long as PTYP carries out its business and/or activities in accordance with the provisions of the prevailing laws and regulations in Indonesia.

REGULATIONS ON LAND USE RIGHTS IN INDONESIA

Land use rights in Indonesia are governed primarily by the Basic Agrarian Law (Law No. 5 of 1960 on Basic Provisions on Agrarian Principles, or the “**Agrarian Law**”), as further implemented through various government regulations and ministerial decrees. Under Indonesian law, the state retains ultimate ownership of all land, while individuals and entities may acquire specific rights to use, cultivate, or build upon land, collectively referred to as *Hak Atas Tanah* or Land Rights. These rights include, among others, the Right of Ownership (*Hak Milik*), Right to Build (*Hak Guna Bangunan* or “**HGB**”), Right to Cultivate (*Hak Guna Usaha*), and Right of Use (*Hak Pakai*).

For commercial activities, particularly those involving foreign investment or corporate use, the most commonly utilized land right is HGB. HGB grants the holder the right to construct and own buildings on land that is not owned by the holder, for an initial period of up to 30 years, extendable for an additional 20 years.

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Land rights in Indonesia must be registered with the local office of the National Land Agency (*Badan Pertanahan Nasional* or “**BP**N”) and are evidenced by a land title certificate. The transfer, encumbrance, or renewal of land rights must be executed before a Land Deed Official (*Pejabat Pembuat Akta Tanah* or “**PP**AT”) and registered with the local BPN office to be legally valid and enforceable against third parties.

Foreign individuals are generally restricted from holding land rights directly. However, foreign investment companies (*Penanaman Modal Asing* or “**PMA Companies**”) are permitted to hold certain land rights such as HGB, in accordance with prevailing laws and investment regulations. Additionally, land use by PMA Companies must comply with spatial planning regulations and may require the issuance of Location Permits and Land Use Rights Permits from relevant regional governments.

In addition to land use rights, land in Indonesia may also be utilized through lease arrangements (*sewa menyewa*), which are governed by the Indonesian Civil Code (*Kitab Undang-Undang Hukum Perdata*). A lease does not confer any real right (*hak atas tanah*) over the land, but grants the lessee contractual rights to use the land in accordance with the agreed terms. Lease terms are generally set out in a written contract between the lessor and the lessee, and notarization is advisable to strengthen legal enforceability, particularly for long-term leases.

For foreign entities or individuals who are not eligible to hold land use rights directly, lease arrangements are often used as a practical alternative to secure access to land. PMA Companies may lease land from third parties (including individuals or other companies), although such use remains subject to certain restrictions under prevailing laws, including spatial zoning regulations.

REGULATIONS ON THE DOMESTIC COMPONENT LEVEL (*TINGKAT KOMPONEN DALAM NEGERI*)/“TKDN” REQUIREMENTS IN INDONESIA

TKDN policy is a crucial policy tool implemented by the Indonesian government to promote the use of local content in various industries to reduce the country’s dependence on imports and boost domestic production capacity. The policy has several benefits for the Indonesian economy and has helped to create new jobs and improve the quality of domestic products.

However, the policy also faces challenges, including the need for domestic suppliers to meet the required standards and the increased production costs for manufacturers. The continued implementation and adaptation of the TKDN policy to changing economic conditions will be essential to ensure its continued effectiveness.

REGULATORY OVERVIEW

The implementation of the TKDN policy involves several steps, including the identification of industries and products covered by the policy, the determination of the percentage of local content required for each industry and product, and the establishment of mechanisms to monitor compliance with the policy. The Ministry of Industry and Trade is responsible for implementing the TKDN policy and monitoring compliance with its requirements.

The TKDN policy requires companies operating in Indonesia to prioritize the use a minimum percentage of domestic components in their products. The percentage of local content required varies depending on the industry and the specific product. For example, the automotive industry is required to have a minimum of 40% local content for battery-based four-wheeled electric vehicles up to year 2026, and the requirement gradually increases for years after. The policy also requires companies to submit a TKDN plan to the Ministry of Industry and Trade for approval before they can begin production. In cases where companies are unable to produce the components, they are also allowed to make imports of components through IKD (Incompletely Knock Down) or CKD (Completely Knock Down) system, although companies are required to gradually comply with the TKDN requirements, in line with the production capabilities of domestic manufacturing facilities for main and/or supporting components as required.

The TKDN policy covers several industries in Indonesia, including oil and gas, automotive, electronics, telecommunications, and textiles. These industries have been identified as critical to Indonesia's economic development, and the policy aims to promote their domestic production capacity.

REGULATIONS ON ENVIRONMENTAL PROTECTION IN INDONESIA

Environmental protection in Indonesia is governed by various laws, regulations, and decrees, with the overarching regulation being Law No. 32 of 2009 on Environmental Protection and Management, most recently amended by Law No. 6 of 2023 on the Determination of the GR in Lieu of Law No. 2 of 2022 as a Law ("**Job Creation Law**") (the "**Indonesian Environmental Law**"). Under the Indonesian Environmental Law and its implementing regulations, remedial and preventive measures, as well as sanctions (including the imposition of significant criminal penalties, fines, and the cancellation of concessions), may be enforced to address or prevent pollution resulting from operations. GR No. 22 of 2021 on the Implementation of Environmental Protection and Management regulates the management of specific materials and waste. This regulation mandates that companies producing waste categorized as hazardous and toxic materials must conduct waste storage in accordance with applicable regulations, including obtaining the required permits.

Indonesian Environmental Law as well as its implementing regulations, stipulate that certain business activities, a company whose business and/or activity brings significant impact to the environment as specified in the Environmental must obtain and maintain an Environmental Impact Analysis (*Analisis Mengenai Dampak Lingkungan* or "**AMDAL**"). Other businesses and/or actions that are not required to maintain an AMDAL as stipulated in

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the Environmental Law must conduct environmental management efforts and environmental monitoring efforts through the preparation of Environmental Management Efforts (*Upaya Pengelolaan Lingkungan* or “**UKL**”) and Environmental Monitoring Efforts (*Upaya Pemantauan Lingkungan* or “**UPL**”) documents (collectively as “**UKL/UPL Documents**”). Other businesses and/or actions that are not required to maintain UKL/UPL must maintain a Statement Letter of Undertaking of Environmental Management and Monitoring (*Surat Pernyataan Kesanggupan Pengelolaan dan Pemantauan Lingkungan Hidup* or “**SPPL**”).

Pursuant to the Indonesian Environmental Law, every business and/or activities that are required to obtain AMDAL or UKL-UPL must obtain an Environmental Permit (*Izin Lingkungan*) issued by the Minister of Environmental Affairs, relevant Governor, Mayor, or Regent (as applicable), in addition to the requirement to obtain an Environment Feasibility Decision for AMDAL or a recommendation on the UKL-UPL. However, the implementing regulation stipulates that every environmental document that has been approved prior to the enactment of implementing regulation shall be valid and deemed as equal as an environmental permit.

REGULATIONS ON CONSTRUCTION IN INDONESIA

Construction activities in Indonesia are regulated under a comprehensive legal framework consisting of various laws and government regulations, with the primary regulation being Law No. 2 of 2017 on Construction Services, as amended by the Job Creation Law. This framework is further implemented through GR No. 22 of 2020 on the Implementation of the Construction Services Sector, as amended by GR No. 14 of 2021.

Under Indonesian construction laws and regulations, all construction services (both construction work and consultancy) must be carried out by business entities or individuals holding a valid NIB and a Construction Services Business Entity Certificate (*Sertifikat Badan Usaha* or “**SBU**”) issued by the Ministry of Public Works and Housing or an authorized licensing system. Further, technical personnel involved in construction services must hold professional certifications recognized by the National Construction Services Development Board (*Lembaga Pengembangan Jasa Konstruksi* or “**LPJK**”).

Construction projects (particularly those that are large-scale, government-funded, or carried out by foreign-invested entities) are subject to tender and procurement requirements in accordance with Presidential Regulation (“**PR**”) No. 16 of 2018 on the Procurement of Government Goods and Services, as lastly amended by PR No. 46 of 2025, as well as sector-specific regulations. Foreign construction services business entities (*Badan Usaha Jasa Konstruksi Asing* or “**BUJKA**”) are permitted to perform work in Indonesia by way of establishing a PMA company or establishing a representative office. However, a BUJKA, through the said establishments, must form a joint operation (*Kerja Sama Operasi* or “**KSO**”) with a licensed Indonesian construction services business entity (*Badan Usaha Jasa Konstruksi Nasional*) to operate/commence work in Indonesia.

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Construction activities must be carried out pursuant to a construction work contract signed between the project owner and the contractor. The contents of the construction work contract must comply with the requirements provided under Indonesian construction laws and regulations.

Construction activities must also comply with zoning and spatial planning regulations, building technical standards, and safety requirements. Prior to commencing any construction work, a Building Approval (*Persetujuan Bangunan Gedung* or “**PBG**”), which replaces the former Building Construction Permit (*Izin Mendirikan Bangunan*), must be obtained by the project owner or by the contractor on behalf of the project owner. The PBG is issued by the relevant local government and ensures that building utilization is in accordance with the detailed spatial plan (*Rencana Detail Tata Ruang*) and regional spatial plan (*Rencana Tata Ruang Wilayah*).

REGULATIONS ON EMPLOYMENT IN INDONESIA

Indonesian employment sector is primarily regulated under Law of Republic of Indonesia No. 13 of 2003 on Labor as lastly amended by the Job Creation Law (“**Labor Law**”) along with its implementing regulations. The Labor Law comprehensively regulates various aspects of employment, including but not limited to the rights and obligations of employers and employees, working hours and rest periods, wages and benefits, employment agreements, termination procedures.

Under the Labor Law, employment relationships are categorized primarily based on the type of employment agreement, which comprises of permanent (indefinite) or a fixed term (definite) employment agreement. The two types of employment agreements differ in various aspects, including the employee’s rights and entitlements, the possibility of a probation period, the duration of the employment, and the entitlements resulting from termination.

Foreign nationals (*Tenaga Kerja Asing* or “**TKA**”) may be employed in Indonesia under a written fixed-term agreement. To legally employ a TKA, employers must obtain a work permit and a stay permit for the individual before they can legally commence work. Additional reporting and compliance obligations also apply. These obligations extend to foreign nationals serving as members of a company’s Board of Directors (“**BoD**”) or Board of Commissioners (“**BoC**”).

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TKAs are not allowed to hold multiple roles within the same company or occupy positions related to employment responsibilities. However, they may hold multiple roles across different companies, provided these are at the BoD or BoC level. Employers are also required to appoint Indonesian workers as TKA Understudy Workers (*Tenaga Kerja Pendamping TKA*). These workers are expected to receive knowledge and skills transfer from the TKA, and employers must provide relevant education and job training aligned with the TKA's role. In return, employers must facilitate Indonesian language training for TKAs. This requirement does not apply to TKAs who serve as: (a) members of the BoD or BoC, (b) heads of representative offices, (c) advisors, administrators, or supervisors of foundations, or (d) temporary workers. A yearly reporting on the usage of the TKA, training, and the implementation of skill and technology transfer via online website of the Ministry of Manpower is required to be submitted by the company for each of the TKA employed.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Our history can be traced back to 1986, including three stages of business venture: the first business venture started in 1986 with manufacture and sales of springs and shock absorbers; the second business venture was launched in 2003 via expansion into manufacturing of vehicles; in 2016, we transformed and tapped into the NEV sector.

After years of development and transformation, we have become a technology company with NEVs as our core business. On June 15, 2016, our A Shares were listed on the main board of the Shanghai Stock Exchange (stock code: 601127). See “— Corporate Development and Major Changes in Share Capital and Shareholdings — History of A Share Listing and Subsequent Major Capital Market Activities before the Track Record Period” for more details.

KEY MILESTONES

Year	Event
1986	Baxian Phoenix Home Appliance Spring Works (巴縣鳳凰電器彈簧廠) was established in Chongqing.
2003	The predecessor of DFSK Motor Co., Ltd. (東風小康汽車有限公司) ¹ was established, and we expanded into manufacturing of vehicles.
2007	Our predecessor was established in the PRC.
2011	Our Company was converted into a joint stock company with limited liability.
2016	Our Company’s A Shares were listed on the main board of the Shanghai Stock Exchange (stock code: 601127). We transformed and tapped into the NEV sector.
2019	Our first intelligent factory went into operation.
2021	We launched our “AITO” brand with the first <i>AITO M5</i> model.
2022	Our Company changed its name from Chongqing Sokon Industrial Group Co., Ltd. (重慶小康工業集團股份有限公司) to Seres Group Co., Ltd. (賽力斯集團股份有限公司).
2023	<i>AITO new M7</i> began delivery and is highly favored by many users and praised as a “national SUV” by the market.

¹ The predecessor of our subsidiary, Seres Hubei.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Event
2024	<p><i>AITO M9</i> began delivery and won the title of sales champion of the RMB500,000 price segment in the Chinese market.</p> <p>We began to record profits and became the fourth profit-making NEV company in the world.</p>
2025	<i>AITO M8</i> began delivery.

OUR MAJOR SUBSIDIARIES

Details of each of our Major Subsidiaries which made a material contribution to our results of operations during the Track Record Period are set out below.

Name of subsidiary	Place of incorporation	Date of establishment and commencement of business	Equity interest held by the Company or subsidiary	Principal business activities
Seres Auto	PRC	September 4, 2012	93.63% ^(Note)	Research and development, production and sales of new energy vehicles
Chongqing AITO Automobile Sales Co., Ltd. (重慶問界汽車銷售有限公司)	PRC	March 7, 2019	100%	Sales of automobile and automobile parts
Chongqing AITO Premium Automotive Parts Co., Ltd. (重慶問界智選精品汽車備件有限公司)	PRC	April 8, 2003	100%	Production and sales of automobile parts
Chongqing Jinkang Powertrain New Energy Co., Ltd. (重慶金康動力新能源有限公司)	PRC	January 5, 2018	100%	Research and development, production and sales of batteries, motor drive assembly and electric motor controllers
Chongqing Seres Electric Vehicle Co., Ltd. (重慶賽力斯電動汽車有限公司)	PRC	December 31, 2021	100%	Production and sales of automobile parts
Chongqing Seres New Electric Vehicle Sales Co., Ltd. (重慶賽力斯新電動汽車銷售有限公司)	PRC	March 19, 2018	100%	Sales of automobile and automobile parts
Chongqing Seres Phoenix Intelligent Innovation Technology Co., Ltd. (重慶賽力斯鳳凰智創科技有限公司)	PRC	December 29, 2023	100%	Software and information technology services
Chengdu Seres Technology Co., Ltd. (成都賽力斯科技有限公司)	PRC	December 20, 2021	100%	Software and information technology services
Chongqing Sokon Power Co., Ltd. (重慶小康動力有限公司)	PRC	April 7, 2009	100%	Production and sales of automobile engines

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of subsidiary	Place of incorporation	Date of establishment and commencement of business	Equity interest held by the Company or subsidiary	Principal business activities
Chongqing Motor (Group) IMP. & EXP. Co., LTD (重慶小康進出口有限公司)	PRC	February 23, 2004	100%	Sales of automobile and automobile parts
Chongqing Sokon Automotive Parts Co., Ltd. (重慶小康汽車部品有限公司)	PRC	February 18, 2011	100%	Research and development, production and sales of automobile materials and parts
Chongqing Sokon Machinery Parts Co., Ltd. (重慶小康機械配件有限公司)	PRC	June 15, 2006	100%	Production and sales of automobile materials and parts
Chongqing Yu'an Huaihai Powertrain Co., Ltd. (重慶渝安淮海動力有限公司)	PRC	May 28, 2004	100%	Production and sales of automobile materials and parts
Seres Hubei	PRC	May 26, 2003	100%	Production and sales of automobile and automobile parts
Shiyan Dongfeng Fengon Automobile Sales Co., Ltd. (十堰東風風光汽車銷售有限公司)	PRC	December 23, 2019	100%	Sales of automobile
Luzhou Rongda Intelligent Transmission Limited Company (瀘州容大智能變速器有限公司)	PRC	December 18, 2016	88.71% ^(Note)	Research and development, production and sales of automobile materials and parts
Longsheng New Energy	PRC	September 21, 2022	100%	Provision of new energy vehicle production factory and equipment

Note: See “Shareholding and Corporate Structure immediately prior to the Global Offering” in this section below for details of the holders of the minority equity interests in our Major Subsidiaries.

The Company held majority equity interests in the above Major Subsidiaries throughout the Track Record Period.

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted to us, a waiver from strict compliance with the requirements under paragraph 26 of Appendix D1A to the Listing Rules, in respect of disclosing the particulars of any alteration in the capital of any member of our Group within the two years immediately preceding the issue of this Prospectus. See “Waivers, Consents and Exemption — Waivers and Exemption in respect of Particulars of Information of our Subsidiaries” for more details. For shareholding changes of our Major Subsidiaries during the two years immediately preceding the date of this Prospectus, see “Statutory and General Information — Further Information About Our Company — Changes in Share Capital of Our Major Subsidiaries” in Appendix IV.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE DEVELOPMENT AND MAJOR CHANGES IN SHARE CAPITAL AND SHAREHOLDINGS

Early History

Our history can be traced back to 1986, when Baxian Phoenix Home Appliance Spring Works (巴縣鳳凰電器彈簧廠) was established in Chongqing to be engaged in the manufacture of, among others, springs for automotive seats. In 2003, the predecessor of DFSK Motor Co., Ltd. (東風小康汽車有限公司)¹ was established, and we launched our second business venture by expanding into the manufacturing of vehicles.

On May 11, 2007, Chongqing Yu'an Holding Co., Ltd. (重慶渝安控股有限公司, the predecessor of our Company) was established in the PRC by Mr. Zhang Xinghai and his brothers, Mr. Zhang Xingli (張興禮) and Mr. Zhang Xingming (張興明). At the time, Mr. Zhang Xinghai, Mr. Zhang Xingli and Mr. Zhang Xingming held Chongqing Yu'an Holding Co., Ltd. as to 50%, 25% and 25%, respectively.

On April 10, 2011, our then Shareholders passed resolutions approving the conversion of our Company from a limited liability company into a joint stock limited company under the laws of the PRC. Upon completion of the joint stock company conversion, the Company was owned as to approximately 78.42% by Sokon Holding, approximately 10.46% by Yu'an Industry and approximately 11.12% by other shareholders, respectively.

During such period, the name of our Company was changed a few times: It was first changed from Chongqing Yu'an Holding Co., Ltd. (重慶渝安控股有限公司) to Chongqing Sokon Automobile Holding Co., Ltd. (重慶小康汽車控股有限公司) in April 2009, to Chongqing Sokon Automobile Group Co., Ltd. (重慶小康汽車集團有限公司) in December 2010 and then to Chongqing Sokon Industrial Group Co., Ltd. (重慶小康工業集團股份有限公司) in April 2011.

History of A Share Listing and Subsequent Major Capital Market Activities before the Track Record Period

On June 15, 2016, we completed the listing of our A Shares on the Shanghai Stock Exchange (stock code: 601127) (the “**A Share Listing**”) and issued 142.5 million A Shares. At such time, our Company was held by Sokon Holding and Yu'an Industry as to approximately 62.60% and 8.35%, respectively.

In April 2020, the Company completed a share issue in exchange for asset purchase with Dongfeng Motor in respect of their jointly-owned company, DFSK Motor Co., Ltd. (東風小康汽車有限公司) (being the predecessor of Seres Hubei, our subsidiary). Pursuant to the relevant share issue and asset purchase agreement, Dongfeng Motor sold its 50% equity interests in such company to the Company at the consideration of 327,380,952 newly issued A Shares by the

¹ The predecessor of our subsidiary, Seres Hubei. The company at the time was named Dongfeng Yu'an Automobile Company (東風渝安車輛有限公司), and it was established as a joint venture with Dongfeng Motor, immediately after which it was held as to 20%, 30% and 50% by Dongfeng Motor, Dongfeng Industrial Limited (東風實業有限公司) and Chongqing Yu'an Innovation Technology (Group) Co., Ltd. (重慶渝安創新科技(集團)有限公司), respectively. In 2010, each of Dongfeng Industrial Limited and Chongqing Yu'an Innovation Technology (Group) Co., Ltd. transferred their entire equity interests held in DFSK Motor Co., Ltd. to Dongfeng Motor and our Company, respectively. In 2020, Dongfeng Motor transferred the 50% equity interests it held in DFSK Motor Co., Ltd. to our Company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Company. Upon completion of the asset swap, such company became a wholly-owned subsidiary of the Company, Dongfeng Motor became a new, direct Shareholder of the Company with the second largest shareholding holding approximately 25.83% of the issued share capital of the Company.

In May 2021 and June 2022, our Company conducted private placements of 56,368,913 A Shares at RMB46.00 per A Share and 137,168,141 A Shares at RMB51.98 per A Share, raising net proceeds of approximately RMB2,567.9 million and RMB7,058.6 million, respectively. The A Shares were placed to 10 and 17 investors, respectively, each of whom is an Independent Third Party. As of December 31, 2024, we have utilized approximately 99.84% and 60.84% of the net proceeds raised in the private placements of A Shares in 2021 and 2022, respectively.

Change in the name of our Company in 2022

On July 27, 2022, our then Shareholders resolved to amend our Articles and rename our Company from Chongqing Sokon Industrial Group Co., Ltd. (重慶小康工業集團股份有限公司) to our current name, Seres Group Co., Ltd. (賽力斯集團股份有限公司). The relevant business registration procedures were completed on July 30, 2022.

Issuance of Convertible Bonds in 2017 and Redemption in 2023

In November 2017, we conducted a public issuance of convertible bonds of RMB1,500 million at a par value of RMB100 (the “**Convertible Bonds**”) to satisfy the Company’s funding needs for the production of our electric vehicles. The Convertible Bonds were listed on Shanghai Stock Exchange (bond code: 113016) on November 21, 2017. The conversion period was from the first trading day after six months from the date of the issuance of the Convertible Bonds to the maturity date of the Convertible Bonds (i.e. November 5, 2023), with an initial conversion price of RMB23.00 per A Share. During the conversion period, the Company had the right to redeem part or all of the Convertible Bonds at the principal amount together with accrued and unpaid interest if, among others, the closing price of the A Shares was not lower than 130% of the conversion price for at least fifteen trading days out of thirty consecutive trading days during the conversion period.

On May 22, 2023, the Board resolved to exercise the Company’s redemption right as triggered under the aforementioned situation and redeem all the outstanding Convertible Bonds after close of market on June 21, 2023.

As of June 21, 2023, the Convertible Bonds in the amount of RMB1,497,225,000 had been converted into 88,886,842 A Shares. The outstanding Convertible Bonds in the amount of RMB2,775,000 as of June 21, 2023 were redeemed by the Company at the price of RMB2,810,270.25. Our issued share capital increased to 1,507,370,567 Shares following the conversion and redemption of the Convertible Bonds. The Convertible Bonds were delisted on Shanghai Stock Exchange on June 26, 2023.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Issuance of A Shares as Consideration for the Acquisition of Longsheng New Energy in 2025

We entered into an agreement on April 29, 2024 (together with a supplemental agreement on September 13, 2024) to acquire 100% of the equity interests of Longsheng New Energy from its three then shareholders, Chongqing Industrial Investment Parent Fund Enterprise Partnership (L.P.) (重慶產業投資母基金合夥企業(有限合夥)) (“**Chongqing Industrial Parent Fund**”), Chongqing Liangjiang New Area Industrial Development Group Co., Ltd. (重慶兩江新區產業發展集團有限公司) (“**Liangjiang Industrial Group**”) and Chongqing Liangjiang New Area Development & Investment Group Co., Ltd. (重慶兩江新區開發投資集團有限公司) (“**Liangjiang Investment Group**”, together with Chongqing Industrial Parent Fund and Liangjiang Industrial Group, the “**Seller(s)**”), which held 42.99%, 30.69% and 26.32% equity interests therein, respectively, at the time.

The aggregate consideration of such transaction was RMB8,163,952,000, which was satisfied through the issuance of 123,583,893 A Shares by the Company (the “**Consideration Shares**”), representing 7.57% of the total issued A Shares upon the completion of such issuance. Among the Consideration Shares, Chongqing Industrial Parent Fund received 53,125,024 A Shares, Liangjiang Industrial Group received 37,928,539 A Shares, and Liangjiang Investment Group received 32,530,330 A Shares, proportionate to their respective equity interests held prior to the transaction. The consideration was determined on the basis of arm’s length negotiations between the parties with reference to the valuation of Longsheng New Energy as of June 30, 2024 by an independent valuer, and the issue price of RMB66.06 per Share was not less than 80% of the average trading price of the Company’s A Shares for the 120 trading days preceding the price reference date, as adjusted based on the Company’s profit distribution plan for the nine months ended September 30, 2024.

For more information about Longsheng New Energy, the Sellers and the acquisition, please refer to “— Acquisition of Longsheng New Energy” below.

Upon completion of the issuance of the Consideration Shares, the shareholding structure of our Company was as follows:

Name of Shareholder	Number of Shares Held	Approximate Percentage of Shareholding (%)
Sokon Holding	400,503,464	24.52
Dongfeng Motor	327,380,952	20.04
Yu’an Industry	66,090,950	4.05
Chongqing Industrial Parent Fund	53,125,024	3.25
Liangjiang Industrial Group	37,928,539	2.32
Liangjiang Investment Group	32,530,330	1.99
Other A Shareholders	715,806,827	43.83
Total	1,633,366,086	100.00

SIGNIFICANT ACQUISITIONS AND DISPOSALS

During the Track Record Period and up to the Latest Practicable Date, we have carried out the following significant acquisitions.

Acquisition of Longsheng New Energy

During the Track Record Period, the Company entered into an agreement to purchase 100% of the equity interests of Longsheng New Energy in exchange for the issuance of Consideration Shares. See “— Issuance of A Shares as Consideration for the Acquisition of Longsheng New Energy in 2025” above for information relating to the acquisition.

Longsheng New Energy was established on September 21, 2022 in the PRC as a limited liability company, and is principally engaged in the provision of leasing services of new energy vehicle production factories in the Liangjiang New Area in Chongqing, China. The Sellers are all state-owned enterprises, and each of them is an Independent Third Party: Chongqing Industrial Parent Fund is ultimately controlled by the Chongqing State-owned Assets Supervision and Administration Commission, and Liangjiang Industrial Group and Liangjiang Investment Group are both ultimately controlled by the Liangjiang New Area Management Committee.

Longsheng New Energy’s primary asset is a super factory which we had been leasing to produce new energy vehicles. The acquisition of all the equity interests of Longsheng New Energy have allowed us to gain direct ownership of the super factory, have more control over our production line and more effectively realize our business expansion strategies. Following this transaction, the Company’s total assets and net assets have increased, and the Company’s debt to asset ratio has decreased. Moreover, the Company no longer needs to pay rent for the super factory, improving our operating cash flow. For more details about the benefits of this transaction, see references to our “Super Factory” in the section headed “Business — Manufacturing, Supply Chain, and Quality Control”.

The industrial and commercial registration change of the acquisition was completed on March 25, 2025, upon which Longsheng New Energy became a wholly-owned subsidiary of the Company. The Consideration Shares were issued on March 27, 2025. The acquisition has been properly and legally completed and settled, and all relevant approvals required from the relevant authorities have been obtained.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Acquisition of minority interest of Shenzhen Yinwang

On August 23, 2024, Seres Auto entered into an equity transfer agreement with Huawei to purchase 10% of the equity interests held by Huawei in its then wholly-owned subsidiary, Shenzhen Yinwang, at a total consideration of RMB11.5 billion.

Shenzhen Yinwang was established on January 16, 2024 in the PRC as a limited liability company, and is primarily engaged in providing intelligent vehicle solutions. Prior to the acquisition, it was wholly-owned by Huawei, a leading information and communications solutions provider and an Independent Third Party. Our rationale for the transaction was to continue to enhance our operational ecosystem through this acquisition by strengthening our investments in intelligent vehicle technology, improving the stability of our supply chain for intelligent vehicle components, maintaining our strategic partnership with Huawei, and continuing to enhance our deployment in advanced vehicle smartification technologies and the competitiveness of our intelligent electric vehicles, while enlarging the ecosystem cooperation with our strategic partners.

The consideration for the acquisition was determined on the basis of the valuation of Shenzhen Yinwang as of January 31, 2024 by an independent valuer and after arm's length negotiations between the parties.

The industrial and commercial registration change in respect of the acquisition of Shenzhen Yinwang was completed on March 31, 2025, upon which Shenzhen Yinwang was held as to 80%, 10% and 10% by Huawei, Seres Auto and Avatr Technology Co., Ltd. (阿維塔科技(重慶)有限公司), respectively. The 10% equity interests of Shenzhen Yinwang acquired by Seres Auto shall be accounted for using the equity method as Seres Auto is entitled to nominate one director to the board of directors and the audit committee of Shenzhen Yinwang. The acquisition has been properly and legally completed and settled, and all relevant approvals required from the relevant authorities have been obtained.

Neither of the acquisitions described above would have been classified as a major transaction under Chapter 14 of the Listing Rules as at the date of the Company's application for Listing, and as such do not fall within the scope of Rule 4.05A of the Listing Rules.

Save as disclosed in "Significant Acquisitions and Disposals" in this section, we did not conduct any other acquisitions, disposals or mergers that we consider to be material to us during the Track Record Period and up to the Latest Practicable Date.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR LISTING ON THE SHANGHAI STOCK EXCHANGE AND REASONS FOR THE LISTING ON THE HONG KONG STOCK EXCHANGE

Our A Shares have been listed on the Shanghai Stock Exchange since June 2016. Our Directors have confirmed that the Company has no instance of material non-compliance with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC in any material respect since the A Share Listing, and, to the best knowledge of our Directors after having made all reasonable enquiries, there is no material matter that should be brought to investors' attention in relation to our compliance record on the Shanghai Stock Exchange. Based on the filings on the website of the Shanghai Stock Exchange and the information available in the public domain, our PRC Legal Adviser is of the view that the Company had complied with all applicable securities laws and regulations in the PRC in relation to its listing on the Shanghai Stock Exchange in all material respects for the two years ended December 31, 2023 and 2024, and up to the date of submission of its H Share Listing application to the Hong Kong Stock Exchange. Based on the independent due diligence conducted by the Joint Sponsors and our PRC Legal Adviser's view as set out above, nothing has come to the Joint Sponsors' attention that would cause them to have reasonable doubt about our Directors' confirmation with regard to the compliance record of the Company on the Shanghai Stock Exchange in all material respects.

Our Company is seeking a listing of its H Shares on the Hong Kong Stock Exchange in order to advance our global strategic layout, establish international capital operation platform and enhance our comprehensive competitiveness. For more details, see "Business" and "Future Plans and Use of Proceeds".

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Our Single Largest Group of Shareholders comprises Mr. Zhang Xinghai, Sokon Holding and Yu'an Industry.

Sokon Holding is an investment holding company held as to 50%, 25% and 25% by Mr. Zhang Xinghai, Mr. Zhang Xingli and Mr. Zhang Xingming, respectively¹. Pursuant to the articles of association of Sokon Holding, in the event that a deadlock arises when voting (where votes are equally split 50%:50%), Mr. Zhang Xinghai, as the shareholder with the largest capital contribution in Sokon Holding shall have the casting vote.

¹ Notwithstanding that Sokon Holding is held as to 50%, 25% and 25% by Mr. Zhang Xinghai and his brothers (i.e. Mr. Zhang Xingli and Mr. Zhang Xingming, respectively), Mr. Zhang Xingli and Mr. Zhang Xingming are not considered as part of the Single Largest Group of Shareholders as Sokon Holding is not a special purpose vehicle set up by Mr. Zhang Xinghai and his brothers for the purpose of controlling and holding their interests in the Company. Sokon Holding is an investment holding company engaging in, among others, equity investment. Its investee companies include but are not limited to, Chongqing Xinkang Mining Industry Co., Ltd. (重慶新康礦業有限公司) and Chongqing Tengyang Ecology Agricultural Development Co., Ltd. (重慶騰康生態農業發展有限公司). Mr. Zhang Xinghai and his brothers had not jointly affected their management and control as a unit in the matters of the Company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Yu'an Industry is an investment holding company held as to, among others, 15.8419% by Sokon Holding and 11.9732% by Mr. Zhang Xinghai, respectively. Pursuant to the articles of association of Yu'an Industry, the voting rights of the shareholders of Yu'an Industry are held as to 50%, 25% and 25% by Mr. Zhang Xinghai, Mr. Zhang Xingli and Mr. Zhang Xingming, respectively. In the event that a deadlock arises when voting (where votes are equally split 50%:50%), Mr. Zhang Xinghai, as the shareholder with the largest capital contribution in Yu'an Industry shall have the casting vote.

Hence, Mr. Zhang Xinghai is considered as having control over Sokon Holding and Yu'an Industry. Mr. Zhang Xinghai, Sokon Holding and Yu'an Industry are deemed as parties acting in concert and Mr. Zhang Xinghai is regarded as our *de facto* controller (實際控制人) under the applicable PRC laws, regulations and rules.

Proposed Issuance of Exchangeable Bonds by Sokon Holding

The Company was informed by Sokon Holding that it has submitted an application to the Shanghai Stock Exchange for the proposed non-public issuance (the “**Proposed Issuance of Exchangeable Bonds**”) of exchangeable bonds in connection with the A Shares (the “**Exchangeable Bonds**”). The proposed issuance term of the Proposed Issuance of Exchangeable Bonds is no more than five years, with the fund to be raised of no more than an aggregate of RMB3 billion with a portion of the A Shares held by Sokon Holding as the underlying assets. As of the Latest Practicable Date, the Proposed Issuance of Exchangeable Bonds is still subject to the approval by the Shanghai Stock Exchange.

The funds to be raised from the Proposed Issuance of Exchangeable Bonds are intended to be used for repaying debts of Sokon Holding. Upon fulfillment of the applicable share exchange conditions, the holders of the Exchangeable Bonds are entitled to convert their bonds into the A Shares held by Sokon Holding within a designated conversion period. It is expected that the initial exchange price of the Exchangeable Bonds shall not be lower than the highest of the average trading prices of A Shares of the Company on the trading day preceding, and over 20 trading days preceding, the date of publication of the offering document (the “**reference day**”) (in the event that during the above mentioned trading days, the share price has been adjusted due to ex-rights or ex-dividend reasons, the trading price of each of these trading days before adjustment shall be accordingly adjusted with reference to the ex-rights or ex-dividend share price).

As security for the obligations of Sokon Holding under the Exchangeable Bonds, Sokon Holding will pledge a portion of the A Shares held by it to the pledge agent for the holders of the Exchangeable Bonds. Assuming (i) the fundraising size of no more than an aggregate of RMB3 billion (inclusive), and (ii) June 30, 2025 being used as the reference day for the purpose of calculating the initial exchange price of the Exchangeable Bonds, it is expected that approximately 22,551,300 A Shares held by Sokon Holding could be exchanged for in the event of full conversion of the Exchangeable Bonds, representing approximately 1.38% of the Company's issued share capital as of the Latest Practicable Date, and approximately 1.30% of the Company's issued share capital upon completion of the Global Offering. Based on the

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

assumption above, assuming full conversion of the Exchangeable Bonds and the Offer Size Adjustment Option and the Over-allotment Option are not exercised, the shareholding interests of Sokon Holding in the Company will decrease to 21.80% upon completion of the Global Offering. The Company expects that after the completion of conversion of the Exchangeable Bonds, Sokon Holding will remain as a member of our Single Largest Group of Shareholders, subject to any adjustment of exchange price of the Exchangeable Bonds.

Sokon Holding has confirmed that it will comply with Rule 9.09 of the Hong Kong Listing Rules and will not proceed with the Proposed Issuance of Exchangeable Bonds before the Listing even if it is approved before the Listing.

EQUITY INCENTIVE PLANS AND EMPLOYEE STOCK OWNERSHIP PLAN OF THE COMPANY

In order to enhance our Company's competitiveness in the talent market, comprehensively address our growing needs for talent and build a high-quality workforce, we have adopted the 2017 RSU Scheme, 2021 Share Option Incentive Plan, 2022 Share Option Incentive Plan and 2024 Employee Stock Ownership Plan.

Pursuant to the 2017 RSU Scheme, our Company granted an aggregate of 16,700,000 Shares to 29 grantees, including Directors, senior management and other employees of the Company. Pursuant to the 2021 Share Option Incentive Plan, our Company granted an aggregate of 40,000,000 share options to 3,704 participants, including Directors, senior management and other employees of the Company. Pursuant to the 2022 Share Option Incentive Plan, our Company granted an aggregate of 36,000,000 share options to 3,992 participants, including Directors, senior management and other employees of the Company. As of the Latest Practicable Date, the 2017 RSU Scheme, the 2021 Share Option Incentive Plan and the 2022 Share Option Incentive Plan have been completed, and there are no outstanding Shares to be granted under the 2017 RSU Scheme or share options to be exercised under the 2021 Share Option Incentive Plan and 2022 Share Option Incentive Plan, as all restricted stock units under the 2017 RSU Scheme have either been granted or repurchased and cancelled, and all share options under the 2021 Share Option Incentive Plan and 2022 Share Option Incentive Plan have either been granted and exercised or cancelled.

Our Company adopted the 2024 Employee Stock Ownership Plan on March 18, 2024. See "Statutory and General Information — 2024 Employee Stock Ownership Plan" in Appendix IV for details. We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver in relation to the outstanding Share Awards under the 2024 Employee Stock Ownership Plan and disclosure thereof. See "Waivers, Consents and Exemption — Waiver in Relation to the 2024 Employee Stock Ownership Plan" for details. See "Statutory and General Information — Further Information about our Directors and Substantial Shareholders — Interests and short positions of our Directors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations" in Appendix IV for details of the shareholdings of our Directors.

PUBLIC FLOAT AND FREE FLOAT

Satisfaction of the Public Float Requirement

Upon Listing, to the best knowledge of the Company, a total number of 794,553,566 A Shares, representing approximately 45.83% of our Company's total issued Shares, held by Sokon Holding, Yu'an Industry, Dongfeng Motor and certain directors of the Company and its subsidiaries will not be considered as part of the public float since they will be considered as our Company's core connected persons (as defined under the Listing Rules).

Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public, at the time of listing, must (a) represent at least 10% of the issuer's total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK\$3,000,000,000.

Our A Shares are listed on the Shanghai Stock Exchange. The total number of the H Shares to be issued pursuant to the Global Offering represents 5.78% of the total issued share capital of our Company (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised). Immediately following the completion of the Global Offering (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised), the total number of the H Shares expected to be held by the public represents approximately 5.78% of the total issued share capital of our Company, which is higher than the prescribed percentage of H Shares required to be held in public hands of 1.32% under Rule 19A.13A(2)(b) of the Listing Rules calculated based on the maximum Offer Price of HK\$131.50 per H Share, respectively, and on the basis that the portion of H Shares that are held by the public, at the time of Listing, must have an expected market value of not less than HK\$3,000,000,000 under Rule 19A.13A(2)(b) of the Listing Rules, thereby satisfying Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules.

Satisfaction of the Free Float Requirement

Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50,000,000; or (b) have an expected market value at the time of listing of not less than HK\$600,000,000. Based on the maximum Offer Price of HK\$131.50 per H Share, the Company will satisfy the free float requirement under Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules.

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Notes:

- (1) As at the Latest Practicable Date, Sokon Holding pledged 69,100,000 A Shares it held to certain regulated financial institutions in the PRC such as PRC banks and securities companies regulated by the CSRC as securities for certain financings provided by such financial institutions to Sokon Holding, representing approximately 4.23% of the issued share capital of the Company.
- (2) As at the Latest Practicable Date, Seres Auto is held as to 6.37% by 10 other shareholders, all of which are Independent Third Parties.
- (3) As at the Latest Practicable Date, Luzhou Rongda Intelligent Transmission Limited Company is held as to 11.29% by 16 other shareholders, all of which are Independent Third Parties.
- (4) As at the Latest Practicable Date, the rest of the equity interest of Chongqing Seres Phoenix Intelligent Innovation Technology Co., Ltd. is held by our subsidiary, Chongqing Seres New Energy Enterprise Management Consultation Partnership (Limited Partnership) (重慶賽新企業管理諮詢合夥企業(有限合夥)).
- (5) Other subsidiaries include, in aggregate, over 50 subsidiaries established in various jurisdictions. As at the Latest Practicable Date, other non-wholly-owned subsidiaries of our Company include (i) Chongqing Seres New Energy Enterprise Management Consultation Partnership (Limited Partnership) (重慶賽新企業管理諮詢合夥企業(有限合夥)), a limited partnership, of which the minority interests are held as to 10%, 10% and 10% by Xu Lin (許林), Tang Ruyi (唐如意), and Duan Wei (段偉), respectively; (ii) Chongqing Jiangkang Automotive Technology Co., Ltd. (重慶江康汽車技術有限公司), of which the minority interests are held as to 40% by Chongqing Shuangfu Construction and Development Co., Ltd. (重慶市雙福建設開發有限公司); (iii) Hunan Rongda Intelligent Transmission Co., Ltd. (湖南容大智能變速器股份有限公司), of which the minority interests are held as to 1.7857% and 0.006% by Ding Quanshi (丁全石) and An Xinlan (安新蘭), both being Independent Third Parties, respectively; (iv) Chongqing Landian Automotive Technology Co., Ltd. (重慶藍電汽車科技有限公司), of which the minority interests are held as to 33% by Chongqing Qingfeng Technology Development Co., Ltd. (重慶青風科技發展有限公司) and 32% by Chongqing Yuantou Cangchu Services Co., Ltd. (重慶園投倉儲服務有限公司); (v) Beijing Sathang Jushen Intelligent Technology Co., Ltd. (北京賽航具身智能科技有限公司), of which the minority interests are held as to 30% by Beijing University of Aeronautics and Astronautics (北京航空航天大学); and (vi) SF Motors, Inc. ("SF Motors"), of which the minority interests in aggregate of 0.0047% are held by four former employees of SF Motors who had exercised stock options granted to them under the stock option plan adopted by SF Motors on June 12, 2018. As of the Latest Practicable Date, 12 employees and former employees of our Group, and Mr. Zhang Zhengping, our Director, had been granted outstanding stock options to purchase an aggregate of 9,895,386 and 4,000,000 shares of SF Motors, representing approximately 0.99% and 0.40% of the issued share capital of SF Motors, respectively. Such stock options have an exercise price of US\$0.26 per share and the valid period of such stock options is 10 years from the date of the respective grant.

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OVERVIEW

Who We Are

We are a technology company focused on new energy vehicles, including the research and development, manufacturing, sales and services of new energy vehicles as well as core NEV components. With nearly four decades of industrial experience and operational optimization, we have achieved various business milestones. In 1986, we began with springs and shock absorbers, later expanding into motorcycle manufacturing. In 2003, we capitalized on the rise of domestic automotive brands and entered the vehicle manufacturing sector through a joint venture with Dongfeng Motor. By 2016, we have transformed and tapped into the NEV sector. In 2021, we launched the *AITO* brand, establishing our positioning as “Intelligence Redefines Luxury” and introduced a series of models.

Guided by the market direction of “user-defined vehicles” and the technological roadmap of “software-defined vehicles”, we are committed to continuously providing the quality product experience for our users. Our innovations in product and technologies stem from a profound understanding of user needs, fostered through co-creation with our customers. Our platform-based technical architecture allows for smooth hardware upgrades and software iterations.





We have a track record of creating popular products. Since its launch, our core brand, *AITO*, has experienced a rapid sales growths. To date, we have successfully launched four models: *AITO M5*, *AITO M7*, *AITO M8*, and *AITO M9*. The *AITO M5* set a record for being the fastest new-brand model to deliver over 10,000 vehicles in its inaugural year. The *AITO M7* became the best-selling domestic brand model in the RMB300,000 price segment in China, delivering approximately 200,000 vehicles in 2024. The *AITO M9* led the RMB500,000 price segment in China with a delivery of over 150,000 vehicles in 2024. Our *AITO M8*, launched in April 2025, has also gained strong market traction, securing over 30,000 orders within just 24 hours of its official release. In the second half of 2024, the *AITO* brand topped China’s NEV reputation rankings with a Net Promoter Score (NPS) of 82%, according to the Frost & Sullivan Report. Total deliveries of the *AITO* brand reached 387,100 vehicles in 2024, marking a 268% year-on-year growth.

Our delivery capabilities enable us to achieve instant ramp-up. Our Super Factories and digital supply chain system ensure the high-quality and swift delivery of our *AITO* series products. As a result, the production volume of the *AITO M9* exceeded 150,000 vehicles within 10 months of launch, exemplifying “rapid scalability after launch.” We have placed great emphasis on quality control. The *AITO* series have set industry benchmarks in quality performance, ranking first in the New Vehicle Quality Rankings among new vehicle brands for three consecutive years, according to the Frost & Sullivan Report.

Our New Luxury Product Matrix

Our AITO brand has developed a product matrix that includes four models: AITO M9, AITO M8, AITO M7 and AITO M5. This lineup covers the market through differentiated positioning, and effectively targets the high-end segment with a precise pricing strategy and a combination of scenario-based features.

The details of our product matrix are as follows:

				
	AITO M9	AITO M8	AITO M7	AITO M5
Positioning	All-scenario intelligent flagship SUV	Family intelligent flagship SUV	Family intelligent luxury SUV	Stylish urban intelligent SUV
Length × Width × Height (mm)	5,230x1,999x1,800	5,190x1,999x1,795	5,080x1,999x1,780	4,785x1,930x1,620/1,625
Wheelbase (mm)	3,110	3,105	3,030	2,880
Number of seats	Five-seater/six-seater	Five-seater/six-seater	Five-seater/six-seater	Five-seater
Powertrain	REEV/BEV	REEV/BEV	REEV/BEV	REEV/BEV
CLTC range (km)	1,474	1,526	1,625	1,440
MSRP (RMB in ten thousand)	46.98-56.98	35.98-44.98	27.98-37.98	22.98-24.98
Initial delivery date	February 2024	April 2025	August 2022	March 2022

AITO M9 is positioned as an all-scenario intelligent flagship SUV. The AITO M9 led the RMB500,000 price segment in China with a delivery of over 150,000 vehicles in 2024. In addition, according to the Frost & Sullivan Report, in 2024 the AITO M9 ranked first in NPS among new energy SUV models, led the user satisfaction rankings for hybrid large SUVs, and achieved the highest value retention rate for new energy SUVs in China. With its advanced technological features, luxurious experience, and outstanding market performance, the AITO M9 has set a benchmark in the luxury electric vehicle sector in China, according to the Frost & Sullivan Report.

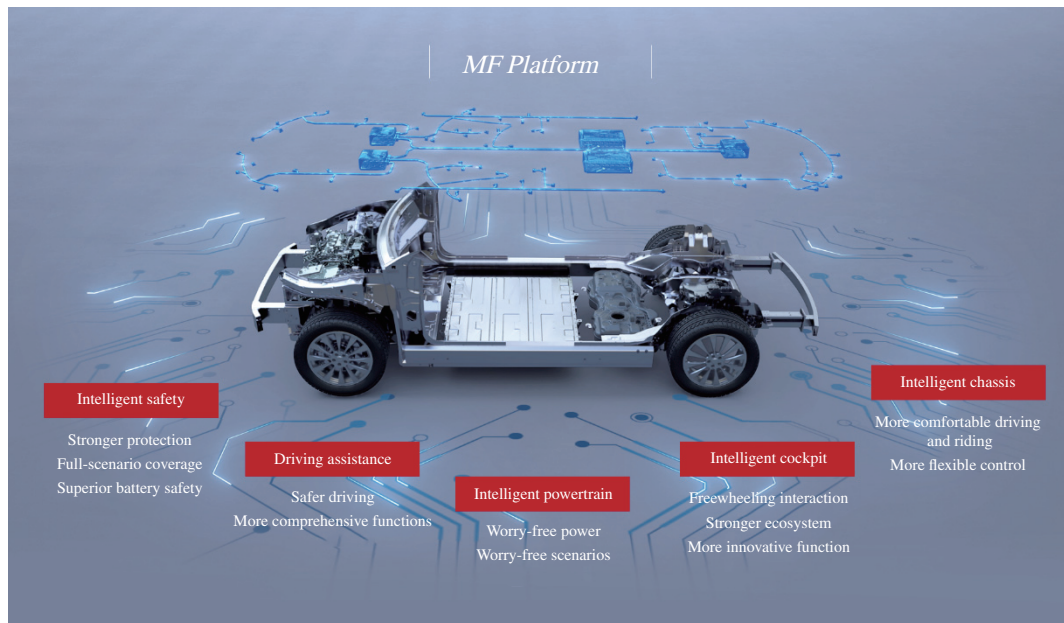
AITO M8 is positioned as a family intelligent flagship SUV. We launched our latest model, the AITO M8, in April 2025, securing over 30,000 orders within just 24 hours of its official release.

AITO M7 is positioned as a family-intelligent luxury SUV. The *AITO M7* is recognized as a “national SUV” by the market, delivering approximately 200,000 vehicles in 2024, making it the top-selling domestic brand model in the RMB300,000 price segment in China. In the 2024 China New Energy Vehicle Industry Customer Satisfaction Index (NEV-CACSI) evaluation, it claimed first place in user satisfaction for hybrid medium-to-large SUV and is highly favored by a diverse range of families.

AITO M5 is positioned as a stylish urban intelligent SUV. The *AITO M5* has gained significant popularity among young families and tech-savvy consumers, thanks to two core strengths: high performance and cost effectiveness. In 2024, it was awarded the “China Automobile Festival Annual Intelligent SUV” title and earned top honors for perceived quality among electric mid-size SUVs.

Our Intelligent NEV Solutions

With over twenty years of experience in automotive manufacturing, we have continuously refined traditional vehicle performance, space utilization, and technological processes. On this foundation, we have independently developed the MF platform and introduced five intelligent automotive solutions: intelligent safety, driving assistance, intelligent powertrain, intelligent cockpit, and intelligent chassis, dedicated to providing users with a safe and intelligent riding experience characterized by “ease of use and driving comfort.”



Intelligent Safety

Our innovative safety technology system defines safety through various scenarios, encompassing over 180 use cases and developing more than 300 safety functions. Our *AITO M9* received the only “Super Five-Star” safety certification from C-NCAP with a comprehensive score of 93.9% — the highest score in C-NCAP’s history. It also received the only G/G+/G+/G+ safety rating in the C-IASI safety certification from the China Insurance Research Institute.

Stronger protection: The *AITO M9* is designed with eight horizontal and five vertical structures to effectively disperse impact forces during a collision, ensuring robust protection for drivers and passengers. It employs hot-formed steel with a strength of 2,000 MPa at 12 key locations and is equipped with 9 airbags to enhance safety comprehensively. The *AITO M9* features the industry’s first 10,000-ton-level integrated die-cast rear body, which comprises up to 80% aluminum alloy, contributing to a lightweight vehicle structure.

Full-scenario coverage: The *AITO* model features the omni-directional collision avoidance system 3.0, offering all-weather, all-scenario, and all-target perception. The autonomous emergency braking feature can effectively operate at a maximum speed of 150 km/h, providing comprehensive active safety measures at the rear and both sides. Additionally, we provide safety assistance features, such as blind zone warning integrated with intelligent lighting.

Superior battery safety: We have established a five-layer safety protection technology, no heat diffusion technology, and a comprehensive verification system for all scenarios, with its battery structure design and experimental standards significantly exceeding national standard requirements.

Driving Assistance

We are committed to providing users with driving assistance experience across all roads in the country, enabling users to confidently utilize this technology with the utmost safety performance.

Safer driving: Our driving assistance system significantly reduces the potential accident rate. As of June 30, 2025, we have successfully prevented over 1.8 million potential collisions. For instance, the insurance costs for the *AITO M9* are lower than the industry average for comparable models. We are also introduce a worry-free guarantee for driving assistance, allowing users to confidently utilize this technology. Our driving assistance system has become one of the most frequently used systems among domestic car owners. As of June 30, 2025, our cumulative driving assistance mileage has exceeded 2.67 billion kilometers, accounting for 31.1% of users’ total driving mileage, and facilitated over 170 million times of parking assistance.

More comprehensive functions: We can cover a wide range of application scenarios to provide a smooth driving assistance experience. Our parking assistance system can autonomously complete safe passing, reversing, and yielding to pedestrians. We have introduced various innovative functions. For instance, the *AITO*'s adaptive matrix headlights project lane-level dynamic light carpets in real time during lane changes or turns.

Intelligent Powertrain

As a leader in range extending technology in China, we provide users with a comprehensive worry-free power system that effectively addresses the two main concerns of new energy vehicles: range anxiety and charging anxiety.

Worry-free power: We have developed an all-scenario, intelligent decision-making system based on the “Sai Yi (C2E) Range Extending Architecture” and “RoboREX Intelligent Control Technology”. This creates energy-efficient, low-noise, and highly effective super range extending solutions, achieving a thermal efficiency of 44.8% and an oil-to-electricity conversion rate of 3.65kWh/L. These figures represent the highest levels among mass-produced range extenders in the industry.

Worry-free scenarios: We feature the world's first dual-backup power supply electric drive assembly, equipped with intelligent four-wheel drive control technology. This allows for vector torque adjustments on both front and rear axles, facilitating seamless torque distribution from 0 to 100%. As a result, our vehicles can overcome a variety of challenging terrain conditions.

Intelligent Cockpit

We develop personalized intelligent living spaces for users through multi-screen collaboration, the Internet of Everything, and an open ecosystem.

Freewheeling interaction: Our cockpit supports multi-screen streaming and sharing, allowing users to operate various functions by simply sliding and dragging. The cockpit's voice assistant supports full-scenario wake-up-free functionality.

Stronger ecosystem: Our intelligent cockpit system supports 56 mainstream applications, positioning us prominently in the industry. Furthermore, through super desktop interconnection feature, we have achieved “seamless connectivity” among mobile phones, tablets, and smart home devices, enabling effortless control of the vehicle via mobile applications.

More innovative functions: We have introduced several innovative intelligent cockpit features to provide users with a unique and practical experience. The *AITO M9* debuted the world's first privacy sound shield function, which isolates the driver in real-time for private conversations, effectively creating an exclusive meeting space within the cockpit. Additionally, our AR-HUD supports a 75-inch large screen display, and by integrating AR and driving assistance technologies, provides clear and dynamic guidance.

Intelligent Chassis

Our intelligent chassis integrates AI capabilities and utilizes software to enhance mechanical characteristics, optimally balancing vehicle handling and comfort to provide users with the ultimate driving experience.

More comfortable driving and riding: We employ vehicle posture perception and road preview technology to provide a smooth driving experience likened to a “magic carpet.” Leveraging the dynamic adaptive torque system, we ensure stable navigation under complex road conditions while enabling calm responses to various emergencies.

More flexible control: Centralized control coordinates vehicle driving, braking, steering, and suspension. With millisecond-level perception of vehicle status and centimeter-level motion estimation, we achieve precise control over the vehicle's longitudinal, lateral, and vertical displacements.

Our Growth

During the Track Record Period, our “new luxury” intelligent NEVs received recognition in the market, leading to growth in our operating performance:

- **Revenue:** increased from RMB35.8 billion in 2023 to RMB145.1 billion in 2024, representing a year-on-year increase of 305.5%;
- **Gross profit margin:** increased from 7.2% in 2023 to 23.8% in 2024, representing an increase of 16.6 percentage points, and increased from 21.8% for the six months ended June 30, 2024 to 26.5% for the six months ended June 30, 2025, representing a year-on-year increase of 4.7 percentage points;
- **Net profit:** in 2024 and for the six months ended June 30, 2025, we achieved a net profit. We are the fourth profit-making NEV company in the world according to the Frost & Sullivan Report. In 2023, we recorded a net loss attributable to owners of the Company of RMB2.4 billion, and in 2024 and for the six months ended June 30, 2025, we recorded a net profit attributable to owners of the Company of RMB5.9 billion and RMB2.9 billion, respectively.

OUR STRENGTHS

A Leading New Luxury Vehicle Brand

We continuously enhance the “tech-luxury” attribute of our products through technological innovation, aiming to create new luxury offerings that combine “traditional luxury” and “tech-luxury.” In 2024, the total sales volume of our *AITO* series products ranked third in the premium new energy passenger vehicle segment in China. Notably, in 2024, the *AITO M7* ranked first by sales volume among domestic brand models in the RMB300,000 price segment in China, and the *AITO M9* ranked first by sales volume among models in the RMB500,000 price segment in China.

The *AITO* brand topped China’s NEV reputation rankings with a NPS of 82% in the second half of 2024, according to the Frost & Sullivan Report. The *AITO* brand was featured in CCTV’s “National Brand Project”, where it ranked first among domestic high-end brands in three core indicators: brand recognition growth rate, development confidence index, and average sales price per vehicle, according to the Frost & Sullivan Report.

We place significant importance on engaging in co-creation with users, consistently valuing their feedback. This approach transforms users into advocates for our brand value rather than mere product users. The referrals of our users and the sales volume of the *AITO* brand reflect the appreciation and esteem that users hold for our commitment to high standards in technology, creativity, and aesthetics.

A Streamlined and Efficient Operation and Management System

We have established a full-chain operation and management system that connects strategy to execution through three core processes: DSTE (Develop Strategy to Execution), IPD (Integrated Product Development), and IPMS (Integrated Product Marketing & Sales).

Through comprehensive implementation of these measures, we enhanced our operation and management capabilities in terms of process, efficiency, and effectiveness. Our approach has fostered efficient cross-departmental collaboration and quality control throughout the entire process, from conceptual design to mass production and delivery. This ensures optimal resource allocation and consistent delivery standards across all business operations. Furthermore, we have developed a rapid response mechanism driven by user feedback, which effectively applies successful experiences in product development and market operations. This mechanism provides crucial decision-making support for both the development of new products as well as the iteration of existing products, consistently facilitating business success.

Leadership in Technology Propelled by a Synthesis of Innovation + Collaborative Innovation

Our leading technological capabilities serve as a vital driving force behind our products, enabling continuous functional innovations that contribute to our market success. The *AITO M9* showcases over 40 technologies, including 16 pioneering innovations such as the industry's first 192-channel LiDAR, a 32-inch automotive-grade projection screen, brushless motor doors, and a starlight key. Similarly, the *AITO M8* incorporates more than 40 advanced technologies, including six first-in-industry technologies, such as the MOFs+UVC sterilization module and the A/B two-way isolation redundant low-voltage power supply technology. Through the synergistic application of innovation and collaborative innovation, we have solidified our status as a technological leader:

MF Platform: We have self-developed the MF Platform. This platform-based vehicle manufacturing model enables us to reduce the overall development costs and significantly enhances the agility and flexibility of our development process. Our MF Platform supports both REEV and BEV models, facilitating integration of safety, power, chassis, and software through four core advantages of full-scenario safety, diversified power, adaptive space, and leading intelligence. The MF platform provides users with an “easy to drive, easy to use, and super safe” intelligent riding experience.

SERES Super REX System: We are the first vehicle manufacturer to commercialize mass-produced range extenders and continue to lead the development of range extender technologies for NEVs. We have transformed range extender technology from merely “usable” to “easy to use”, and we were certified by national authorities for our “oil-to-electricity conversion rate” and “NVH performance.” In addition, we empowered the industry's technological development by taking the lead in the revision of the automotive industry standard “QC/T 1086 Technical Requirements and Test Methods for Range Extender Technologies for EVs.” Our latest generation of SERES Super REX System boasts an oil-to-electricity conversion efficiency of 3.65kWh/L, which is the highest level of mass-produced range extenders in the industry.

Intelligent safety system: We prioritize product safety as a fundamental principle and have established a comprehensive intelligent safety system across nine dimensions, encompassing both passive and active safety throughout the vehicle lifecycle. Utilizing the authoritative CIDAS and FASS databases in China, we have developed and navigated 81 collision scenarios. The *AITO M9*, equipped with this system, has secured first place in the two major evaluation indices of C-NCAP and C-IASI in China.

Intelligent testing system: We have established an intelligent testing system during product development. We have built highly automated testing laboratories, and developed a variety of extreme testing bases, including an exclusive extreme cold full-scenario test base, ensuring comprehensive coverage of all vehicle usage scenarios. For post-delivery product testing, we offer full-chain intelligent testing and proactive service capabilities throughout the lifecycle of products.

Collaborative Innovation: Through collaborative innovation, we have developed advanced intelligent cockpit and driving assistance systems together with our partners. By leveraging our strengths in user insights, we implement targeted data collection, training, scenario definition, and optimization to ensure that the intelligent cockpit and driving assistance systems in our vehicles remain at the forefront of innovation and industry leadership. Furthermore, through the deep integration of vehicle control technologies, we continuously enhance the driving assistance experience through the cross-domain synergy of vehicles.

Capability to Ramp Up Delivery Instantly

We continuously strive to minimize the gap between demand and delivery through digital manufacturing and supply chain management capabilities. In 2024, the annual production volume of the *AITO M7* reached approximately 200,000 vehicles, with monthly deliveries exceeding 30,000 vehicles. The production volume of the *AITO M9* exceeded 150,000 vehicles within 10 months following its launch in 2024, demonstrating its ability to “rapidly scale upon entering the market.” Moreover, we have not experienced any major quality issues during the instant ramp-up delivery of the *AITO M7* and *AITO M9*, setting a benchmark for the industry.

We operate three intelligent factories, employing over 3,000 robots working collaboratively to achieve high automation rates across the intelligent servo stamping line, welding process, painting and assembly workshop. We launched the first 10,000-ton-level integrated die-casting, consolidating 222 parts into 10, which significantly enhances the rigidity, stability and productivity of vehicle bodies. Leveraging digital-twin technology, our Super Factory utilizes digital technology as a driving force and seamlessly integrates artificial intelligence, big data, the Internet of Things to establish an intelligent manufacturing platform that achieves high-quality, efficient and agile delivery.

We also continue to enhance collaboration with supply chain partners in R&D, quality, delivery and other areas, enabling real-time monitoring and instant alerts of production quality data from key suppliers. This enhances digital and intelligent quality of components throughout the supply chain, enabling agile response from product design to manufacturing and delivery while continuously improving supply chain efficiency.

A Sales And Service Ecosystem Enabling Precise Engagement Throughout the Lifecycle

Efficient direct user engagement across all channels. As of June 30, 2025, we had over 700 experience centers and over 350 user centers across over 240 cities, ensuring that services are accessible whenever users need them. In addition to offline channels, we have developed a unified digital user platform to facilitate user engagement across all online and offline channels. Through our exclusive butler service, we provide 24-hour online responses, allowing users to enjoy an exceptional, convenient, and personalized experience anytime and anywhere.

In response to users' vehicle and lifestyle needs, we continually expand our portfolio of premium accessories by precisely identifying their requirements and enriching the range of ancillary and derivative products. This approach not only addresses users' essential demands for vehicles but also fosters a deeper emotional connection with them.

“Intelligent and Worry-free” service system. With the increase in sales volume, the number of *AITO* users will exceed 700,000. The vast user base has laid a solid foundation for the development of the *AITO* and the establishment of an ecosystem. With “Intelligent Service” as the core strategy, through the application of digitalization and AI, we create a new lifecycle management system and establish a digital ecosystem. We have a profound insight into user needs for continuous innovation. We have launched a variety of service initiatives: starlight service, tire delivery service, worry-free return service, etc.

Our online platform has covered the full range of user interactions involved in vehicle purchase, delivery, use, control, maintenance, sale, and social engagement. We offer users a fully digital, transparent service experience, which includes car pick-up and delivery, as well as remote services. By leveraging digital technology, we ensure precise time management to enhance service efficiency.

Entrepreneurial Spirit and R&D Team

We started from spring manufacturing in 1986, and entered the field of vehicle manufacturing in 2003. By 2016, we have transformed and tapped into the NEV sector. Throughout the journey, we continuously achieved industrial upgrade driven by the entrepreneurial spirit.

We have a management team with decades of experience in the industry and a strategic vision. Our management has been deeply involved in the automotive sector for over 20 years. Amid the critical period of industry transformation, we accurately anticipated the trend of intelligent electric vehicles and developed “new luxury” products that integrates traditional luxury and technological luxury.

Our vehicle development and R&D team integrates traditional vehicle manufacturing, new energy technology, intelligent hardware, and artificial intelligence technology. The diverse, dynamic, and enterprising R&D team is crucial for ensuring that our products consistently maintain competitiveness. As of June 30, 2025, we had 8,005 R&D and technology personnel, representing an increase of 888 people from the end of 2024 and an increase of 12.5%. With our strong R&D capabilities, we will continue to promote technological innovation.

OUR STRATEGIES

Dedicated to Serving Users, Striving to Become a Leading World-Class New Luxury Automotive Brand

Enhancing our brand is at the heart of our strategic vision. We are committed to firmly establishing our position in redefining luxury through intelligence. By focusing on intelligent safety, driving assistance, intelligent cockpits, intelligent chassis, and intelligent services, we are reinforcing our standing among world-class premium brands. We continuously explore and enhance our technology, products, global expansion, user services, and intelligent manufacturing capabilities. Through technological and business model innovations, we cultivate competitive advantages and aim to become a leading world-class new luxury automotive brand.

To achieve these strategic objectives, our key measures include:

Building a New Standard of Tech-Luxury to Set a Global Benchmark for Intelligent NEVs

Technology is our core competitive advantage and strategic focus. We will increase our investment in advanced R&D to establish a new luxury paradigm that seamlessly merges “traditional luxury” with “tech-luxury.” We will firmly embrace the technical roadmap of “software-defined vehicles” and adhere to a strategy that encompasses “mass production, development, pre-research, and exploration.” Our commitment to enhancing R&D investments. We plan to comprehensively adopt advanced digital and intelligent technologies while consistently improving the commercialization of groundbreaking technological advancements. We aim to drive innovation through technology, continuously elevating the intelligence of our products and services.

Continuing to Upgrade the MF Platform: We aim to continue to achieve breakthroughs in high-performance, lightweight construction, energy efficiency, low carbon emissions, and an unparalleled user experience. Utilizing the MF Platform, we will continually refine vehicle architectural capabilities.

Enhancing the Driving Assistance Experience: Through collaborative development, we intend to comprehensively upgrade the software and hardware associated with driving assistance. By integrating advanced AI technologies, we will address the complex challenges faced by users in various driving scenarios, providing a safer and more enjoyable driving experience.

Strengthening Intelligent Safety: We will prioritize a “safety first” approach. Leveraging our first-mover advantage, system capabilities, and collaborative experimental resources, we will enhance and refine our comprehensive intelligent safety measures, maintaining our leadership in this vital area.

Adhering to a Popular Product Strategy to Offer a Continuously Evolving Product Experience for Global Users

We strive to develop new energy vehicle products that offer unique advantages and leadership across generations and cost structures. Our focus will be on scenarios and user experiences as we develop flagship models of luxury NEVs that blend intelligent technology with human-centered design.

We will enhance our popular product strategy by continuing to refine our product portfolio to meet diverse user needs. We are devoted to developing high-quality models while leveraging products to strengthen user satisfaction and brand recognition. We will simultaneously iterate on multiple generations of models, dynamically balancing core user demands with profit margins. Furthermore, we will expand market coverage based on real-world user insights, prioritizing user experience and product profitability as foundational criteria for optimizing our product offerings.

We will adhere to a market direction focused on “user-defined vehicles,” promoting a continuous feedback loop from users to R&D to improve product competitiveness and customer satisfaction. Our active exploration will capture emerging technologies, market shifts, and evolving user needs in real-time. Utilizing an integrated product innovation platform that combines internal and external resources, we will continuously enhance the user experience.

Actively Promoting Globalization and Expanding Our Brand Influence in International Markets

We are dedicated to a globalization strategy to expand in overseas markets. We will continue to develop international markets, gradually establishing a strong global brand presence and leadership.

We will promote the localization of premium brand models in overseas markets. We plan to enhance the international expansion of our core brands while adhering to local regulations, market practice, consumer preference, and cultural diversity. Our goal is to create interactive services and driving assistance experiences tailored for users across diverse markets, establishing competitive advantages in international markets and driving growth in both sales and revenue.

We will uphold principles of openness and cooperation, actively establishing diverse international networks to expand local production capacities worldwide. We will integrate high-quality global industrial resources and foster collaborative partnerships. Furthermore, we will explore various methods to build overseas networks, including self-operation, joint ventures and strategic alliances with local partners, and mergers and acquisitions, to enhance local production capabilities in various countries and regions. Our objective is to strengthen our presence in leading markets, continuously promote the overseas reputation, and expand our global market share. As we increase overseas vehicle sales, we will also develop strategies for overseas component sales, leveraging our technical advantages in range extending products. As demand for REEVs grows globally, we will explore new and diverse globalization strategies.

Creating an Active and Intelligent Service System Throughout the Vehicle Lifecycle

We aim to establish a world-class sales channel for our new luxury brand. Building on our existing domestic and international sales networks, we will increase channel penetration where necessary, enhance in-store service capabilities, and improve digital services and full-cycle operational capabilities for users through a fully-integrated sales and service network.

Expanding Sales Network for Efficient Direct Engagement across All Channels: We are committed to the principles of “being close to our users, facilitating their convenience, and providing satisfactory service.” To this end, we will expand the coverage of both our domestic and international service networks, increasing channel penetration to effectively reach users of high-end products. Our sales service network will be characterized by “front-line leadership and multi-point linkage.” Additionally, we will develop a refined retail management system that flows from headquarters to regions and individual stores, continually enhancing sales capabilities.

Improving Service Experience Through Digitalization and Intelligence: We will create a next-generation intelligent service system powered by AI technology to accurately meet user needs. Utilizing advanced digital technologies, such as OTA software upgrades and AI-driven models, we aim to provide users with a comprehensive, precise, transparent, efficient, and high-quality service experience.

Providing Full Lifecycle Service to Elevate Worry-Free Standards: We will reshape service quality benchmarks to align with the standards of luxury, continuously optimizing our five-in-one service support system for “marketing, product operation, technical support, engineering development, and user engagement.” Furthermore, we will upgrade traditional 4S store services to create a luxury, worry-free service experience that combines technological capabilities with a human touch, enhancing our brand value through every interaction.

Continuing to Enhance Intelligent Manufacturing Capabilities to Establish an Open, Innovative, and Integrated Ecosystem for the Intelligent Vehicle Industry

We are committed to building a globally leading intelligent manufacturing system. By focusing on large-scale, agile, and intelligent production, we continuously update our manufacturing standards with advanced technologies. Our goal is to redefine the vehicle production model through automation and intelligence while consistently upgrading our capabilities for instant production and delivery, thereby creating an open, innovative, and integrated ecosystem for the intelligent automobile industry.

Enhancing Intelligent Manufacturing and Delivery Capabilities of Instant Ramp-Up:

We will continue to develop our intelligent manufacturing system, known as the “SPS (Smart Production System).” Through the coordinated operation of large-scale robotic production lines, intelligent devices, and unmanned systems, we will empower our global benchmark super factories and achieve fully automated and intelligent capabilities across the entire production and logistics chains. Our focus will be on consistently improving the efficiency, quality, and flexibility of our delivery network, maintaining our competitive edge in rapid production capabilities.

Building an Integrated and Collaborative Industrial Ecosystem: We will actively connect various components of the industrial chain, integrating supply and intelligent manufacturing. For product integration, we will develop a vertically integrated technology chain with leading supplier partners. Regarding intelligent manufacturing collaboration, we will advance “synchronous development, supply, and production” through a high degree of component integration and local supplier collaboration.

OUR PRODUCTS

The “AITO” Brand

Our *AITO* brand is positioned for “Intelligence Redefines Luxury,” constantly refining on vehicle performance, space, and technological processes and incorporating technological luxury elements, including intelligent safety, driving assistance, intelligent powertrain, intelligent cockpit, and intelligent chassis. We are committed to providing users with an intelligent driving experience characterised by “easy to drive and easy to use.” The brand name “*AITO*” stands for “Adding Intelligence to Auto.” Currently, we have launched four *AITO* models, including our *AITO M9*, *AITO M8*, *AITO M7* and *AITO M5* models.

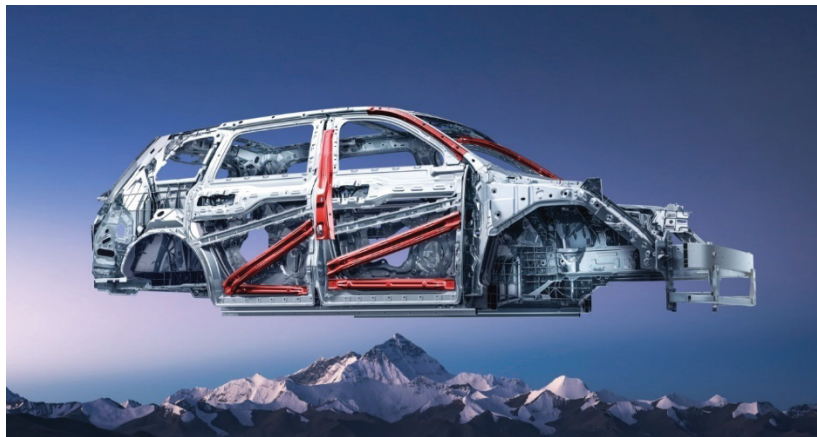
AITO M9

The *AITO M9* is our flagship all-scenario intelligent SUV, featuring luxurious design, superior safety, precise performance and flagship intelligence, meeting users' travel needs in all scenarios. We offer the *AITO M9* in both REEV and BEV models. The *AITO M9* REEV model features CLTC of over 1,400km, while the BEV model features CLTC of up to 630km. The MSRP of the *AITO M9* ranges from RMB469,800 to RMB569,800.

Luxurious design. We integrate Chinese aesthetics and advanced technology into the *AITO M9* body design. With smooth and elegant body lines, the *AITO M9* delivers a strong visual impact at first glance. The interior cabin is designed with a flat floor design and class-leading seating space, and features ultra-soft seats and “zero gravity” seats with wide reclining angles, seat heating, adjustable backrests, and generous adjustments. The *AITO M9* also features a wide range of thoughtful design features, including surround sound systems, dual cooling and heating in-car refrigerator, fragrance system, ambient lighting and double-layered sound-proof glass, creating an unmatched comfortable driving and riding experience.



Superior safety. The *AITO M9* features heat-formed steel with a strength of 2,000 MPa in 12 key parts, combined with 9,800-ton integrated die-casting technology. The vehicle's aluminum alloy comprises over 80% of its volume, providing a strong yet lightweight and safe body structure. A dual anti-collision beam design of the *AITO M9*, paired with a 8-by-5 matrix body structure, provides multi-layered protection against frontal and side impacts, while our interior cabin contains 9 airbags covering 16 safety points, comprehensively safeguarding every passenger. To ensure battery safety, the battery cells of the *AITO M9* are encased in 5-layer safety packaging, wrapped around an additional 11 protective chambers. Moreover, the *AITO M9* is equipped with various intelligent safety technologies, such as emergency steering assist, automatic emergency braking, emergency lane keeping, road adaptive, and automatic emergency avoidance technologies, which form an advanced omnidirectional stereo-fusion perception system to enhance active safety performance.



Elevated driving experience. We offer *AITO M9* in REEV and BEV models at the users' choice. With a vehicle length of 5,230 millimeters, the turning radius of the *AITO M9* is just 5.8 meters, driven by an intelligent AWD system. It boasts an all-aluminium alloy chassis, a one-piece cast aluminium subframe, and a four-ball-joint double-wishbone independent suspension. The entire range comes standard with an intelligent closed-loop air suspension system and CDC (Continuous Damping Control) variable damping shock absorbers, which allow for dynamic softness and hardness adjustments, providing a responsive, smooth, and comfortable driving experience across various terrains.



Flagship Intelligence. In addition to traditional luxury features such as that focuses on performance, materials, and craftsmanship, the *AITO M9* also offers enhanced driving experience through intelligent safety, driving assistance, powertrain, cockpit and chassis. The *AITO M9* is equipped with a 75-inch AR HUD with a high 2K resolution, integrating AR real-world views, while the second row features a giant 32-inch projection screen. Equipped with an advanced integrated perception system, the *AITO M9* achieves 540° all-around coverage, helping users confidently navigate various complex road conditions, while the intelligent interactive matrix headlights implement smart lighting functions including width mapping and enhanced adaptive driving beam. It also enables personalization through features like charging time reminders and music rhythm synchronization.



We began deliveries of the *AITO M9* in February 2024. In 2024, the *AITO M9*'s total deliveries was 151,188 units, becoming the best-selling model in the RMB500,000 price segment in the Chinese market. In the six months ended June 30, 2025, we delivered 62,433 *AITO M9* vehicles. The *AITO M9* has transformed the sales pattern of China's premium brand vehicle market, setting a new standard for tech-luxury SUVs with its all-scenario capabilities.

AITO M8

We launched the *AITO M8* model, our brand-new flagship intelligent family SUV, in April 2025.

The *AITO M8* is a full-size flagship SUV meticulously crafted for discerning family users. It delivers an unparalleled premium experience in the areas that families prioritize most, namely comfort, safety, intelligence, and luxury, while addressing diverse mobility needs across all scenarios. The *AITO M8* offers discerning families a new choice for a versatile mobile lifestyle space.

The *AITO M8* REEV model features CLTC of over 1,500km, and the BEV model features CLTC of over 700km, with 5-seater and 6-seater versions available for option. The MSRP of the *AITO M8* ranges from RMB359,800 to RMB449,800.



Comfort. The *AITO M8* is engineered to deliver enhanced experiences to users in space, comfort and convenience.

With a super-long wheelbase measuring 3,105mm, the *AITO M8* offers ample interior space. The six-seater version is designed with a configuration comprising a level floor area of 3 square meters and leg room nearing 1 meter. The five-seater version incorporates an expanded second row and an impressive trunk capacity of 1,086L. All *AITO M8* models feature ultra-soft seats, with the six-seater version equipped with “zero gravity” seats and five-seater version featuring “semi-zero gravity” seats, both providing users with enhanced driving and riding experience. The *AITO M8* features a diversified and flexible cabin space, such as versatile cabin storage, oversized trunk, concealed storage options, and under-seat storage boxes in the rear row, offering users a convenient driving experience.

Safety. The *AITO M8* spares no effort to safeguard every journey for families, excelling across passive safety, active safety, and well-being.

The *AITO M8* features a “*Xuanwu* (玄武) vehicle body” with an eight-by-five matrix structure, reinforced with hot-formed steel with a strength of 2,000 MPa at 12 locations, delivering multi-layered structural protection. Fitted with nine airbags and an industry-first triple-layer safety mechanism door handles ensure comprehensive safety protection. For active safety, the *AITO M8* integrates 30 advanced sensors, including dual LiDAR sensors and a distributed 4D millimeter-wave radar system, enabling omni-directional environmental perception and enhanced collision prevention ability. Engineered for extreme scenarios, the *AITO M8* has been tested across 25 cabin water spill simulations and boasts a class-leading 700mm emergency wading depth. Its cabin prioritizes well-being through skin-friendly materials, eco-friendly manufacturing processes, and advanced air quality systems, such as dual-layer airflow quad-zone climate control and UVC+MOFs antibacterial deodorizing filter, which can realize rapid odor elimination and microbial purification, with a deodorizing efficiency of up to 99.9%.

Intelligence. In addition to class-leading driving assistance capabilities, the *AITO M8* is equipped with an intelligent cockpit, featuring megapixel-level intelligent projection headlights, a seamless panoramic triple-screen console, 68-inch AR HUD with real-world navigation overlay, and the second row is equipped with a 32-inch rear suspended projection screen. The intelligent chassis of the *AITO M8* features full-dimensional fusion perception for real-time road analysis. All *AITO M8* models feature intelligent dual-chamber closed-loop air suspension and CDC adaptive dampers, allowing for dynamic softness and hardness adjustments to achieve more stable continuous control. In addition, the *AITO M8* features road preview, smart height compensation, a comfort braking algorithm and motion sickness mitigation technology, to provide users with a more comfortable, smoother, flexible, and advanced driving experience.

Luxury design. The *AITO M8* embodies a “family” design language, featuring an extended wheelbase and elevated body that create an elegant proportion and upright stance. The exterior highlights a full-width light bar design, while the interior reflects its design philosophy of simple luxury and comfort.

Our *AITO M8* gained strong market traction. Since its launch in April 2025 and by end of June 2025, we delivered 35,183 *AITO M8* vehicles.

AITO M7

The *AITO M7* is an intelligent luxury medium and large-size family SUV, praised as a “national SUV” by the market, featuring reliable driving control, safety, driving assistance, spaciousness, and aesthetics. The *AITO M7* REEV model features CLTC of over 1,600km, and the BEV model features CLTC of over 700km. The MSRP of the *AITO M7* ranges from RMB279,800 to RMB379,800.



The *AITO M7* utilises its camera and LiDAR system to pre-scan road conditions, coordinating with its continuously variable damping suspension and intelligent front/rear axle torque distribution, providing comfort and stability when traversing speed bumps.

The *AITO M7* offers a superior safe driving experience. For passive safety, the body structure makes use of ultra-high-strength hot-formed steel and is equipped with eight airbags and two-stage pre-tensioning seatbelts. In terms of active safety, it is equipped with forward collision warning, forward abnormal obstacle avoidance, side and rear collision avoidance and other functions. The *AITO M7* also adopts aerospace-grade thermal insulation, an active rapid cooling system and triple-layer anti-impact protection technologies to effectively protect battery safety.

The *AITO M7* offers a vast interior space with multiple seat configurations for enhanced comfort, and well-designed cockpit and driving features including our “zero gravity” seats with wide reclining angles, large panoramic sunroofs, soft-close doors and electric running boards for greater mobility and peace of mind. The *AITO M7* inherits the *AITO* brand design, offering an array of color options and interior selections to satisfy diverse user preferences.

In 2022, 2023 and 2024 and for the six months ended June 30, 2025, we delivered 17,648, 60,049, 197,246 and 33,760 *AITO M7* vehicles. Our deliveries of *AITO M7* in 2024 ranked first by sales volume among domestic brand models of the RMB300,000 price segment in the Chinese market in 2024.

AITO M5

AITO M5 sets a new trend for intelligent electric mid-sized SUVs. As a stylish urban intelligent SUV, it has gained strong popularity among young families and tech-savvy pioneers by virtue of its two core strengths, namely high performance and cost effectiveness. *AITO M5* enhances its sporty style with the optional Racing Sport package, using premium materials to create a luxurious and comfortable atmosphere, as well as to enhance driving enjoyment. Equipped with a multi-modal advanced perception system, *AITO M5* achieves precise environmental awareness without relying on HD maps. The *AITO M5* also offers an all-encompassing anti-collision system to ensure driving safety. The *AITO M5* REEV model features CLTC of over 1,400km, and the BEV model features CLTC of over 600km. The MSRP of the *AITO M5* ranges from RMB229,800 to RMB249,800.



In 2022, 2023 and 2024 and for the six months ended June 30, 2025, we delivered 52,686, 34,343, 38,647 and 16,332 *AITO M5* vehicles.

Other Brands

In addition to the *AITO* brand, we also offer other brands of NEV and ICE vehicles, including Landian (藍電), with MSRP for its main models ranging from RMB99,800 to RMB129,800, Fengon (風光), with MSRP for its main models ranging from RMB52,800 to RMB169,100, and DFSK, with MSRP for its main models ranging from RMB38,900 to RMB61,900, with each brand targeting different segment markets.

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The following table sets forth a breakdown of our revenue by brands, in absolute amounts and as a percentage of our total revenue, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
							<i>(unaudited)</i>			
Vehicle sales										
AITO	20,519,344	60.3	24,308,455	67.9	131,907,096	90.9	58,420,992	89.9	56,281,847	90.3
Other brands	10,761,545	31.6	9,248,038	25.9	7,031,132	4.8	3,315,969	5.1	2,826,319	4.5
Others	2,775,185	8.1	2,232,392	6.2	6,175,395	4.3	3,277,353	5.0	3,250,659	5.2
Total	34,056,074	100.0	35,788,885	100.0	145,113,623	100.0	65,014,314	100.0	62,358,825	100.0

The following table sets forth a breakdown of our vehicle sales volume by brands for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
AITO	77,874	102,559	388,740	181,960	151,977
DFSK	64,866	68,297	43,529	24,692	19,749
Fengon	74,876	36,550	28,093	11,500	7,525
Landian	12,681	12,933	34,153	16,323	11,155
Other brands	36,949	31,970	2,493	1,325	8,197
Total	<u>267,246</u>	<u>252,309</u>	<u>497,008</u>	<u>235,800</u>	<u>198,603</u>

Future Models

We are committed to continuously introducing new models to ensure that we meet the evolving needs of our customers. Our primary focus will be on China's premium NEV market segment. By leveraging advanced technology and innovative design, we aim to elevate the driving experience for our customers while expanding our reach within this rapidly growing market.

Parts and Materials

We also provide core components for NEVs to other OEMs, primarily including range extender, electric drive motor, powertrain and automotive parts, such as seats, bumpers, etc.

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Our Results of Operations

Our Revenue

The following table sets forth a breakdown of our revenue by nature, in absolute amounts and as a percentage of our total revenue, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
Vehicle sales										
NEVs	24,934,089	73.2	28,947,606	80.9	135,490,526	93.4	60,198,727	92.6	57,951,847	92.9
ICE vehicles	6,346,800	18.6	4,608,886	12.9	3,447,702	2.4	1,538,234	2.4	1,156,319	1.9
Others ⁽¹⁾	2,775,185	8.2	2,232,393	6.2	6,175,395	4.2	3,277,353	5.0	3,250,659	5.2
Total	34,056,074	100.0	35,788,885	100.0	145,113,623	100.0	65,014,314	100.0	62,358,825	100.0

Note:

- (1) Others consist of sales of parts and materials, primarily including range extender, electric drive motor, powertrain and other automotive parts.

Vehicle Sales Volume

The following table sets forth our vehicle sales volume for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
NEVs	135,054	150,926	426,885	200,949	172,108
ICE vehicles	132,192	101,383	70,123	34,851	26,495
Total	267,246	252,309	497,008	235,800	198,603

The sales volume of our NEVs increased by 11.8% from 135.1 thousand units in 2022 to 150.9 thousand units in 2023, and further increased significantly to 426.9 thousand units in 2024, as we continued to strengthen our brand awareness, refine our product portfolio, and enhance our customer experience. The sales volume of our NEVs decreased from 200.9 thousand units in the six months ended June 30, 2024 units to 172.1 thousand units in the six months ended June 30, 2025, mainly as a result of the launch of the *AITO M8* in April 2025. The expectation for launch of new models may affect the timing of placing orders by potential consumers. The sales volume of our ICE vehicles decreased from 132.2 thousand units in 2022 to 101.4 thousand units in 2023, and further to 70.1 thousand units in 2024, and decreased from

34.9 thousand units in the six months ended June 30, 2024 units to 26.5 thousand units in the six months ended June 30, 2025, primarily due to our strategic shift toward NEVs, in line with industry trends in China and globally.

OUR TECHNOLOGIES

Through continuous innovations, we have developed core technological capabilities that provides distinct competitive advantages in the industry. This substantial accumulation of technological capabilities improves the quality and performance of our products and further solidifies our competitive edge, enabling us to stand out in the industry.

MF Platform

The MF Platform is our intelligent platform with continuously evolving capabilities, and it is the first platform in the industry compatible with three new energy powertrains, namely, Super Range-extended Electric, Battery Electric and Ultra Hybrid. The MF Platform enables limitless dimensional flexibility and vehicle-type adaptability for efficient integration and interchangeability of components, which enables us to efficiently and reliably achieve rapid mass production of our series models through platformisation. Our MF Platform's advanced integrated range extending architecture, featuring state-of-the-art electric drive motors, inverters and essential components, is engineered for efficiency, reliability, and high performance. We also use scalable batteries, enabling us to adapt to the specific requirements of different vehicle models. Our MF Platform also includes a comprehensive vehicle control system, managing critical functions such as battery management, energy optimization, and driving assistance features. This integrated approach enhances overall vehicle performance and safety. The MF Platform improves its performance and reduces its weight through utilizing lightweight materials, such as aluminum alloys and magnesium alloys, and new structural engineering technology.

SERES Super REX System

Our latest-generation SERES Super REX System has achieved a mass-production thermal efficiency of 44.8%, with a maximum fuel-to-electricity conversion rate of 3.65kWh/L. We have established partnerships with several industry leaders to advance the development of REEVs. Our SERES Super REX System incorporates RoboREX intelligent control technology, which integrates battery state of charge, driving conditions, map data, and other factors to facilitate global dynamic planning and intelligent optimisation decisions, with rapid execution response. Compared to conventional control methods, this technology enhances the operational efficiency of the system, extends the total driving range of the vehicle, and further improves battery retention capability. Furthermore, this technology optimises vehicle NVH, delivering a more energy-efficient, quiet, and seamless driving experience for users.

Safety Technology

Guided by users' comprehensive safety needs and based on real-world driving scenarios and accident data analysis, we have developed intelligent safety technology system through four overarching safety scenarios of protecting life, structure, health and privacy, spanning nine crucial dimensions, including passive safety and active safety. Our intelligent safety technology system adopts scenario-based safety, encompassing over 180 vehicle use cases and developing more than 300 safety functions. To protect life, our vehicle structure incorporates ultra-high aluminum alloy content, integrated die-casting technology, and ultra-high-strength heat-formed steel, and contains a full coverage of airbags in the cabin, ensuring uncompromised cabin integrity in various collision scenarios. To protect structure, a 360° omnidirectional collision avoidance system is equipped with forward AEB operational from 4 to 150 km/h, and e-AES operational from 50 to 135 km/h, enabling simultaneous braking and evasive maneuvers. To protect health, PM2.5 air purification technology, UVC photocatalytic technology, and other methods were employed to effectively reduce harmful substances and germs within the vehicle, safeguarding the fresh air inside. To protect privacy, we use intelligent systems to isolate user data from external unauthorized access or intrusion.

Intelligent Testing

Our cloud and end integrated testing platform possesses advanced testing capabilities. Our self-developed intelligent testing terminals facilitate 7x24 automated testing for all vehicles. We have established HIL testing systems for ring-network architecture and cabin clusters, providing robust automated simulation capabilities. With an extreme cold-weather testing base, we ensure comprehensive coverage for extreme scenario testing. By extending automated testing to the supply chain, production, and sales operations, we have established a full-process quality automation interception network.

Intelligent Services

Based on our self-developed platform, we provide full-lifecycle intelligent services. By employing big data and AI technologies and based on digital infrastructures and intelligent platforms, we are capable of offering users proactive services, including predictive risk alerts, remote diagnosis, real-time incident and failure notifications, delivering a comprehensive, precise, efficient, and quality intelligent services for users.

RESEARCH AND DEVELOPMENT

We are continually increasing our R&D investment and are committed to an innovation-driven approach that closely aligns with the evolving needs of our users. By focusing on in-house technology research and development, we consistently enhance product performance and efficiency.

R&D Capabilities

We have built a R&D team with 8,005 experienced R&D professionals as of June 30, 2025, representing an increase of 12.5% from the end of 2024. As an industry pioneer, we have attracted and retained an experienced R&D team. A substantial portion of our R&D staff is equipped with extensive knowhow and expertise in vehicle manufacturing, intelligent technologies, software engineering, among others. We will continue to proactively recruit R&D talents to further innovate and improve on our technologies and solutions.

As a technology company with NEVs as its core business, we must continually invest significantly in strengthening our R&D capabilities. During the Track Record Period, we recorded R&D expenses of RMB1.3 billion, RMB1.7 billion, RMB5.6 billion, RMB2.8 billion and RMB2.9 billion in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively.

VEHICLE DESIGN AND ENGINEERING

We have established robust capabilities in the design and manufacturing of NEVs and component systems. Our product design combines “traditional luxury” with “tech-luxury”, dedicated to developing vehicles that meet the demands of modern consumers. We possess technologies in the design, development and manufacturing of key components, such as range extenders, batteries and powertrains, ensuring a solid foundation for performance and reliability.

The MF Platform is the core of our vehicle platform. Its characteristics of intelligent safety, diverse powertrain, deep adaptability and leading intelligence enable us to quickly launch high-safety, high-performance and high-quality products with different sizes and powertrains to meet the needs of users. Leveraging computer-aided engineering simulation and analysis technologies, we conduct comprehensive full-scenario vehicle testing to ensure that design and engineering processes meet the highest standards. Furthermore, our engineering and manufacturing teams collaborate closely with suppliers and partners to optimize component designs, guaranteeing high performance and quality throughout the entire R&D cycle and beyond.

MANUFACTURING, SUPPLY CHAIN, AND QUALITY CONTROL

Manufacturing

We consistently promote intelligence in vehicle manufacturing and adopt a lean manufacturing approach to drive continuous improvements in operational efficiency and product quality.

Currently, we operate several intelligent factories. The intelligent factories mainly for manufacturing our *AITO* brand are the SERES Super Factory (Longsheng) (the “**Super Factory (Longsheng)**”), the SERES Super Factory (Fenghuang) (the “**Super Factory (Fenghuang)**”), and the SERES Super Factory (Longxing) (the “**Super Factory (Longxing)**”), (together the

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“**Super Factories**”), each of which are located in Chongqing, China, with a collective designed production capacity of approximately 300,000 units as of the Latest Practicable Date. We leverage advanced data and intelligent technologies in our three intelligent factories to integrate advanced manufacturing and information/communication technologies, creating an “intelligent manufacturing” ecosystem connecting the physical and digital. We leverage digital simulation and virtual debugging technologies to shorten the production ramp-up cycle of the production line in the workshop, enabling intelligent factories to achieve “instant ramp-up”. Through a smart architecture of hardware, software, networks and platforms enabling real-time online responsiveness, we can achieve rapid and precise large-scale customized manufacturing. Our factories also adhere to rigorous quality control standards, enabling consistently high-quality product output. In addition to the Super Factories, we also operate two factories primarily for the production of other EV and ICE vehicles in Chongqing and Hubei, China, with a collective designed production capacity of approximately 300,000 units. In total, our aggregate annual production capacity in China was approximately 600,000 units as of the Latest Practicable Date. To expand our global capabilities, we also operate a manufacturing facility in Indonesia, primarily manufacturing ICE and hybrid SUVs and light commercial vehicles under non-*AITO* brands, with an annual designed production capacity of approximately 20,000 units.

The following table sets forth the designed production capacity, production volume and capacity utilization rate of our manufacturing bases during the Track Record Period:

Location	For the year ended December 31,									For the six months ended June 30,		
	2022			2023			2024			2025		
	Designed Capacity	Production Volume	Utilization Rate ⁽¹⁾	Designed Capacity	Production Volume	Utilization Rate ⁽¹⁾	Designed Capacity	Production Volume	Utilization Rate ⁽¹⁾	Designed Capacity	Production Volume	Utilization Rate ⁽¹⁾
	(units)	(units)	(%)	(units)	(units)	(%)	(units)	(units)	(%)	(units)	(units)	(%)
China	450,000	263,198	58.5	450,000	254,497	56.6	600,000	495,554	82.6	300,000 ⁽²⁾	201,981	67.3
Indonesia . .	30,000	2,899	9.7 ⁽⁴⁾	30,000	1,537	5.1 ⁽⁴⁾	30,000	877	2.9 ⁽⁴⁾	15,000 ⁽³⁾	606	4.0 ⁽⁴⁾

Notes:

- (1) The utilization rate is equal to the production volume divided by the designed capacity during the same period.
- (2) Calculated based on the annual designed capacity of 600,000 units.
- (3) Calculated based on the annual designed capacity of 30,000 units.
- (4) The utilization rate of our Indonesia factory was relatively low during the Track Record Period mainly because it was built to support our future global expansion strategies. We expect the utilization rate will gradually ramp up in line with our global expansion efforts.

Super Factory (Longsheng)

The Super Factory (Longsheng) has a site area of approximately 500,000 square meters and a designed annual production capacity of 50,000 units in 2024.

The Super Factory (Longsheng) has four integrated intelligent production processes, including stamping, welding, painting and assembly, with intelligent robots deployed and has achieved 100% automation in critical processes such as on-the-fly laser welding and high-precision blue-light inspection. We leverage advanced systems, including the manufacturing operation management (MOM) system and logistics management system (LMS), to enable real-time data coordination and flexible, order-based production.

Super Factory (Fenghuang)

The Super Factory (Fenghuang) has a site area of approximately 800,000 square meters and a designed annual production capacity of 100,000 units in 2024.

The Super Factory (Fenghuang) exemplifies digital-physical integration, leveraging intelligent robots and MOM systems to achieve seamless integration of production planning with automated equipment. Key processes, including stamping and welding, have achieved 100% automation, supporting rapid model switching and order-driven manufacturing. Our quality control incorporates driving assistance sensor calibration and cloud-based predictive quality control, ensuring consistent output.

Super Factory (Longxing)

The Super Factory (Longxing) has a site area of approximately 1,830,000 square meters and a designed annual production capacity of 150,000 units in 2024. The factory was built in accordance with top international standards and industrial internet requirements, characterized by high efficiency, intelligence, advanced technology and environmental friendliness.

The Super Factory (Longxing) is designed with full integration of digital and intelligent technologies, enabling seamless connectivity between equipment, processes, and data. With a production system incorporating over 3,000 smart equipment, the Super Factory (Longxing) achieves automation of key processes, delivering high efficiency and precision.

We have utilized a leading 10,000-ton level die-casting machine to achieve the highest integration of integrated die-casting components, enhancing structural integrity while reducing production complexity. The production process is characterized by flexibility, transparency, interconnectivity, and intelligence, setting a new industry benchmark. Furthermore, we implement high-precision measurement and quality inspection systems, including blue light scanning technology and on-line robotic monitoring, ensuring an advanced measurement precision of 0.05mm. Our AI-powered visual monitoring system, equipped with 43 detection points, enables real-time monitoring and comprehensive inspection of the production process. The Super Factory (Longxing) adopts automated quality testing technology for quality testing of assembled vehicles, thus guaranteeing high product standards and traceability.

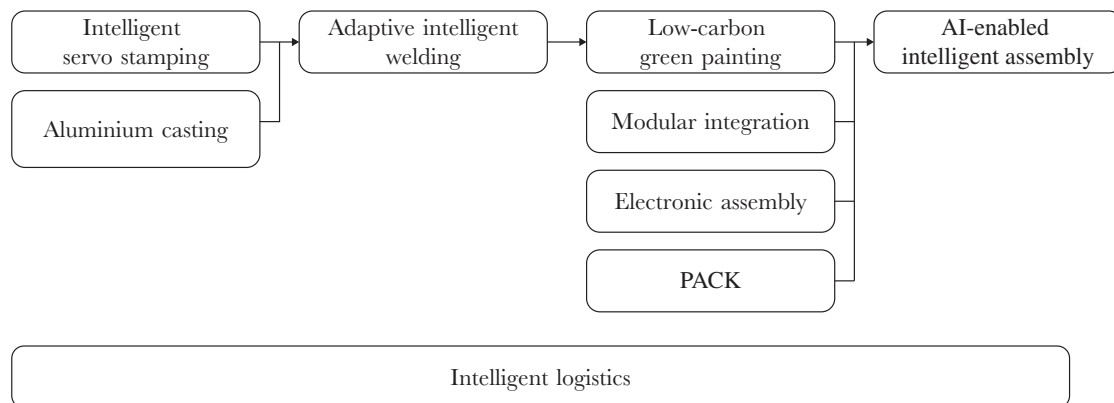
In addition, we have established a parking assistance system, PTMS, that includes battery-powered driverless heavy-duty trucks, an ICS unmanned intelligent management system, and an advanced power exchange and energy supplement system, which enables a 24-hour uninterrupted logistics transportation system within the intelligent factory area. All materials in storage are labeled with three-dimensional warehouse location codes linked to our IT system, achieving “one material, one file”. Additionally, we have enhanced the collecting, sorting and distributing efficiency and automation level by integrating robotic packing with AMR systems for automatic transfer and warehousing.

Our Production Process

We typically arrange manufacturing based on customer orders. To maximize efficiency, reduce defect rates, and ensure timely product delivery, we employ a variety of manufacturing technologies, leveraging digitalization, intelligent systems, and IoT to enable real-time responsiveness and customized production.

Our engineering team is committed to the continuous development of production and management technologies in component manufacturing and product assembly, alongside with highly automated robots and equipment, to enhance the digitalization level of “intelligent factories”, thus better facilitating our production and testing processes.

Our Super Factories fully integrate intelligent technologies to ensure seamless connectivity between equipment and data throughout the production process. Taking the Super Factory (Longxing) as an example, the following chart illustrates the key steps of the production process of our EVs:



Stamping

The Super Factory (Longxing) is equipped with advanced servo presses, single-arm robotic manipulators, automated framing technology, and an AGV transportation system, with blue light measurement systems enabling fully automated production and inspection of steel and aluminum components. The 7,700-ton automated intelligent servo press line is capable of stamping 16 sheet metal parts per minute while reducing energy consumption by 15%.

Additionally, the Super Factory (Longxing) employs robotic framing and an AGV system for automated warehousing, further enhancing production efficiency. Notably, our Super Factory (Longxing) has integrated measurement technology with a precision of $\pm 0.05\text{mm}$, ensuring highly accurate quality inspections. This advanced system significantly enhances both product quality and manufacturing efficiency, reinforcing precision and consistency throughout the production process.

Welding

We use welding robots to automate welding and employ laser welding technology on the vehicle door to enhance body stiffness, thereby improving overall vehicle safety. By leveraging the integrated die-casting technology, the rear vehicle body structure is reduced from 87 separate components to a single piece. This significantly enhances the structural integration and reduces the weight of the vehicle. Additionally, by utilizing self-piercing riveting and thermal flow drilling technology, the production line is capable of handling steel-aluminum hybrid body structures, ensuring high-quality connections.

Painting

We adopt advanced, environmentally friendly water-based painting technology. The painting process is fully automated through intelligent robots. The pre-treatment and electrophoresis process in the painting workshop utilizes thin-film technology, replacing the traditional phosphating process, thereby achieving zero emissions of phosphorus and Class I metal nickel.

Assembly

At final assembly, the chassis, wheels, electric drive systems, lights, and braking systems are attached to the vehicle body. We have achieved a high level of automation for key processes in the assembly workshop, ensuring consistency and precision. Our AI-powered real-time visual inspection system utilizes high-definition cameras to capture AI imaging of the vehicle chassis, inspecting the assembly quality of 58 bolts to ensure the quality consistency of the assembly process. In addition, the assembly workshop features 34 similar inspection points, safeguarding quality at every critical production step.

Our facilities are digitalized and automated, enabling tracking, monitoring, early detection and optimization from end-to-end across the production process, achieving digitalization of orders, production, testing and storage.

Intelligent Logistics

Our industry-first intelligent logistics port employs containerized three-dimensional warehousing technology alongside unmanned truck distribution technology across production, facilitating dynamic storage and lifecycle management of containers.

Supply Chain

With more than 20 years' experience in the automotive industry, we have developed core technological capabilities that have led to the success of our *AITO* vehicles. Meanwhile, we have established a reliable and scalable supply network. Based on long-term strategic partnerships with leading industry suppliers such as Huawei and CATL, we aim to foster an open, inclusive, and interdependent ecosystem.

Collaborations with Huawei

We have established long-term and strong business relationship with Huawei. Our strategic collaborations with Huawei are summarized as below.

- ***Products and services provided by Huawei.*** We procure automotive components from Huawei, such as intelligent cockpit and driving assistance systems used in all of our *AITO* vehicles. In addition, leveraging Huawei's brand recognition and extensive physical store network, we also procure advertising and promotional services from Huawei to market and sell our *AITO* vehicles. For example, at approximately 700 experience centers operated and managed by Huawei, we offer *AITO* vehicles for display and test drive. Customers may also place orders directly at the experience centers, with sales and delivery finalized at an *AITO* User Centers managed and operated by us and our distributors.
- ***Equity investment in Yinwang.*** On August 23, 2024, we entered into an equity transfer agreement with Huawei to purchase 10% of the equity interests held by Huawei in its then wholly-owned subsidiary, Shenzhen Yinwang, at a total consideration of RMB11.5 billion. As a result of such transaction, we expect to continue to enhance our operational ecosystem through this acquisition by strengthening our investments in intelligent vehicle technology, improving the stability of our supply chain for intelligent vehicle components, strengthening our strategic partnership with Huawei, and continuing to enhance our deployment in advanced vehicle smartification technologies and the competitiveness of our intelligent electric vehicles, while enlarging the ecosystem cooperation with our strategic partners. For details, see "History, Development and Corporate Structure – Significant Acquisitions and Disposals – Acquisition of minority interest of Shenzhen Yinwang."
- ***Procurement of Trademarks.*** In 2024, we acquired 919 trademarks primarily in relation to *AITO* and 44 relevant design patents from Huawei and its related parties, a strategic business partner of us and an Independent Third Party, for a consideration of approximately RMB2.5 billion. The consideration is determined based on negotiation between both parties. This transaction does not affect the business collaboration between Huawei and us.

Both parties continue to strengthen our stable and sustainable collaborations. In these regard, we have entered into a non-exclusive cooperation agreement regarding further deepening collaborated business with Huawei in 2024. Our collaborations with Huawei do not involve any arrangements regarding profit-sharing, which are consistent with industry norm according to Frost & Sullivan.

Significance of our relationship with Huawei

During the Track Record Period, we have experienced significant business growth and improved profitability, which has been largely attributable to the success of *AITO* vehicles. Our collaboration with Huawei is a significant contributor to the success of our *AITO* vehicles. We have maintained good and long-term business relationship with Huawei. We believe that our relationship with Huawei, including our cooperation agreement with Huawei in 2024, is not subject to material adverse change considering (i) the track record of friendly and mutually beneficial cooperations between both parties since 2019. For example, according to Frost & Sullivan, the sales volume of AITO vehicles in 2024 is the largest among NEV brands in the Harmony Intelligent Mobility Alliance, (ii) our investment in Yinwang, a subsidiary of Huawei which is primarily engaged in providing intelligent vehicle solutions, to strengthen our strategic relationship with Huawei, and (iii) pursuant to the long term cooperation agreement we entered into with Huawei in 2024, both parties shall maintain strong cooperation relationships and no party shall unilaterally terminate the agreement. Nonetheless, we may be subject to concentration and counterparty risks from such collaborations. If we experience any material disruptions in our business relationship with Huawei, our business, financial condition and results of operations may be materially and adversely affected. See “Risk Factors – Risks related to Our Business and Industry – Our profit is attributable to the launch of certain successful models and the partnership with our significant business partners.”

By working closely with our suppliers, we ensure high standards, quality, efficiency and cost competitiveness of components, as well as supply chain stability. We have implemented advanced supply chain digitalization and forecasting systems to achieve the digitalization and intelligence of procurement, inventory management, and logistics, enhancing operational efficiency and ensuring timely delivery of key components. We have actively taken on the role of a primary enterprise in the supply chain, establishing a cooperative ecosystem with established supply chain partners, resulting in a high level of component integration and the development of localized supplier clusters. This collaboration has led to joint design efforts, collaborative research and development, and synchronized production.

In addition, we engage in localized collaboration with key component suppliers to facilitate efficient and cooperative operations within the same production base. This operation model enables real-time supply synchronization and supports an integrated intelligent warehousing and logistics network. Our Super Factory (Longxing) deploys a fleet of fully electric autonomous heavy-duty trucks for 7x24 hours material transportation. Through the integration of V2X communication systems and an intelligent battery-swapping infrastructure, we have implemented efficient logistics systems to minimize transfer intervals and enhance operational continuity. These innovations ensure seamless component circulation across

production stages while reducing carbon emissions associated with traditional logistics. This vertically aligned model not only enhances cost efficiency but also reinforces supply chain resilience, positioning the facility as a benchmark for large-scale smart manufacturing.

Quality Control

We incorporate advanced technologies, including IoT, big data, and cloud computing, into our quality testing framework, enhancing traditional vehicle testing methods with automated quality inspection technologies. This integration enables seamless coordination across R&D, supply chain management, vehicle manufacturing, and end-of-line inspections, leveraging technology to drive continuous quality improvements. Our quality control framework encompasses the whole quality management process across research, production, supply, marketing, and service throughout the industry chain. The digital intelligence quality management system incorporates technologies such as artificial intelligence, digital twinning, and large models to enable digital simulation and digital verification, online inspection of part and vehicle manufacturing process, and automated inspection of the assembled vehicle, aiming to continuously enhance the quality of design and planning, strengthen the capacity for proactive prevention at the source, and lead the transformation from “theoretical” to “definite quality,” thereby establishing a world-class quality benchmark for new luxury vehicles.

In research and development quality control, we adopt advanced testing methodologies, significantly increasing sample sizes and extending testing durations to more than four times the industry standard in R&D. In addition to extreme climate testing in real-world environments, we conduct simulated climate condition testing in our factories, carrying out functional, performance, and durability tests to validate vehicle reliability across diverse conditions. We focus on information management across the entire process concerning model-level quality, covering all stages of development data from project initiation, development, validation to production.

In component quality control, we establish dedicated quality control measures for critical components to ensure our suppliers’ quality. Every key part undergoes automated inspection before leaving the supplier’s facility, with real-time testing data uploaded to the cloud, ensuring that all delivered components meet required quality standards. This process is fully automated, minimizing human intervention and enhancing consistency and precision. We focus on component-level quality data by integrating key process parameters, inspection records and batch information from suppliers’ production processes into the quality resource pool, realizing chain-wide information integration.

In production quality control, during the vehicle manufacturing process, our intelligent factory integrates intelligent equipment, AI-powered visual inspection, and multi-sensor quality checks. Each production step must comply with quality requirements before advancing to the next stage. If any non-conformance is detected, production automatically stops. For example, in electric motor and high-voltage system assembly, every bolt torque is automatically monitored to ensure compliance. If any deviation is identified, the system halts further processing, removing human intervention and ensuring fully automated quality control.

Following final vehicle assembly, we conduct comprehensive end-of-line inspections, ensuring that vehicles undergo full testing. With our comprehensive IoT-based quality monitoring system covering 34 processes across four manufacturing workshops, we conduct comprehensive inspections of the entire vehicle manufacturing process, enabling preventive quality monitoring at over 70,000 points, which make us stand at the forefront of the industry. We assign a unique digital ID to each vehicle, enabling lifecycle quality control and traceability, ensuring long-term monitoring and quality assurance. For quality-related production data, the system can retain records for 15 years, ensuring traceability for every vehicle manufactured. Based on the industrial Internet platform, we focus on the entire process of vehicle manufacturing, integrating quality data from welding, painting, assembly and other processes while using the VIN number as an index to establish a single vehicle history file.

In market quality control, we provide users with proactive and precise services through real-time uploading of core component operation logs and data to the cloud platform, leveraging big data models and proprietary algorithms to ensure the accuracy of vehicle maintenance and testing. Our software upgrades deliver intelligent experiences for users, enabling “constantly renewal” of our products. By integrating vehicle status monitoring with remote early-warning mechanisms, we enable rapid issue diagnosis, prompt response and provide targeted vehicle use services and recommendations to comprehensively enhance user experience and brand loyalty. Powered by the deep integration of digital and intelligent quality management across the entire product lifecycle from product R&D, manufacturing, marketing and services, our vehicles have demonstrated outstanding performance in both perceived quality and fundamental quality. The *AITO* brand has ranked first in New Vehicle Quality Rankings among new energy vehicle brands for three consecutive years and secured the top position in NPS in the second half of 2024 in New Energy Vehicle Brand Health Study demonstrating our strong capabilities and unwavering commitment to product quality, according to the Frost & Sullivan Report.

SALES AND MARKETING

Omni-Channel Strategy

We have built online-and-offline integration strategies that connect digital touch points and physical stores, engaging customers throughout the entire customer journey from first interaction to purchase and after-sales support. This omni-channel approach ensures a smooth, consistent, and flexible customer experience, and enables us to expand our market presence.

Through our *AITO* App and official website, prospective customers can explore vehicle features, customize configurations, schedule test drives, and place orders with ease. These online interactions are closely linked to our offline stores, where customers can test drive the vehicles, receive in-person consultations, and finalize purchases. Digital preferences and selections made online are seamlessly accessible in-store, ensuring a consistent experience across channels.

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Our physical *AITO* stores, act as an extension of our digital presence, offering hands-on engagement and after-sales services. Additionally, our presence on e-commerce and third-party platforms enhances accessibility, providing financing options and promotional offers that align with our other sales channels. Our physical *AITO* stores comprised over 350 *AITO* User Centers and over 700 experience centers across over 240 cities in China. Our *AITO* User Centers provide one-stop customer services from test drives to sales delivery, maintenance, and after-sales services, exclusively for the *AITO* brand while the experience centers offer vehicle displays, test drives, and order placement services, primarily serving the purpose of product promotion and customer acquisition. For example, at experience centers operated and managed by Huawei, we offer *AITO* vehicles for display and test drive. Customers may also place orders directly at the experience centers, with sales and delivery finalized at an *AITO* User Centers managed and operated by us and our distributors. Through this model, delivery and service of *AITO* vehicles are centralized and processed at our *AITO* User Centers, while experience centers serve to expand the marketing and customer reach of the *AITO* brand and channel customer orders to *AITO* User Centers. Since there is no material overlap in their geographic coverage and they serve different functions, we believe that this network of *AITO* User Centers and experience centers enable us reach to a broader customer base.

By integrating online and offline touchpoints, we create a cohesive and flexible purchasing experience, allowing customers to engage with our brand anytime, anywhere, in a way that best suits their needs.

Sales Network

In terms of geographical coverage, we generate the majority of our revenue in China, as well as in international markets, including Europe, North America and Oceania. The following table sets forth a breakdown of our revenue by geographical location, in absolute amounts and as a percentage of our total revenue, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(unaudited)</i>									
China	30,134,196	88.5	30,812,974	86.1	140,902,880	97.1	63,166,529	97.2	60,937,161	97.7
Overseas	3,921,878	11.5	4,975,911	13.9	4,210,743	2.9	1,847,785	2.8	1,421,664	2.3
Total	34,056,074	100.0	35,788,885	100.0	145,113,623	100.0	65,014,314	100.0	62,358,825	100.0

BUSINESS

The following table sets forth the sales channels of our vehicles and their respective revenue contributions for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
							<i>(unaudited)</i>			
Distribution	27,846,603	81.8	33,464,269	93.5	136,888,738	94.3	60,438,567	93.0	59,156,066	94.9
Direct sales	6,209,471	18.2	2,324,616	6.5	8,224,885	5.7	4,575,747	7.0	3,202,759	5.1
Total	34,056,074	100.0	35,788,885	100.0	145,113,623	100.0	65,014,314	100.0	62,358,825	100.0

China

In line with industry norms, we primarily sell our NEVs through a network of distributors to cover the China market. The following table sets forth our *AITO* User Centers operated by our distributors for the periods indicated:

	As of/For the year ended December 31,			As of/For the six months ended June 30,
	2022	2023	2024	2025
At the beginning of the period . .	83	195	208	312
<i>AITO</i> User Centers newly opened				
by distributors	117	19	104	48
<i>AITO</i> User Centers closed by				
distributors	5	6	0	4
Net increase/(decrease)	112	13	104	44
At the end of the period	195	208	312	356

Our *AITO* User Centers increased during the Track Record Period primarily to support the significant increase in demand for *AITO* vehicles due to the quality and performance of our vehicles. Following the rapid increase in *AITO* User Centers in 2022 in line with the rapid growth in *AITO* sales, we experienced a relatively low increase in number of new *AITO* User Centers between in 2023 primarily as we focused on optimizing the existing distributor networks and store efficiency instead of raw growth. Such shift in focus in turn laid a stronger foundation for more sustainable and high-quality increase in *AITO* User Centers in 2024. As of June 30, 2025, we collaborated with over 160 distributors, with our distributors operating between 1 and 37 *AITO* User Centers. We believe that we are not subject to material concentration risks with our distributors, as in each year/period during the Track Record Period, our distributors operated 10% or less of the respective total *AITO* User Centers.

Our other vehicle brands (such as Landian and DFSK) are primarily sold through our distributors' stores. As of December 31, 2022, 2023 and 2024 and June 30, 2025, our distributors' store network for our other vehicle brands consisted of 1,882 stores, 1,317 stores, 400 stores and 456 stores. The decrease in 2024 was mainly because we strategically pivoted our focus to our *AITO* brand.

Overseas

During the Track Record Period, substantially all of our products and services are sold in China. However, we have also tapped into overseas markets. We have established a presence in multiple countries across Europe, the Middle East, the Americas, and Africa. In Europe, we have expanded into markets including Norway, Germany, the United Kingdom, and Switzerland, marking the successful completion of our initial global market expansion. During the Track Record Period and up to the Latest Practicable Date, we primarily sold both ICE and NEV models under our DFSK brand in overseas markets. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our overseas revenue amounted to RMB3,921.9 million, RMB4,975.9 million, RMB4,210.7 million, RMB1,847.8 million and RMB1,421.7 million, respectively.

We plan to continue to expand into other international markets. We aim to build and enhance our overseas sales and service capability, and to adapt the user interfaces of our software systems to provide better products and services to consumers in overseas markets.

Our Online Touch Points

Our *AITO* App is integrated with offline stores, enabling the entire process, including user consultation, test drive appointment, deposit payment, and after-sales appointment, to be completed online. Through our *AITO* App, prospective customers can place orders. Relying on our strong supply chain management capabilities, we enable our customers to choose from a vast pool of configurations, such as vehicle color, wheel hub size and style, in-vehicle entertainment and “zero gravity” seats. Our users can further review their order status on a real-time basis, evaluate services, and interact with other users directly on the *AITO* App. Such instantaneous feedback also enables us to further enhance our service and customer experience.

Distributorship Management

To ensure alignment with our brand values and sales strategy, we employ stringent selection criteria on our distributors, mainly focusing on financial strength, operational capability, and industry experience. Our distributors are mainly that are specialized in vehicle sales with nationwide or regional coverage and have sufficient financial resources. They also have extensive experience in vehicle sales, repair, and maintenance services. We do not engage any sub-distributors. To the best knowledge of our Directors after having made all reasonable enquiries, our distributors are Independent Third Parties.

BUSINESS

We typically enter into distribution agreements with our distributors. The following table sets forth the key terms of our agreements with distributors.

Term:	Generally one year.
Settlement:	We typically require advance payment of each order before delivering our vehicles. The settlement price shall be based on the volume of procured vehicles.
Maintenance, replacement and returns:	Our distributors are generally responsible for providing maintenance, replacement and return services to users. Our written approval is typically required before distributors can replace or return vehicles.
Termination:	We have the right to terminate the agreement, upon giving notice, due to material changes in our business environment, or changes in our business model and product mix.

Under our make-to-order model, following selection of vehicle models in the *AITO* stores, our customers place orders through the *AITO* online system for distributors to process to our internal systems. After we receive the corresponding order, we arrange for production and delivery of our vehicles to users through our *AITO* User Centers, enabling us to have full visibility from order to delivery. Under this model, the *AITO* stores do not have the authority to adjust product pricing.

We have established a series of measures to standardize sales and distributor management. Newly admitted distributors must meet the four standalone requirements of being standalone entity (i.e. the distributor must have a separate corporate entity to operate the *AITO* brand), standalone store (i.e. a separate store constructed to our standards for the sales, delivery and service of *AITO* vehicles), standalone funding (i.e. the distributor must ensure standalone operating funds for the *AITO* User Center which may not be used for non-*AITO* purposes), and standalone staff (i.e. the distributor must form a standalone team to operate the *AITO* User Center), for the *AITO* brand. We engage third parties to conduct an independence assessment of *AITO* User Centers to be admitted. We have also established policies governing the establishment, delivery, service and operations and quality and other aspects of *AITO* User Centers. We have also established specific measures governing, among others, the on-boarding, construction, operation, and transfer/exit of *AITO* User Centers.

To minimize the risk of cannibalization among distributors, (i) we set annual plans based on a review of, among others, market capacity and existing distributors, thereby managing the number of distributors in each area, and (ii) clearly delineating the geographic coverage of our dealers. Distributors are not permitted to establish new *AITO* User Centers without our approval. We generally determine the need for new *AITO* User Centers primarily based on market conditions, such as order and sales history and existing *AITO* User Centers coverage. To reduce the risk of channel stuffing, we have established a dealership management system (DMS) which enables us to monitor and track orders, recording information such as order details, customer details, store location, vehicle model and serial numbers, and delivery and payment status, providing comprehensive overview of the status of each vehicle sold through our distributors. We have also adopted various internal control measures such as monthly reporting of distributors' sales, delivery and service analysis, real-time monitoring of distributors' KPIs including formulation of rectification plans for the most underperforming distributors, and financial and risk control monitoring through collecting key financial indicators and determining each distributors' risk level, with varying control measures from issuing warnings to suspending authorizations as distributors. As of June 30, 2025, for our *AITO* vehicles, we had 6,395 vehicles that had been ordered by users but pending delivery by distributors. We typically operate on a make-to-order basis, manufacturing vehicles upon receiving and confirming orders through the DMS.

We provide guidance and trainings to these *AITO* stores in terms of marketing strategies, product features and customer service. We monitor the operations of the franchised stores to ensure their compliance with our policies and operating requirement through customer survey and monthly internal risk analysis. We also contract third parties to carry out on-site visits to our *AITO* stores and evaluate their performance on a quarterly basis.

We offer a consistent brand image, customer experience and price across our *AITO* stores. We also ensure consistency in our trainings for sales staff, and specifications for store design, etc. We centrally plan our marketing activities and implement them consistently across all *AITO* stores. Our business model has allowed us to expand our sales and service network rapidly, and we will continue to expand such network.

Our return policy is in accordance with relevant laws. We typically approve returns of vehicles from distributors where significant quality issues affecting production batches are found. Due to our rigorous quality control measures and high manufacturing standards, during the Track Record Period, we have not issued any vehicle recalls, material product returns or material liability claims with our distributors.

Marketing

We increase our brand presence through online promotions and offline events. We utilize various news and information platforms, automotive vertical media and social media platforms for online marketing.

We primarily leverage online marketing campaigns to strengthen brand awareness and attract customers by integrating multiple digital channels. Through our *AITO* App and WeChat Mini Program, we provide users with a seamless digital experience, while our active presence on social media platforms such as Weibo and WeChat fosters engagement and interaction. Additionally, we expand our reach through strategic advertising placements on general news and automotive news portals, ensuring broad visibility across key online platforms. In August 2024, we joined the CCTV 2024 “Brand Power Project” (品牌強國工程), becoming a strategic partner in the automotive sector of China Media Group’s (CMG) Automotive Power Nation Initiative. During the 2025 CCTV Spring Festival Gala, 780 *AITO M9* vehicles participated in a light show at our Super Factory (Longxing), creating a strong public promotional impact.

We also hold offline promotion campaigns and place advertisements in high-traffic areas, such as shopping malls, airports and high-speed trains. In addition, we actively participate in major automotive industry events, such as auto shows, to demonstrate our technical prowess and to launch new models.

SERVICE AND WARRANTY

Pursuant to national regulations, our new vehicles come with a warranty period of two years or 50,000 kilometers (whichever comes first), excluding vulnerable and consumable parts. In addition, we offer a four-year or 100,000-kilometer (whichever comes first) limited warranty for new vehicles, and an eight-year or 160,000-kilometer (whichever comes first) limited warranty for power batteries, electric drive motor, motor control unit and range extenders. We also provide vehicle owners with 24/7 free roadside assistance during the warranty period. Furthermore, we will also provide a free courtesy car or compensation for alternative transportation if repair times exceed 24 hours due to quality issues during the warranty period.

We accrue a warranty reserve for our vehicles, which includes the best estimates of projected costs to repair or replace vehicles under warranties. These estimates are primarily based on the estimates of the nature, frequency, and average costs of future claims. We reevaluate the adequacy of the warranty accrual on a regular basis. As of June 30, 2025, our accrued warranty amounted to approximately RMB2.1 billion.

Value-added Services

We also offer various value-added services to provide vehicle owners with a full driving experience. For example, we offer complimentary Internet of Vehicles (IoV) data packages, including complimentary lifetime data for voice interaction, navigation, and over-the-air upgrades, as well as a set amount per month for entertainment media data within a set number of years.

BUSINESS

CUSTOMERS AND SUPPLIERS

Customers

During the Track Record Period, we primarily sell our NEVs through our distributors' *AITO* stores.

For the years ended December 31, 2022, 2023 and 2024 and for the six months ended June 30, 2025, the aggregate revenue generated from our five largest customers in each year/period during the Track Record Period amounted to RMB4.7 billion, RMB4.3 billion, RMB20.2 billion and RMB7.4 billion, respectively, which accounted for 13.9%, 12.0%, 13.9% and 11.9% of our total revenue for the respective years/periods. For the same periods, revenue from the largest customer in each year/period during the Track Record Period amounted to RMB1.3 billion, RMB1.5 billion, RMB5.6 billion and RMB2.5 billion, respectively, which accounted for 4.0%, 4.1%, 3.8% and 4.0% of our total revenue for the respective years/periods.

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

For the year ended December 31, 2022

Ranking	Customer	Background	Type of products purchased	Revenue (RMB in thousand)	Percentage of total revenue
1	Customer A	An enterprise principally engaged in automotive manufacturing, sales, services, and technological R&D with registered capital of RMB15.6 billion	ICE vehicles, NEVs, and accessories	1,347,936	4.0%
2	Customer B	Automobile distributor	NEVs	1,017,481	3.0%
3	Customer C	Automobile distributor	NEVs and accessories	908,264	2.7%
4	Customer D	Automobile distributor	NEVs, accessories, and repair services	797,103	2.3%
5	Customer E	Automobile distributor	ICE vehicles, NEVs, and accessories	640,094	1.9%

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For the year ended December 31, 2023

Ranking	Customer	Background	Type of products purchased	Revenue (RMB in thousand)	Percentage of total revenue
1	Customer F	Automobile distributor	NEVs and repair services	1,459,702	4.1%
2	Customer B	Automobile distributor	NEVs	874,936	2.4%
3	Customer C	Automobile distributor	NEVs	680,671	1.9%
4	Customer G	Automobile distributor	NEVs, accessories, and repair services	654,787	1.8%
5	Customer E	Automobile distributor	NEVs, ICE vehicles, and accessories	643,572	1.8%

For the year ended December 31, 2024

Ranking	Customer	Background	Type of products purchased	Revenue (RMB in thousand)	Percentage of total revenue
1	Customer F	Automobile distributor	NEVs, accessories, and repair services	5,578,351	3.8%
2	Customer D	Automobile distributor	NEVs and accessories	4,289,864	3.0%
3	Customer C	Automobile distributor	NEVs and accessories	4,010,202	2.8%
4	Customer H	Automobile distributor	NEVs and accessories	3,244,168	2.2%
5	Customer I	Automobile distributor	NEVs and accessories	3,078,035	2.1%

For the six months ended June 30, 2025

Ranking	Customer	Background	Type of products purchased	Revenue (RMB in thousand)	Percentage of total revenue
1	Customer F	Automobile distributor	NEVs and accessories	2,510,927	4.0%
2	Customer C	Automobile distributor	NEVs and accessories	1,407,418	2.3%
3	Customer H	Automobile distributor	NEVs and accessories	1,217,457	2.0%
4	Customer D	Automobile distributor	NEVs and accessories	1,165,843	1.9%
5	Customer B	Automobile distributor	NEVs and accessories	1,130,686	1.8%

Customer A is a substantial shareholder of us, and three Directors hold various positions in Customer A and/or its associates. Except for Customer A and to their best knowledge, our Directors confirm that none of our Directors or their respective close associates or any Shareholder holding more than 5% of our issued share capital held any interest in any of our five largest customers in each year/period during the Track Record Period.

Suppliers

Our suppliers primarily include enterprises that supply various key raw materials and parts for our vehicles, mainly including metal materials (such as various steel and aluminum materials), batteries, electronic components (such as motors and controllers), as well as for other materials and parts including seats and other automotive parts, among others. Such key materials and components used in our vehicles are primarily sourced from China.

Key Terms of Supply Agreements

We generally enter into framework agreements with our suppliers. Key terms of our supply agreements with suppliers primarily include:

Term:	Generally one year.
Procurement amount:	Under our supply agreements, we typically enter into monthly procurement plans. Our framework agreements may stipulate non-binding annual procurement amounts as reference.
Price:	Prices of goods are generally negotiated and agreed between parties separately in corresponding price agreements. Our framework agreements may stipulate non-binding total annual procurement prices as reference.
Settlement:	The settlement price shall be based on the volume of procured goods actually assembled in finished vehicles.
Product liability:	Suppliers are liable during the warranty period for returns or replacements of vehicles due to the fault of the supplied goods, as well as for direct and indirect losses incurred due to accidents involving our vehicles caused by the supplied goods.
Termination:	The agreement automatically terminates upon expiry, or for breaches of the agreement, including due to failure by suppliers to rectify late deliveries after receiving notice from us.

Relationship with Major Suppliers

For the years ended December 31, 2022, 2023 and 2024 and for the six months ended June 30, 2025, the aggregate purchases from our top five suppliers in each year/period during the Track Record Period amounted to RMB13.9 billion, RMB15.4 billion, RMB72.2 billion and RMB35.2 billion, which accounted for 34.7%, 36.9%, 51.9% and 57.9% of our total purchases for the respective years/periods. For the same periods, purchases from our largest supplier in each year/period during the Track Record Period amounted to RMB5.8 billion, RMB7.2 billion, RMB42.0 billion and RMB20.0 billion, which accounted for 14.5%, 17.4%, 30.2% and 33.0% of our total purchases for the respective years/periods. We purchase automotive parts, services, software and equipment, among others, from such supplier, primarily relating to our *AITO* vehicles.

We have maintained good business relationship with our major suppliers. For example, we have been cooperating with Supplier A since 2019. Our agreements with our five largest suppliers during the Track Record Period do not involve any arrangements regarding profit-sharing. Each party is entitled to relevant intellectual properties of their respective products and technologies. Our agreements with such suppliers are typically not exclusive. During the Track Record Period, we have not experienced any material disruptions in business relationship with our major suppliers. Nonetheless, we may be subject to concentration and counterparty risks from these suppliers. See “Risk Factors — Risks related to Our Business and Industry — We rely on our suppliers to provide raw materials, components, software and services related to our vehicles.” To mitigate supply chain risks, we have established stable relationships with multiple suppliers, and are able to source our key raw materials and components through multiple high-quality suppliers selected through our standardized evaluation system, taking into account factors such as the supplier’s product quality, technical strength, corporate reputation and other such commercial and technical factors. Furthermore, we also regularly review and maintain safe inventory stock for key raw materials and components.

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The following tables set out details of our five largest suppliers in each year/period during the Track Record Period:

For the year ended December 31, 2022

Ranking	Supplier	Background	Type of products/services provided	Purchase amount (RMB in thousand)	Percentage of total purchase amount	Commencement of Business Relationship
1	Supplier A	A company primarily engaged in IT, telecommunication and hardware device	Parts, development services, selling and promotion services, and other services	5,801,579	14.5%	Since 2019
2	Supplier B	A company primarily engaged in EV batteries, ESS batteries and other business operations	Parts and development services	5,380,206	13.4%	Since 2017
3	Supplier C	A company with its business scope covering vehicles, new energy and equipment manufacturing, among others	Parts and accessories	1,020,457	2.5%	Since 2004
4	Supplier D	A company whose business operations spanning four major industries, i.e. automotives, electronics, new energy and rail transportation	Parts and development services	865,187	2.2%	Since 2019
5	Supplier E	A company engaged in four major business segments, i.e. automotive & intelligent transportation technologies, industrial technologies, consumer goods, and energy & building technologies	Parts, R&D services, design services, and development services	844,633	2.1%	Since 2005

For the year ended December 31, 2023

Ranking	Supplier	Background	Type of products/services provided	Purchase amount (RMB in thousand)	Percentage of total purchase amount	Commencement of Business Relationship
1	Supplier A	A company primarily engaged in IT, telecommunication and hardware device	Parts, equipment, advertising services, development services, selling and promotion services, and other services	7,248,270	17.4%	Since 2019
2	Supplier B	A company primarily engaged in EV batteries, ESS batteries and other business operations	Parts	4,809,365	11.6%	Since 2017
3	Supplier C	A company with its business scope covering vehicles, new energy and equipment manufacturing	Parts, accessories, equipment, and development services	1,193,738	2.9%	Since 2004
4	Supplier F	A company primarily engaged in the R&D, manufacturing and sales of automotive seats and their components and related services	Parts and development services	1,118,487	2.7%	Since 2022
5	Supplier G	A company specializing in the R&D, production and sales of high-voltage and low-voltage wiring harnesses for automotives	Parts	1,004,057	2.3%	Since 2022

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For the year ended December 31, 2024

Ranking	Supplier	Background	Type of products/services provided	Purchase amount (RMB in thousand)	Percentage of total purchase amount	Commencement of Business Relationship
1	Supplier A	A company primarily engaged in IT, telecommunication and hardware device	Parts, accessories, equipment maintenance, development services, software, selling and promotion services, and other services	42,029,627	30.2%	Since 2019
2	Supplier B	A company primarily engaged in EV batteries, ESS batteries and other business operations	Parts and accessories	11,855,603	8.6%	Since 2017
3	Supplier H	An automotive parts supplier specializing in vehicle interior and exterior trims, automotive seats, cockpit electronics, and passive safety systems	Parts, accessories, equipment, and development services	9,514,130	6.8%	Since 2021
4	Supplier I	A platform-based automotive parts company mainly dedicated to the R&D, and manufacturing of automotive powertrain and chassis systems, trim systems, intelligent driving systems, and other sectors	Parts, accessories, and development services	4,626,745	3.3%	Since 2018
5	Supplier G	A company specializing in the R&D, production and sales of high-voltage and low-voltage wiring harnesses for automotives	Parts and accessories	4,199,117	3.0%	Since 2022

BUSINESS

For the six months ended June 30, 2025

Ranking	Supplier	Background	Type of products/services provided	Purchase amount (RMB in thousand)	Percentage of total purchase amount	Commencement of Business Relationship
1	Supplier A	A company primarily engaged in IT, telecommunication and hardware device	Parts, accessories, development services, software, selling and promotion services, and other services	20,035,196	33.0%	Since 2019
2	Supplier H	An automotive parts supplier specializing in vehicle interior and exterior trims, automotive seats, cockpit electronics, and passive safety systems	Parts and accessories	5,632,483	9.3%	Since 2021
3	Supplier B	A company primarily engaged in EV batteries, ESS batteries and other business operations	Parts and accessories	5,597,106	9.2%	Since 2017
4	Supplier I	A platform-based automotive parts company mainly dedicated to the R&D, and manufacturing of automotive powertrain and chassis systems, trim systems, intelligent driving systems, and other sectors	Parts and accessories	2,226,349	3.7%	Since 2018
5	Supplier G	A company specializing in the R&D, production and sales of high-voltage and low-voltage wiring harnesses for automotives	Parts and accessories	1,669,797	2.8%	Since 2022

As of the Latest Practicable Date, to the best of our Directors' knowledge, none of our Directors or their respective close associates or any Shareholder holding more than 5% of our issued share capital held any interest in any of our five largest suppliers in each year/period during the Track Record Period.

Supplier/Customer Overlap

During the Track Record Period, Supplier A, Supplier C, and Supplier H were also our customers. Specifically, (i) we mainly provide electric drive processing services and sell vehicle accessories to Supplier A, (ii) we mainly sell powertrain-related products to Supplier C, and (iii) we mainly sell materials related to vehicle seats to Supplier H. In 2022, 2023, 2024 and the six months ended June 30, 2025, (i) our purchases from Supplier A amounted to RMB5.8 billion, RMB7.2 billion, RMB42.0 billion and RMB20.0 billion, which accounted for 14.5%, 17.4%, 30.2% and 33.0% of our total purchases during the same periods, respectively,

(ii) our purchases from Supplier C amounted to RMB1.0 billion, RMB1.2 billion, RMB2.5 billion and RMB0.5 billion, which accounted for 2.5%, 2.9%, 1.8% and 0.8% of our total purchases during the same periods, respectively, and (iii) our purchases from Supplier H amounted to RMB0.7 billion, RMB0.7 billion, RMB9.5 billion and RMB5.6 billion, which accounted for 1.8%, 1.6%, 6.8% and 9.3% of our total purchases during the same periods, respectively. Revenue generated from each of Supplier A, Supplier C and Supplier H in each year during the Track Record Period accounted for 1% or less of our total revenue in the respective year.

During the Track Record Period, Customer A was also our supplier. We mainly purchase automotive parts, developing services and logistics services from Customer A. In 2022, 2023, 2024 and the six months ended June 30, 2025, our revenue generated from Customer A amounted to RMB1.3 billion, RMB0.2 billion, RMB87.1 million and RMB34.4 million, respectively, which accounted for 4.0%, 0.6%, 0.06% and 0.06% of our total revenues during the same periods, respectively. Purchases from Customer A accounted for no more than 1% of our total purchases in the respective year of the Track Record Period.

Our sales to and purchases from the above supplier-customers are not inter-conditional upon each other, and are conducted in the ordinary course of business under normal commercial terms and on arm's length basis.

WAREHOUSING, LOGISTICS AND INVENTORY MANAGEMENT

We have built the SERES Intelligent Logistics System, establishing an end-to-end logistics value chain to advance new patterns and new thinking for logistics operations from point-based logistics to fully intelligent network-chain logistics. By comprehensively enhancing standardization, automation, informatization, and digital intelligence of logistics, we have pioneered an intelligent container logistics port, introduced a logistics management system (LMS) and automated terminal equipment such as AGV, AMRs, and chain conveyors. This helps us achieve end-to-end visibility, precision, agility, and intelligent logistics management of the whole process, ensuring stable production operations.

In China, we operate through self-owned warehouses or third-party leasing arrangements. We promote suppliers to utilize our managed warehousing and logistics network for component distribution services to reduce logistics costs and optimize factory inventory levels. Regarding warehouse management, we have implemented warehousing management system (WMS), pick-to-light system (PTL), and other storage and sorting systems to achieve multi-warehouse collaboration capabilities and dynamic inventory visibility management. We have introduced an intelligent logistics port adopting a “container-as-warehouse” model. We have also deployed small-parts automated storage systems, AMRs, AGVs, and other intelligent terminal equipment to enhance collecting/sorting efficiency and logistics automation levels. We engage premium third-party logistics providers to handle warehouse operations and transport our vehicles from production bases to stores.

Our inventory primarily consists of raw materials, components, work-in-progress products, after-sales spare parts, and vehicles for sale. To achieve optimal inventory levels, we employ a make-to-order production model and utilize the just-in-time (JIT) delivery model, just-in-sequence (JIS) synchronized delivery model, and vendor managed inventory (VMI) model to optimize in-factory inventory days. Through our advanced planning and scheduling (APS) system and LMS, we further reduce inventory days while ensuring efficient, agile, and flexible delivery capabilities. We implement the mode of nationwide distribution from central warehouses and direct delivery from suppliers for common after-sales spare parts to manage the after-sales spare parts inventory. Our inventory turnover days were 39 days, 41 days, 10 days, 13 days and 11 days in 2022, 2023 and 2024 and for the six months ended June 30, 2024 and 2025, respectively.

DATA PRIVACY AND CYBERSECURITY

We are committed to complying with data privacy laws and protecting the security of customer data. During the course of sales and marketing of our vehicles, certain personal information is collected by us from users based on the services the users select, and mainly includes personal information relating to the usage of our vehicles. We undertake to manage and use the data collected from users in accordance with applicable laws and make reasonable efforts to prevent the unauthorized use, loss or leak of user data, and will not disclose sensitive user data to any third party without users' prior consent except under legal requirement or certain circumstances specified in the customer consent.

We use a variety of technologies to protect the personal information of our users provided to us. For example, we segregate our internal databases and operating systems from our external-facing services and intercept unauthorized access. When such information is not relevant to our business, we will delete data beyond what is necessary for our business operations. We also store user data in encrypted format. In addition, we encrypt our data transmission, especially user data transmission, to ensure confidentiality. We back up our user data and operating data on a regular basis in separate back-up systems to minimize the risk of user data loss or leakage. Whenever an issue is discovered, we take prompt actions to upgrade our system and mitigate any potential problems that may undermine the security of our system.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any fines or other penalties due to non-compliance with data privacy and security laws or regulations. In the opinion of our PRC Legal Adviser, we complied in all material aspects with relevant data privacy and security laws and regulations during the Track Record Period.

COMPETITION

Competition in the global and Chinese new energy passenger vehicle market is intense, driven by the following factors: (i) consumer vehicle purchasing preferences reshaped by intelligence; (ii) unprecedented opportunities for vehicle intelligence brought by artificial intelligence; (iii) new business models and product forms introduced by the cross-border

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industry integration; (iv) the continuous growth of China's automotive export sales; and (v) the continuously rapid growth of Chinese domestic brands of new energy passenger vehicles. The NEPV penetration rate in China passenger vehicle market increased from 15.2% in 2021 to 48.9% in 2024, and is expected to reach 76.9% in 2030, according to Frost & Sullivan. In China's NEPV market, domestic brands dominated the top 20 best-selling models in 2024, accounting for 18 of the top 20 models by sales volume. In the premium NEPV segment, domestic brands also showed strong competitiveness, with 7 domestic brand models ranking among the top 10 models by sales volume. Among them, the *AITO M7* ranked first by sales volume among all the premium domestic brand models. The entry barriers of China's premium NEPV market include: (i) high initial investment; (ii) stable supply chain ecosystem; (iii) new energy vehicle production qualification barrier; (iv) production costs and economies of scale; (v) intelligent ecosystem and supporting services; and (vi) full-process integration capability. We mainly compete with global new energy passenger vehicle companies and Chinese domestic brand new energy passenger vehicle companies in domestic and overseas markets. In the future, we may also face competition from new entrants in China and globally, which will intensify competition. To maintain our competitive edges, we are committed to building a new concept of tech-luxury to set a global benchmark for intelligent NEVs, adhering to a popular product strategy to offer a continuously evolving product experience for global users, actively promoting globalization and expanding our brand influence in international markets, creating an active and intelligent service system throughout the vehicle lifecycle and continuing to enhance intelligent manufacturing capabilities to establish an open, innovative, and integrated ecosystem for the intelligent vehicle industry. According to Frost & Sullivan, our *AITO* models rank fifth in China's new energy passenger vehicle market with a market share of 3.7% in terms of sales volume in 2024, and third in China's premium brand new energy passenger vehicle market in terms of sales volume in 2024. In terms of sales volume in 2024, the *AITO M9* ranked first among passenger models of the RMB500,000 price segment in China.

AWARDS AND ACHIEVEMENTS

Several of our subsidiaries have been acknowledged as national high-tech enterprises in different years throughout the Track Record Period, highlighting our robust research, development, and technological capabilities. Furthermore, among our other recent significant awards and achievements are:

Award/Recognition	Award Year	Awarding Authority
Intelligent Manufacturing Benchmarking Enterprise	2022	China Electronics Standardization Institute
China Patent Excellence Award . .	2023	China National Intellectual Property Administration
National Green Factory	2023	Ministry of Industry and Information Technology of the PRC

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Award/Recognition	Award Year	Awarding Authority
Green Supply Chain Management	2023	Ministry of Industry and Information Technology of the PRC
First Prize of Fourth Intelligent Manufacturing Innovation Competition	2024	Jiangsu Government; International Coalition of Intelligent Manufacturing
Chongqing Patent Gold Award . . .	2024	Chongqing Human Resources and Social Security Bureau, Beijing Intellectual Property Office
2024 Product Quality and Reliability Innovation “Best Practice”	2024	Beijing Market Supervision and Administration Bureau, Tianjin Market Supervision and Administration Bureau, Shanghai Market Supervision and Administration Bureau and Chongqing Market Supervision and Administration Bureau

INTELLECTUAL PROPERTY

We believe that our patents, copyrights, trademarks, domain names, trade secrets and other intellectual property rights are critical to our business operations and fundamental to our success and competitiveness, and therefore we devote significant time and resources to the development and protection of our intellectual property rights. We rely on patent, copyright, trademark and trade secret laws and disclosure restrictions to protect our intellectual property. As of June 30, 2025, we possessed 6,725 patents and 282 registered computer software copyrights in China, and are applying for 6,651 patents. In addition, as of the same date, we had registered 2,183 trademarks and 99 domain names. As of June 30, 2025, we have 101 patents and 2,366 registered trademarks outside China, and are applying for 127 patents and 1,698 trademarks.

In July 2024, we acquired 919 trademarks primarily in relation to *AITO* and 44 relevant design patents from Huawei and its related parties, a strategic business partner of us and an Independent Third Party, for a consideration of approximately RMB2.5 billion. The consideration is determined based on negotiation between both parties. This transaction does not affect the business collaboration between Huawei and us.

Prior to the acquisition of trademarks, we have been using the relevant trademarks based on the licensing arrangements. We were authorized to use relevant trademarks in the manufacturing, marketing and sales of relevant *AITO* vehicles. We acquired all relevant

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trademarks and design patents in relation to *AITO* vehicles in July 2024 to better provide high-quality vehicles and services to users. We believe that the acquisition of relevant trademarks and design patents is beneficial to the consistency of public recognition of our brand and products.

For detailed information about our material intellectual property, see “Appendix IV — Statutory and General Information — Further Information about our Business — Intellectual Property Rights.”

During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge, we had not been subject to any material intellectual property claims which could have a material adverse effect on our business or operations.

EMPLOYEES

As of June 30, 2025, we had a total of 19,251 employees. Substantially all of our employees are based in the PRC. The following table sets forth a breakdown of our employees categorized by function as of June 30, 2025.

Function	Number	% of total
Manufacturing	7,474	38.8%
R&D Technology	8,005	41.6%
Sales	1,746	9.1%
Others	984	5.1%
Administration	694	3.6%
Finance	348	1.8%
Total	19,251	100.0%

As required by regulations in China, we participate in various government statutory employee benefit plans, including social insurance funds, namely, medical insurance, maternity insurance, workplace injury insurance, unemployment insurance, and pension benefits, as well as housing provident fund. We are required under PRC law to contribute to employee benefit plans at specified percentages of the salaries, bonuses, and certain allowances of our employees up to a maximum amount specified by the local government from time to time.

Our success depends on our ability to attract, develop, motivate and retain talents. We offer employees competitive salaries, consistently enhance our incentive program, including fixed salaries, performance bonuses, various benefits, special incentives aimed at achieving project objectives, long-term incentives based on equity, career development platforms, cultivation and development opportunities, annual contribution awards, and timely recognitions.

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Our remuneration system is structured with a focus on value creation. Through comprehensive job analysis and evaluation of position value, we consistently refine our remuneration standards. We have instituted and enhanced our competency level assessment mechanisms to develop a systematic performance management framework and devise a targeted incentive structure for diverse talents.

We cultivate a “mission-driven and competency-driven” talent team through systematic training:

- **Employee development:** We implement talent cultivation programs that are centered on the principles of mission and responsibility, to consolidate the cultivation of young college students, continuously enhancing both the scale and caliber of our talents. These include management trainee programs, onboarding initiatives for newly promoted managers, training programs for mid-level employees, senior management development programs, and a variety of other training programs for key talents. Additionally, we conduct educational sessions on ideals and beliefs to enhance employees’ sense of mission and responsibility.
- **Engineer team development:** For employees across different fields, we devise and execute numerous specialized training programs, such as “Addfeed (分享家)” and “Financial Management”, tailored to position-specific requirements for essential knowledge and skills, aiming to systematically foster an engineering talent pool.
- **Promotion of digital learning:** By leveraging learning platforms and artificial intelligence tools, we can facilitate employees’ ability to study at any time and from any location on demand by integrating instructional resources and course materials, enhancing platform content, and amalgamating online and offline learning resources to optimize the retention of corporate knowledge.
- **Expansion of industry-education integration:** We have made a comprehensive plan and executed the collaboration between universities and enterprises through the integration of industry, academia, research, and application. Furthermore, we have established partnerships and strategic alliances with various colleges and universities to enhance the effective alignment between industrial chains and educational frameworks, thereby supporting regional industrial economic development.

We enter into standard labor contracts with our employees. We also enter into standard confidentiality agreements with all of our key employees. We believe that we maintain a good working relationship with our employees, and we have not experienced any material labor disputes or work stoppages. No collective bargaining agreement has been put in place.

SEASONALITY

In general, our vehicle sales typically peak in the fourth quarter, which is a traditional peak season for the automotive industry, mainly due to nationwide auto shows and increasing vehicle purchases near year end.

INSURANCE

We maintain various insurance policies to safeguard against risks and unexpected events. We maintain various property insurance, and liability insurance for Directors and senior management, which we believe is in line with those of other companies in the same industry of similar size in China. In addition to providing social security insurance for our employees as required by PRC law, we also provide supplemental commercial medical insurance for our employees. We believe that our insurance coverage is adequate to cover our key assets, facilities, and liabilities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We fully recognize the importance of environmental, social and governance (“ESG”) practices to corporate sustainable development and have integrated ESG principles into our strategic planning and daily operations. We actively respond to China’s “dual-carbon” strategy, continuously optimize corporate governance, strengthen social responsibility fulfillment, and refine our environmental management system. We are committed to building a transparent, standardized, and sustainable operational framework that creates long-term value for employees, customers, and society.

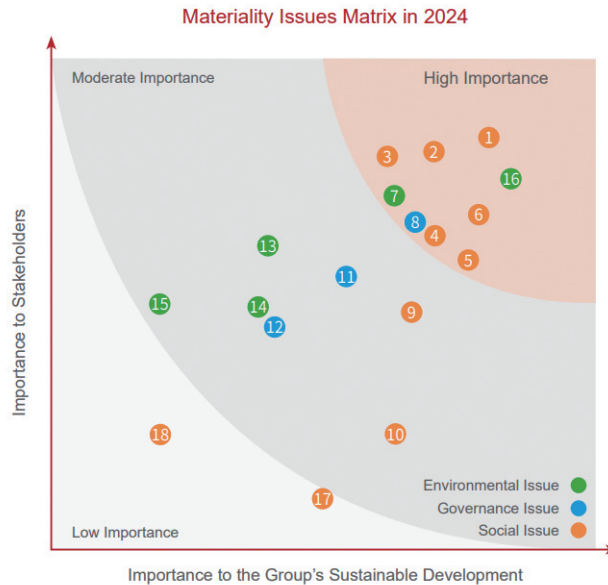
We actively respond to the United Nations Sustainable Development Goals by establishing a three-tier ESG governance structure: the Board, ESG Committee, and ESG Executive Group. This structure helps us continuously strengthen our ESG standards. The Board, as the highest decision-making body, oversees all ESG matters, reviews and approves the ESG strategies and action plans, and assesses ESG performance and progress against targets. The ESG Committee is authorized by the Board to manage ESG activities and promptly report relevant issues to the Board. The ESG Committee coordinates matters related to ESG management, formulates medium and long-term ESG development strategies and action paths, and oversees and guides the effective implementation of the Company’s environmental, social responsibility and corporate governance. The ESG Executive Group, including the Planning and Strategy Headquarters, Internal Control and Audit Headquarters, and Securities Affairs Headquarters, work together under the management of the ESG Committee, to execute and implement the annual ESG work plans, and identify and manage ESG-related risks.

Materiality Issue Analysis

We actively communicate on ESG-related issues with all stakeholders, including employees, shareholders/investors, users, the government and regulators, partners, community members/organizations/NGOs and the media. We maintained active communication through various channels, ensuring we understood and addressed their expectations and concerns. This approach helped us identify priorities for our sustainable development efforts and clarify key directions for the Group’s future, aiming to achieve mutual benefits and win-win cooperation.

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We are committed to identifying, assessing, and managing ESG issues. We carefully considered the concerns of various stakeholders, aligning them with industry trends and our business strategy. We conducted a substantial issue assessment from the three dimensions of environment, social, and governance, and developed a materiality matrix to address stakeholder concerns, as set forth below.



Materiality Issues Distribution in 2024

High Importance		Moderate Importance	
1 Users Service and Satisfaction	Social Issue	9 Employee Rights, Interests and Welfare	Social Issue
2 Science and Technology Innovation and Intellectual Property Protection	Social Issue	10 Occupational Health and Safety	Social Issue
3 Product Quality and Safety	Social Issue	11 Corporate Governance	Governance Issue
4 Supply Chain Management	Social Issue	12 Compliance and Risk Management	Governance Issue
5 Employee Training and Development	Social Issue	13 Energy Use and Management	Environmental Issue
6 Information Security and Privacy Protection	Social Issue	14 Emissions Management	Environmental Issue
7 Green Technologies and Products	Environmental Issue	15 Water Resource Management	Environmental Issue
8 Business Ethics	Governance Issue		
16 Climate Change	Environmental Issue		
Low Importance			
		17 Diversification and equal opportunity	Social Issue
		18 Community welfare	Social Issue

Environmental Protection

We comply with a series of environmental, health, and safety regulations, including laws and regulations governing our production and engineering facilities. For the discussion of relevant Chinese laws and regulations on environmental protection and work safety, please refer to “Regulatory Overview — Regulations on Environmental Protection”.

Climate change

We regard climate change and carbon emissions as key strategic considerations for sustainable development, and have established a climate governance framework based on the sustainable development management system. We give full play to the advantages of leading product technology and industrial chain, actively explore low-carbon technology, develop low-carbon products, and apply green principles across the entire product lifecycle from design and procurement to production, logistics, and recycling.

In addition, to better manage the full life cycle carbon footprint of our products, we have fulfilled multiple functions including corporate carbon inventory, per vehicle parts carbon footprint accounting, and internal carbon target management by developing a digital carbon management platform. Our carbon inventory system connects with the energy management systems of all factories, enabling real-time monitoring of carbon emissions and energy use. This serves as a critical tool for evaluating internal carbon performance. The carbon footprint management system integrates with the supplier procurement system, allowing us to collect the information of carbon emissions and energy consumption at supplier sites. This serves as a critical tool for effectively assessing upstream supply chain carbon emissions and energy consumption performance.

In 2024, through initiatives like photovoltaic construction, energy-saving upgrades, green office practices, and the development of a green supply chain, we reduced the carbon emission intensity by 16.85% compared to 2023. By 2030, we aim to achieve the carbon emission intensity of products reduced by more than 38% compared with 2022, 30% of manufacturing energy use generated by renewable energy, all suppliers meeting our green supplier requirement, supplier carbon emissions decreased by 25% and 40% of suppliers using renewable energy. By 2045, we strive for carbon neutrality in production and operations, and near-zero emissions throughout the product life cycle.

Climate risk management

We actively address the challenges and opportunities of global climate change by integrating climate-related risks into the Group’s overall risk management system. Through a systematic approach, we identify, assess, and manage these risks and opportunities. This strengthens our climate resilience while enabling us to seize new growth opportunities.

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Risk	Risk Description	Response Measures
<i>Physical Risks</i>		
Acute Physical Risks	<ul style="list-style-type: none"> • Extreme weather events, such as typhoons, floods, and snowstorms, can disrupt production facilities and supply chains, affecting operations and causing property damage. • Infrastructure damage, including transportation networks and power supply, can lead to production delays, impacting product delivery and reputation. 	<ul style="list-style-type: none"> • Strengthen risk assessments and implement emergency response plans and drills to ensure rapid action and minimize losses during extreme weather events. • Upgrade infrastructure and adopt disaster-resistant equipment and facilities to ensure stable operations and reduce disaster-related impacts.
Chronic Physical Risks	<ul style="list-style-type: none"> • Long-term climate changes, such as rising temperatures, sea levels, and droughts, may affect resource stability and disrupt supply chains, leading to production constraints. • Resource scarcity and increasing production costs can impact operational efficiency, product pricing, profitability, and market competitiveness. 	<ul style="list-style-type: none"> • Assess the long-term effects of climate change on production bases and supply chains. Plan for adjustments and select resilient, environmentally friendly supply chain pathways. • Continuously monitor climate trends, optimize resource efficiency, and promote the use of green technologies and sustainable materials to reduce production costs and environmental risks.

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Risk	Risk Description	Response Measures
<i>Transition Risks</i>		
Policy Risk	<ul style="list-style-type: none"> Global and local governments may introduce stricter environmental regulations, such as carbon emission limits and emissions trading systems, increasing corporate compliance costs. Regulations on energy use and emissions could impact raw material procurement, production processes, and other operations, leading to higher operating expenses. 	<ul style="list-style-type: none"> Strengthen the management framework of our carbon neutrality task force, with clearly defined responsibilities. Continuously monitor policy changes, assess potential impacts, and develop proactive response plans. Enhance emissions compliance management by promptly adjusting production processes and energy use, avoiding unnecessary costs and mitigating risks.
Technical Risk	<ul style="list-style-type: none"> The rapid advancement of low-carbon technologies may reduce the market competitiveness of existing technologies and products. High R&D costs for new technologies can create financial pressure in the short term, particularly before these technologies are fully developed and generate returns 	<ul style="list-style-type: none"> Increase investment in R&D for clean and renewable energy technologies to strengthen innovation capabilities and ensure that existing technologies stay competitive and aligned with industry trends. Establish a technology early warning system to closely monitor market and technological changes. Plan proactively for technological upgrades and seek partnerships to share R&D resources.

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Risk	Risk Description	Response Measures
Market Risk	<ul style="list-style-type: none"> Increased consumer awareness of environmental issues is driving higher demand for low-carbon products, while traditional high-carbon products face a shrinking market. 	<ul style="list-style-type: none"> Actively develop renewable energy vehicles to meet the growing demand for green products. Strengthen market research to track industry and consumer trends, ensuring product lines remain flexible and adaptable to changing market needs, and enhance brand marketing and promotion.
Reputational Risk	<ul style="list-style-type: none"> Public and investor concern over corporate environmental performance is rising. Companies that fail to fulfil social responsibilities or respond effectively to climate change may face criticism and reputational damage. 	<ul style="list-style-type: none"> Enhance ESG information disclosure by regularly sharing the Group's environmental goals, achievements, and future plans to strengthen transparency and build trust. Actively engage in social responsibility initiatives, including public welfare and environmental protection projects, to enhance brand image. Participate in climate response conferences and dialogues to promote green and low-carbon practices while enhancing the influence of our renewable energy products.

Energy management

We actively promote energy-saving renovation projects in our factories to effectively reduce energy consumption. These initiatives include modifying production lines, upgrading facilities and equipment, and optimizing lighting systems. For example, the energy-saving retrofit project for process cooling water in our paintshop can reduce 1,367.8 tons of carbon dioxide per year. We actively promote the use of clean energy by implementing photovoltaic power generation projects across multiple factories, supporting the Company's low-carbon transformation. In 2024, our use of produced green electricity saved 11,660.75 tons of standard coal and reduced 78,940 tons of carbon dioxide emissions. In 2024, we saved water of approximately 127,440 tons from water reuse.

Waste management

We have formulated internal management systems for the wastewater, exhaust and solid waste generated in the production and operations. The generated wastewater can be discharged only after being treated to meet the discharge standards required to be implemented locally, and be sorted and discharged to the wastewater treatment department for centralized treatment in accordance with relevant regulations. We formulate and implement internal management systems and work processes to ensure that exhaust pollutants are discharged as per standards. On a regular basis, we entrust the qualified third-party testing facility to monitor real-time exhaust discharge and require all departments to seal containers that are associated with toxic and harmful gases or dust pollution, or take other protective measures during storage, transportation, and loading and unloading, so as to prevent discharge of harmful gases or dusts. We classified solid waste into general industrial solid waste and hazardous waste for proper control and management. In 2024, we achieved almost 100% recycling and disposal rate for solid waste generated during production and manufacturing.

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The table below sets forth our energy consumption and emissions during the years indicated.

Indicators	For the year ended December 31,		
	2022	2023	2024
Total exhaust discharge (cubic meters)	7,952,653,849.40	9,187,685,919.00	16,620,054,240.17
Total amount of wastewater discharge (ton)	847,246.80	602,907.89	1,229,479.41
Total amount of nonhazardous waste (ton)	31,304.34	26,404.67	51,228.76
Total amount of hazardous waste ⁽¹⁾ (ton)	4,908.03	3,457.17	8,548.34
Resource Consumption			
Comprehensive energy consumption ⁽²⁾ (ton of standard coal equivalent)	57,282.29	45,360.37	80,154.69
Comprehensive energy consumption density (tce/revenue of RMB10,000)	0.0168	0.0127	0.0055
Total water consumption (ton)	1,504,893.42	1,412,624.00	1,163,904.00
Total water consumption density (ton/revenue of RMB10,000)	0.44	0.39	0.08
GHG Emissions			
Scope 1: GHG emission ⁽³⁾ (ton of carbon dioxide equivalent)	56,333.39	47,756.19	88,690.29
Scope 2: GHG emissions ⁽⁴⁾ (ton of carbon dioxide equivalent)	139,403.87	103,776.09	183,534.44
Scope 3: GHG emissions ⁽⁵⁾ (ton of carbon dioxide equivalent)	/	33,436.87	69,946.82
Total GHG emissions (ton of carbon dioxide equivalent)	195,737.26	184,969.15	342,171.55

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Indicators	For the year ended December 31,		
	2022	2023	2024
GHG emission density (ton of carbon dioxide equivalent/revenue of RMB10,000).	0.057	0.052	0.02

Notes:

- (1) Hazardous waste is defined according to the *National Catalogue of Hazardous Wastes (2021 Edition)* issued by the Ministry of Ecology and Environment of the People's Republic of China.
- (2) The comprehensive energy consumption is calculated based on the *General Rules for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020)*.
- (3) Greenhouse gas emissions (Scope 1) from fuel (LNG, refrigerants) consumption from fixed sources and fuel consumption (petrol, diesel) from transportation vehicles. The emission factors of gasoline, diesel, LNG and refrigerants refer to the Guidelines for Accounting and Reporting Greenhouse Gas Emissions for Enterprises in Other Industries published by the *National Development and Reform Commission of the People's Republic of China* on 6 July 2015.
- (4) Greenhouse gas emissions (Scope 2) are derived from the consumption of purchased electricity. The emission factors of purchased electricity are converted with reference to the average emission factors of the national power grid in 2022 in the Notice on the Management of Greenhouse Gas Emission Reports of Enterprises in the Power Generation Sector from 2023 to 2025 issued by the Ministry of Ecology and Environment of the People's Republic of China.
- (5) GHG emissions (Scope 3) refers to GHG emissions from fuel- and energy-related activities that are excluded in Scope 1 and Scope 2.

Social Responsibility

Supply chain management

We continue to enhance our supply chain sustainability management capabilities, integrate sustainable development into our supply chain management system, execute comprehensive life cycle supplier management, rigorously monitor supplier quality and safety and risk management, and proactively establish a green supply chain. We have also set clear sustainability targets for all suppliers, including green electricity usage, recycled material ratios, carbon emission intensity, and energy consumption per unit. Using a carbon footprint database for suppliers, we continuously track these metrics, integrating them into supplier evaluations and contract decisions.

To manage supply chain risks, we have formulated policies that outline ESG risk factors suppliers must address, such as product quality, legal compliance, business ethics, and environmental impact. ESG related risks are also integrated into our procurement risk control process. We conduct quarterly supplier risk assessments, including ESG risks, such as on labor practices, health and safety, environmental impact, ethics, and management systems. We have established a supply chain emergency management system to monitor and assess potential risks

in supplier operations, public sentiment, and natural disasters, which we can track in real time and generate risk profiles to respond swiftly and mitigate disruptions. Meanwhile, we introduced origin tracking for electronic materials at the per-vehicle level, ensuring full traceability from raw material procurement through manufacturing and logistics.

We have taken various measures advance environmentally-friendly supply chain management across the product life cycle. For example, during the design phase, we establish reasonable carbon emission targets for vehicles and key parts based on market positioning and industry trends, update and release specific measures to standardize management of prohibited substances and recyclable products, and incorporate prohibited substance requirements into technical specifications, drawings, and agreements with suppliers, requiring them to submit commitment letters and use environmentally-friendly, recyclable materials. During validation, we require suppliers to conduct third-party prohibited substance testing after component development to ensure compliance. During production, we mandate suppliers to classify offcut materials, drainage waste, and end-of-life products, partnering with certified recycling agencies for proper reuse and disposal.

To reduce the end-of-life environmental impact of our products and promote a circular economy, we have implemented battery traceability measures to ensure that data on vehicle batteries, from production and sales to replacement and recycling, is properly recorded and reported in line with national regulations.

Additionally, we have partnered with certified recycling companies through waste battery recycling agreements to safely collect and dispose of replaced battery packs from maintenance operations.

Employee interests and welfare

We have entered into employment contracts with employees according to applicable Chinese laws and regulations, including the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, and formulated internal policies to monitor employees' daily performance. We affirm our commitment to providing all employees and candidates with equal access to employment opportunities and ensuring a recruitment process that is compliant, equitable, and transparent. The utilization of child labor is strictly prohibited in any of our operations. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we complied with all laws and regulations on prevention of child labor. Furthermore, we are dedicated to fostering diversity within the organization. As of December 31, 2024, 15.19% of our management positions were held by women.

The Company is committed to providing employees with competitive remuneration, clearly delineating the components of their salaries, including base pay, role-based compensation, performance incentives, and allowances, and offering employees appealing benefits and caring, including commercial insurance, communication, accommodation and transportation allowances. We establish performance metrics in the remuneration of employees in accordance with the existing performance management system and appraisal plan, thereby

ensuring that compensation is closely aligned with performance. In 2024, we introduced a long-term incentive plan for key employees through an employee stock ownership program. In addition, we actively build a non-salary benefit system for all full-time employees while offering special support for disadvantaged employees, retired employees, employees stationed abroad, and frontline production workers.

Occupational health and safety

We have procedures in place to ensure workplace safety for our employees. We conduct regular safety inspections, safety emergency drills, and safety training to eliminate any potentially hazardous work environments. In 2024, we conducted various forms of hazard detection and safety inspections.

We actively conduct occupational health and safety training for all employees, covering first-aid certification, safety management training, and specialized fire safety programs during the fire protection month. In 2024, we conducted a total of 3,351 occupational health and safety training sessions, covering 305,968 persons, accumulating 494,415.2 training hours, averaging 33.49 hours per employee.

We actively conduct external environmental impact assessments and environmental management system certification. In 2024, all of our own factories obtained ISO 14001 environmental management system certification.

During the Track Record Period and up to the Latest Practicable Date, we did not receive any material fine or other penalties due to violations of health, work safety, social or environmental regulations, and there were no material work-related injuries at our production facilities.

Community relation management

We are committed to fulfilling our social responsibilities and making significant contributions to the establishment of a more harmonious and better society through a comprehensive series of social welfare initiatives, aimed at supporting and promoting rural revitalization and educational development across various fields.

- In 2024, we made multiple purchases of local agricultural products in places such as Wuxi and Fengjie in Chongqing, helping farmers increase their income and promoting the development of local characteristic agricultural industries. At the same time, our total investment in rural revitalization reached RMB4.4916 million;

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- In 2024, our public welfare and charitable donations reached RMB10.3397 million. At the donation ceremony of the “Hundreds of Enterprises Connect with Hundreds of Villages” assistance action for border villages between the Chongqing Federation of Industry and Commerce and Zhongba County in Shigatse City, we donated RMB250,000 to Zhongba County. The aim is to promote the economic and social development of the Shigatse region, and improve the living standards of the local people;
- In 2024, we donated RMB1.5 million in two batches to Chongqing No. 1 Secondary School, supporting the “Seres Automobile Talents” program. This program aims to cultivate top-tier innovative talents in Chongqing, supporting students excellent in character and learning from families in need to complete high-school education, thereby further promoting local education development; and
- In 2024, we organized 370 volunteer activities, with 1,400 participants contributing a total of 5,600 hours of service.

Corporate Governance

Anti-corruption and anti-bribery

We uphold strong business ethics by continuously optimizing our anti-corruption framework, ensuring accessible reporting channels, and enforcing whistleblower protection. Meanwhile, we firmly oppose unfair competition and monopolistic practices, working to maintain a fair, transparent, and trustworthy business environment. Our multiple-level business ethics governance system includes: management by the supervision headquarters, and execution by several functional departments such as human resources headquarters, finance headquarters, legal affairs headquarters and audit headquarters. Meanwhile, we have issued the Business Partner Integrity Cooperation Management Measures, outlining integrity standards for suppliers, distributors, service providers, agents, and consulting firms to ensure ethical and compliant business development.

PROPERTIES

We own and lease certain properties in China and overseas primarily to be used for production, warehousing, sales and offices. According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this Prospectus is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all our interests in land or buildings, for the reason that, as of June 30, 2025, none of our properties had a carrying amount of 15% or more of our consolidated total assets.

Owned Land and Properties

As of June 30, 2025, our Company and Major Subsidiaries owned land use rights with respect to 29 parcels of land in China with a total gross land area of approximately 5,914,476.96 sq.m., and owned 239 buildings with an aggregate gross floor area of approximately 2,426,788.85 sq.m.. These properties are primarily used for factories, offices, etc.. As of June 30, 2025, we owned 9 parcels of land with a total gross land area of approximately 76,889 sq.m. located in Indonesia. These properties are primarily used for factories.

As of the date of this Prospectus, we have not obtained the building ownership certificates for 6 buildings with an aggregate gross floor area of approximately 2,701.63 square meters. As advised by our PRC Legal Adviser, we have obtained the confirmation from the relevant government authorities that the construction procedures of the properties are complete and the ownership certificates are in the process of being obtained. As of the Latest Practicable Date, no material administrative penalties have been imposed for the failure to obtain the aforementioned certificates, and this failure does not have a material adverse impact on our business operations.

Leased Properties

As of June 30, 2025, we had primarily 25 leased properties in China with a total area of approximately 753,176.21 sq.m., used for plants, sales, offices, and dormitories.

As of June 30, 2025, we had six leased properties in the United States, the Netherlands, and Indonesia with a total area of approximately 146,436.34 sq.m. These properties are primarily used for plants and offices.

Title Defects

As of the Latest Practicable Date, the lessors of 20 of our above-mentioned leased properties in China with an aggregate gross floor area of approximately 384,330.91 sq.m had not provided us with the relevant title ownership certificates for the leased properties or proof of authorizations from the property owners to sublease the properties to us. During the Track Record Period and up to the Latest Practicable Date, we had not encountered any material disputes with respect to these defective leased properties. As advised by our PRC Legal Adviser, without ownership certificates or proof of authorizations from the property owners, the lessor does not have the right to rent the said premises. In such cases, if a third party objects to the lease, it may affect our ability to continue to rent the properties, but we may still be able to claim compensation from the lessor under the lease; furthermore, if the lessor enters into several leases in respect of the same premises, we may be deemed to be the lawful lessee of the properties in accordance with the relevant judicial interpretations. Having considered the foregoing, our Directors believe that these title defects described above will not, individually or in the aggregate, materially affect our business and results of operations.

LEGAL PROCEEDINGS AND COMPLIANCE

We are committed to adhering to the laws and regulations applicable to our business. During the Track Record Period and up to the Latest Practicable Date, we did not experience any non-compliance incidents that our Directors believe would, individually or collectively, have a material operational or financial impact on our business and operations as a whole.

From time to time, we may be involved in contractual disputes or legal proceedings arising from the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any claims, damages, or losses that would have a material adverse effect on our financial position or results of operations as a whole. Litigation or any other legal proceeding, regardless of the outcome, is likely to result in substantial costs and diversion of our resources, including our management's time and attention.

LICENSES AND PERMITS

During the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits that are material for our business operations in the jurisdictions where we operate, and such licenses, approvals and permits were valid and would be in force on an ongoing basis.

RISK MANAGEMENT AND INTERNAL CONTROL

We have developed and implemented risk management policies and internal control measures in relation to our business operations, financial reporting and general compliance. To monitor the ongoing implementation of our risk management policies and corporate governance measures after the Listing, we have adopted and will adopt, among other things, the following risk management measures.

- We design a comprehensive set of policies to identify, analyze, manage and monitor various risks. We periodically assess and update our risk management policies.
- Our Board is responsible for overseeing the overall risk management and internal control. Our Audit Committee is authorized to review and evaluate our financial control, risk management and internal control system. See “Directors and Senior Management — Board Committees — Audit Committee” for the composition of the Audit Committee and the qualifications and experience of them.
- We will adopt various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to conflict of interest management, connected transactions and information disclosure.
- We will continue to organize training sessions for our Directors and senior management with respect to the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong.

BUSINESS

We engaged an independent internal control consultant to perform an assessment on the effectiveness of our internal controls, to identify deficiencies in our internal control system and to furnish recommendations on enhanced internal control measures. The work scope of our internal control consultant covered reviewing and assessing various aspects of our operations, including, among others, the internal control environment, financial reporting and disclosure, sales and accounts receivables management, procurement and accounts payables management, inventory management, engineering and manufacturing management, fixed and intangible asset management, human resources and compensation, fund management and information system management.

During the independent internal control consultant's review, certain deficiencies were identified, including deficiencies in relation to certain of our corporate governance policies, and we have revised such corporate governance policies in conformity with the requirements of the Listing Rules. We had adopted substantially all of the recommendations made by the independent internal control consultant and had improved our internal control system to comply with the Listing Rules.

Having considered the internal control measures adopted by us, our Directors are of the view that our enhanced internal control measures are adequate and effective having regard to the obligations of our Company and our Directors under the Listing Rules and other relevant legal and regulatory requirements.

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Upon Listing, our Board of Directors comprises thirteen Directors, including four executive Directors, four non-executive Directors and five independent non-executive Directors. Our Directors serve a term of three years and may be re-elected for successive reappointments. The independent non-executive Directors shall not hold office for more than six consecutive years pursuant to the relevant PRC laws and regulations.

The following table sets out information in respect of the Directors.

Name	Age	Position/Title	Time of Joining our Group	Date of Appointment as a Director	Role and Responsibility
Executive Directors					
Mr. Zhang Zhengping (張正萍).	35	Chairman of the Board, executive Director and president	June 2016	November 5, 2020	Managing the operations of the Board, overall strategic planning and setting the business direction of our Group
Mr. Yin Xianzhi (尹先知).	57	Executive Director and vice president	February 2022	May 22, 2023	Managing operations, administrative and security management-related matters
Ms. Shen Wei (申薇).	43	Executive Director, vice president and Board secretary	May 2018	May 22, 2023	Managing capital operations, compliance matters and Board- related matters of the Company
Mr. Zhang Zhengyuan (張正源).	44	Executive Director, employee representative Director and assistant vice president	September 2003	June 10, 2020	Managing strategic planning-related matters and overseeing commercial and certain passenger vehicle businesses

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position/Title	Time of Joining our Group	Date of Appointment as a Director	Role and Responsibility
Non-executive Directors					
Mr. Zhang Kebang (張克邦)	51	Non-executive Director	May 2023	May 22, 2023	Overseeing our Group's management and providing advice on strategic development
Mr. You Zheng (尤曄)	57	Non-executive Director	November 2019	November 15, 2019	Overseeing our Group's management and providing advice on strategic development
Mr. Li Wei (李瑋)	60	Non-executive Director	June 2020	June 10, 2020	Overseeing our Group's management and providing advice on strategic development
Mr. Zhou Changling (周昌玲)	57	Non-executive Director	June 2020	June 10, 2020	Overseeing our Group's management and providing advice on strategic development
Independent Non-executive Directors					
Mr. Li Kaiguo (李開國)	63	Independent non- executive Director	November 2022	November 15, 2022	Providing independent opinion and judgment
Mr. Zhang Guolin (張國林)	70	Independent non- executive Director	May 2023	May 22, 2023	Providing independent opinion and judgment
Mr. Jing Xufeng (景旭峰)	55	Independent non- executive Director	May 2023	May 22, 2023	Providing independent opinion and judgment
Mr. Li Ming (黎明)	61	Independent non- executive Director	April 2014	February 11, 2022	Providing independent opinion and judgment
Mr. Ngai Ming Tak (魏明德)	58	Independent non- executive Director	Listing Date	Listing Date	Providing independent opinion and judgment

Executive Directors

Mr. Zhang Zhengping (張正萍), aged 35, is an executive Director, chairman of the Board and president of our Company. He is primarily responsible for managing the operations of the Board, overall strategic planning and setting the business direction of our Group. Mr. Zhang Zhengping is the son of our founder, Mr. Zhang Xinghai.

Mr. Zhang joined our Group in June 2016 as the president of the intelligent vehicle business. He was appointed as a Director and chairman of the Board on November 5, 2020, and president of our Company on May 22, 2023, respectively, and was re-designated as an executive Director on March 30, 2025, with effect from the Listing Date.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Zhang served as the deputy general manager of Sokon Holding from June 2016 to October 2016, as a director of Yunnan Jinggu Forestry Co., Ltd. (雲南景谷林業股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600265), from June 2017 to February 2019, and as a director of Beijing Gaoke Shuju Technology Co., Ltd. (北京高科數聚技術有限公司) from November 2017 to March 2021. He has also served as an executive director and manager of Beijing Chuangxin Capital Management Co., Ltd. (北京創鑫資本管理有限公司) since December 2015 and a director of Sokon Investment (USA), Inc. since May 2016.

Mr. Zhang obtained his bachelor's degree in automotive management from Georgian College of Applied Arts and Technology in Canada in October 2014 and his executive master in business administration from Southwestern University of Finance and Economics (西南財經大學) in China in December 2018.

Mr. Yin Xianzhi (尹先知), aged 57, is an executive Director and vice president of our Company. He is primarily responsible for managing operations, administrative and security management-related matters. Mr. Yin joined our Group in February 2022, was appointed as a vice president and a Director on July 11, 2022 and May 22, 2023, respectively, and was re-designated as an executive Director on March 30, 2025, with effect from the Listing Date.

Prior to joining our Group, Mr. Yin worked at Tuzhu Subdistrict (土主街道, formerly known as Tuzhu Town (土主鎮)) in Chongqing from August 1988 to March 1998. Mr. Yin successively served as the deputy town mayor and town mayor of Zengjia Town, Shapingba District (沙坪壩區曾家鎮) from March 1998 to March 2003; he served as in the positions including town mayor of Chenjiaqiao Street (陳家橋街道, formerly known as Chenjiaqiao Town (陳家橋鎮)) in Shapingba District from March 2003 to January 2008; he was the chairman of Chongqing Fuyuan New Rural Investment and Construction Co., Ltd. (重慶富源新農村投資建設有限公司) from January 2008 to May 2008; he worked at Chongqing Public Works Bureau of Shapingba District, Chongqing (重慶市沙坪壩區公共工程局) and served as the chairman of Chongqing Mairui Urban Construction Investment Co., Ltd. (重慶邁瑞城市建設投資有限責任公司) from May 2008 to March 2013; and he served as the director of the Finance Bureau of Shapingba District, Chongqing (重慶市沙坪壩區財政局) from March 2013 to April 2018. He served as a cadre in Chongqing Western Modern Logistics Park Management Committee of (重慶西部現代物流園管委會) from April 2018 to May 2019, worked at Chongqing International Logistics Hub Park Management Committee (重慶國際物流樞紐園區管委會) from May 2019 to September 2020, and served as a fourth-grade researcher (四級調研員) at the logistics office of Shapingba District, Chongqing (重慶市沙坪壩區物流辦公室), from September 2020 to January 2022.

Mr. Yin attained postgraduate education from the Party School of the Chongqing Municipal Committee of the Communist Party of China (中國共產黨重慶市委黨校) in China in June 2003.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Shen Wei (申薇), aged 43, is an executive Director, vice president of the Company and our Board secretary. She is primarily responsible for managing capital operations, compliance matters and Board-related matters of the Company. Ms. Shen joined our Group as the deputy director of the investment strategy department in May 2018 and served as a supervisor of our Company from November 2018 to November 2019. She was appointed as the Board secretary on November 11, 2019, as a Director and vice president of the Company on May 22, 2023, and was re-designated as an executive Director on March 30, 2025, with effect from the Listing Date.

Prior to joining our Group, Ms. Shen worked as an attorney-in-charge at King & Wood Mallesons (Chongqing) (北京金杜(重慶)律師事務所) from July 2007 to November 2013. She also worked at USUM Investment Group Limited (渝商投資集團股份有限公司) from January 2014 to April 2015, and at Chongqing Southwest Securities Yufu Equity Investment Fund Management Co., Ltd. (重慶西證渝富股權投資基金管理有限公司) from February 2016 to April 2018.

Ms. Shen obtained her bachelor's degree and her master's degree in law from China University of Political Science and Law (中國政法大學) in China in July 2004 and June 2007, respectively. Ms. Shen has also been accredited with a Board Secretary Qualification Certificate from the Shanghai Stock Exchange's Board Secretary Training Program.

Mr. Zhang Zhengyuan (張正源), aged 44, was appointed as a Director on June 10, 2020, and was re-designated as an executive Director on March 30, 2025, with effect from the Listing Date. He was elected as our employee representative Director on October 15, 2025. Mr. Zhang joined our Group in September 2003 as a procurement officer in the procurement center of Seres Hubei. He is currently our assistant vice president, and is primarily responsible for managing strategic planning-related matters and overseeing commercial and certain passenger vehicle businesses.

Mr. Zhang obtained his advanced master's degree in business administration from Southwestern University of Finance and Economics (西南財經大學) in China in December 2013. Mr. Zhang obtained the senior economist qualification certificate from Chongqing Shapingba District Title Reform Office (重慶市沙坪壩區職稱改革辦公室) in July 2019.

Non-executive Directors

Mr. Zhang Kebang (張克邦), aged 51, was appointed as a Director on May 22, 2023 and re-designated as a non-executive Director on March 30, 2025, with effect from the Listing Date. Mr. Zhang joined our Group in May 2023. He is primarily responsible for overseeing our Group's management and providing advice on strategic development.

Mr. Zhang has been a director and the president of Sokon Holding since January 2020. Mr. Zhang served consecutively as the secretary and deputy section chief at the Luhuo County Sub-Branch of Ganzi Branch at the PBOC (中國人民銀行甘孜州分行爐霍縣支行) from July 1995 to August 2000. He worked as the assistant general manager at Chengdu Tiancheng Electromechanical Equipment Co., Ltd. (成都天成機電配套有限公司) from August 2000 to

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March 2002. From March 2002 to November 2010, he successively served as customer manager, assistant to the branch president, manager and deputy branch president at the Chongqing branch of Ping An Bank Co., Ltd. (平安銀行股份有限公司, formerly known as Shenzhen Development Bank (深圳發展銀行股份有限公司)), a company listed on the Shenzhen Stock Exchange (stock code: 000001). He has also served as the department general manager at the Chongqing branch of Guangdong Nanyue Bank Co., Ltd. (廣東南粵銀行股份有限公司, formerly known as Zhanjiang Commercial Bank (湛江市商業銀行)) from December 2010 to October 2011, a director and vice president at Chongqing Hengnuo Saixin Investment Co., Ltd. (重慶恒諾賽鑫投資有限公司) from October 2011 to June 2014, the president of Chongqing Longhe Technology Co., Ltd. (重慶隆合科技有限公司) from December 2014 to March 2016, a deputy general manager at Pujin Financial Leasing Co., Ltd. (潛金融資租賃有限公司) (“**Pujin Financial**”) from March 2016 to March 2019, and a director and general manager at Qianhai Huiyitong Fund Management (Shenzhen) Co., Ltd. (前海匯易通基金管理(深圳)有限公司) from April 2019 to December 2019.

Mr. Zhang obtained his master’s degree in business administration from Chongqing University (重慶大學) in China in January 2008.

Mr. You Zheng (尤崢), aged 57, was appointed as a Director on November 15, 2019 and re-designated as a non-executive Director on March 30, 2025, with effect from the Listing Date. He is primarily responsible for overseeing our Group’s management and providing advice on strategic development.

Mr. You currently serves as a vice president of Dongfeng Motor. He has been an executive director and the vice president of Dongfeng Motor Group Company Limited (東風汽車集團股份有限公司) (“**Dongfeng Group**”), a company listed on the Hong Kong Stock Exchange (stock code: 0489) since November 2019.

Mr. You has more than 30 years of experience in the automobile industry. He worked at China FAW Group Co., Ltd. (中國第一汽車集團有限公司) and its associated companies from September 1990 to May 2018. In particular, Mr. You’s experience at China FAW Group Co., Ltd. includes working as a processor in the welding team in the technology department of an FAW automobile body factory from September 1990 to April 1992, as a welding engineer, deputy director, and program manager at an FAW-Volkswagen sedan factory from April 1992 to July 2002, and successively serving as the deputy head then head of the manufacturing technology department of First Automobile Works Sedan Company (一汽轎車公司) from July 2002 to February 2004. From February 2004 to April 2009, he further served as the factory director and the deputy director of the planning department at the second factory of First Automobile Works Volkswagen Sedan Company. Mr. You also served as the deputy director of the planning department of First Automobile Works (中國一汽集團公司) from April 2009 to July 2015, and successively served as the deputy director and the director of the product planning and project department of China First Automobile Group Corporation (中國第一汽車集團公司) from July 2015 to May 2018 and the assistant to the general manager at China First Automobile Co., Ltd. (中國第一汽車股份有限公司) from October 2017 to May 2018.

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Mr. You obtained his bachelor of engineering in metal materials and welding from the Jilin Institute of Technology (吉林工學院) (currently known as the Changchun University of Technology (長春工業大學)) in the PRC in 1990, and he studied business administration for senior managers on in-service basis at the Business School of Jilin University (吉林大學商學院) in the PRC and obtained his master's degree in business administration in 2012. Mr. You is a senior engineer at the researcher level.

Mr. Li Wei (李瑋), aged 60, was appointed as a Director on June 10, 2020 and re-designated as a non-executive Director on March 30, 2025, with effect from the Listing Date. He is primarily responsible for overseeing our Group's management and providing advice on strategic development.

Mr. Li has served as the deputy general manager of the strategic planning and science and technology development department and the general manager of the joint venture cooperation management department of Dongfeng Group since August 2020. Prior to joining the Group, Mr. Li successively held several positions at Dongfeng Motor during the periods from July 1986 to January 2003 and from October 2005 to August 2020, including the deputy director and director of the commodity planning division of the planning department, the director of the passenger vehicle business development division, and the deputy general manager of the strategic planning department and the general manager of the joint venture cooperation management department. From January 2003 to July 2003, he served as deputy director of the new business promotion office at Dongfeng Motor Engineering Research Institute (東風汽車工程研究院). From July 2003 to October 2005, he worked at Dongfeng Motor Co., Ltd. (東風汽車有限公司) as the deputy manager for product development of the product development office and the deputy manager for product development of the product planning headquarters at its commercial vehicle company.

Mr. Li obtained his bachelor's degree in automobile engineering from Hubei University of Automotive Technology (湖北汽車工業學院) in the PRC in July 1986 and his master's degree in vehicle design and manufacturing from the School of Automotive Engineering of Jilin University of Technology (吉林工業大學) in the PRC in April 1997. Mr. Li is a senior engineer.

Mr. Zhou Changling (周昌玲), aged 57, was appointed as a Director on June 10, 2020 and re-designated as a non-executive Director on March 30, 2025, with effect from the Listing Date. He is primarily responsible for overseeing our Group's management and providing advice on strategic development.

Mr. Zhou has served as the general manager of the audit department of Dongfeng Group since September 2022. Prior to joining the Group, Mr. Zhou successively served as a software development & application accountant of the technology section and cost & pricing accountant of the finance section at Dongfeng Motor Wheel Rim Co., Ltd. (東風汽車車輪有限公司) from July 1991 to March 2000; he successively served as a cost accountant and concurrently a general accountant of the finance department and the section chief of the accounting section at Aeolus Automobile Co., Ltd. (風神汽車有限公司) from March 2000 to July 2003; he

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successively served as the section chief and deputy director of the comprehensive accounting section in the accounting department of the financial accounting headquarters, and the deputy director and director of the passenger vehicle accounting department of the passenger vehicle financial accounting headquarters at Dongfeng Motor Co., Ltd. (東風汽車有限公司) from July 2003 to October 2017; he was the director of the service support procurement department of the procurement headquarters at Dongfeng Nissan Passenger Vehicle Company (東風日產乘用車公司) under Dongfeng Motor Co., Ltd. (東風汽車有限公司) from October 2017 to April 2019; and he successively served as the deputy general manager of the financial accounting department, the deputy director of the finance department, and the deputy general manager of the audit and compliance department at Dongfeng Group from April 2019 to September 2022.

Mr. Zhou obtained his bachelor's degree in computer software and application engineering from Hubei University of Automotive Technology (湖北汽車工業學院) in the PRC in June 1991, and his master's degree in accounting from the Open University of Hong Kong (香港公開大學) in Hong Kong in June 2012.

Independent Non-executive Directors

Mr. Li Kaiguo (李開國), aged 63, was appointed as an independent Director on November 15, 2022 and re-designated as an independent non-executive Director on March 30, 2025, with effect from the Listing Date. He is primarily responsible for providing independent opinion and judgment.

Mr. Li has served as an expert at China Automotive Engineering Research Institute Co., Ltd. (“CAERI”) (中國汽車工程研究院股份有限公司, formerly known as Chongqing Automotive Research Institute (重慶汽車研究所) (“CARI”)), a company listed on the Shanghai Stock Exchange (stock code: 601965) since May 2022, the head of the technology committee of CAERI since July 2022, and a director of CAERI from November 2010 to May 2022. He now serves as the head of the automobile inspection and testing technology committee of China General Technology (Group) Holding Co., Ltd. (中國通用技術(集團)控股有限責任公司). He has also served as an independent non-executive director of Zhuzhou CRRC Times Electric Co., Ltd. (株洲中車時代電氣股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688187) and the Hong Kong Stock Exchange (stock code: 3898) since October 2022, and an independent director of Bethel Automotive Safety System Co., Ltd. (蕪湖伯特利汽車安全系統股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603596) since September 2024.

From August 1983 to February 2000, Mr. Li successively served as an engineer, the deputy head and the head of the Component Testing Laboratory of CARI. Between July 1995 and February 2000, he also concurrently served as the general manager of the Automotive Test Equipment Development Center (汽車試驗設備開發中心) of CARI. Mr. Li served as the deputy director of CARI from February 2000 to November 2007; as a director and deputy general manager of CAERI from November 2007 to October 2013; and as a director, general manager and the chairman of CAERI from October 2013 to May 2022.

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Mr. Li obtained his bachelor's degree in automotive engineering from Hunan University (湖南大學) in the PRC in July 1983. Mr. Li is a senior engineer at the researcher level, a Machinery Industry Technology Specialist of the PRC and a State Council special allowance expert.

Mr. Zhang Guolin (張國林), aged 70, was appointed as an independent Director on May 22, 2023 and re-designated as an independent non-executive Director on March 30, 2025, with effect from the Listing Date. He is primarily responsible for providing independent opinion and judgment.

Mr. Zhang served as an independent director of Chongqing Beer Co., Ltd. (重慶啤酒股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600132), and an independent non-executive director of Chongqing Iron & Steel Company Limited (重慶鋼鐵股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601005) and Hong Kong Stock Exchange (stock code: 1053), from May 2007 to April 2013 and from June 2009 to December 2014, respectively.

Prior to joining our Group, Mr. Zhang successively served as a professor and the vice president of Chongqing University (重慶大學) from January 1982 to November 2000. He served as a professor at the economics teaching and research office of the Southwest University of Political Science and Law (西南政法大學) from April 2002 to June 2020. From September 2019 to February 2023, he served as the president of Chongqing Vocational and Technical University of Mechatronics (重慶機電職業技術大學).

Mr. Zhang obtained his bachelor's degree in ironmaking in January 1982 and his doctoral degree in technology economy and management in December 2009 from Chongqing University (重慶大學) in the PRC. Mr. Zhang is the standing member of the seventh council of the Chinese Association of Political Science (中國政治學會) and the chairman of the first council of the Chongqing Association of Political Science (重慶市政治學會). He is also a doctoral supervisor, and a recipient of the State Council Special Allowance.

Mr. Jing Xufeng (景旭峰), aged 55, was appointed as an independent Director on May 22, 2023 and re-designated as an independent non-executive Director on March 30, 2025, with effect from the Listing Date. He is primarily responsible for providing independent opinion and judgment.

Mr. Jing's current roles include acting as a director of Zhejiang Tangde Film & TV Co., Ltd. (浙江唐德影視股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300426), since May 2019. He was appointed as an independent non-executive director of Smart Digital Technology Group Limited (智數科技集團有限公司) (formerly known as Starlight Culture Entertainment Group Ltd. (星光文化娛樂集團有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 1159)), from May 2021 to March 2023, and has been appointed as an executive director and the chairman of the board of directors since March 2023.

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Between July 1994 and August 2016, Mr. Jing worked at the Jiangsu branch of Xinhua News Agency (新華社). Subsequently, he held various management positions in different companies, including serving as an executive director of Ningbo Meishan Free Trade Port Lianshi Investment Management Co., Ltd. (寧波梅山保稅港區聯視投資管理有限公司) from August 2016 to January 2021, the chairman of Tengyue Culture Media (Beijing) Group Co., Ltd. (騰閱文化傳媒(北京)集團有限公司) from September 2016 to December 2020, an independent director of CITIC Press Corporation (中信出版集團股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 300788)) from May 2017 to March 2023, a director and the general manager of Tianjin Tengyue Tianxia Culture and Technology Co., Ltd. (天津騰閱天下文化科技有限公司) from June 2017 to May 2022, a director of Moer Xingling (Beijing) Network Technology Co., Ltd. (摩爾星靈(北京)網絡科技有限公司) from September 2017 to July 2022, a director of 360 Enterprise Security Technology (Beijing) Group Co., Ltd. (360企業安全技術(北京)集團有限公司) from October 2017 to December 2018, and a director of Qi An Xin Technology Group Inc. (奇安信科技集團股份有限公司) from December 2018 to May 2019, and an executive director of Beijing Jinhui Graham Investment Limited (北京金匯金投資集團有限公司) from April 2019 to December 2020.

Mr. Jing graduated from Yangzhou University (揚州大學) in the PRC, majoring in Chinese language and literature in June 1994.

Mr. Li Ming (黎明), aged 61, was appointed as an independent Director from April 26, 2014 to April 9, 2017, and as a supervisor of our Company from April 2017 to November 2019. Mr. Li was then appointed as an independent Director on February 11, 2022 and re-designated as an independent non-executive Director on March 30, 2025, with effect from the Listing Date. He is primarily responsible for providing independent opinion and judgment.

Mr. Li currently serves as an independent director of Minsheng Shipping Co., Ltd. (民生輪船股份有限公司), a director of Chongqing Junde Aipu Automobile Technology Co., Ltd. (重慶駿德艾普汽車科技股份有限公司) and a director of Chongqing Banghao Seed Co., Ltd. (重慶幫豪種業股份有限公司). He has served as an independent director of Huapont Life Sciences Co., Ltd. (華邦生命健康股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 002004)) since August 2021, and an independent non-executive director of Changan Minsheng APLL Logistics Co., Ltd. (重慶長安民生物流股份有限公司) (a company listed on the Hong Kong Stock Exchange (stock code: 1292)) since June 2023. Currently, he also serves as a supervisor of Chongqing Zhubajie Yichuang Microfinance Co., Ltd. (重慶市豬八戒宜創小額貸款有限公司).

Mr. Li successively served as a lecturer and professor of the Accounting School of Chongqing University of Technology (重慶理工大學) from June 2010 to February 2024. He served as an independent non-executive director at Chongqing Port Co., Ltd. (重慶港股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600279), from July 2018 to August 2024, and an independent non-executive director at Chongqing Wangbian Electric (Group) Co., Ltd. (重慶望變電氣(集團)股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603191), from September 2017 to November 2023.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Li obtained his master's degree in accounting from the Accounting Department of the Southwestern University of Finance and Economics (西南財經大學) in the PRC in June 1989. He has been accredited as a non-practising member of the Chongqing Institute of Certified Public Accountants (重慶市註冊會計師協會) since August 2001.

Mr. Ngai Ming Tak (魏明德), aged 58, was appointed as an independent non-executive Director with effect from the Listing Date. He is primarily responsible for providing independent opinion and judgment.

Mr. Ngai has served as the chairman of The Red Group (安德資本集團) since December 2013 and the chairman of Asia GreenTech Fund (亞洲綠色科技基金) since January 2020, and has a wealth of experience in the international financial sector. Mr. Ngai has also served as an external director of China COSCO Shipping Corporation (中國遠洋海運集團) since March 2022, an independent non-executive director of CRRC Corporation Limited (中國中車股份有限公司) (a company listed on the Hong Kong Stock Exchange (stock code: 1766) and the Shanghai Stock Exchange (stock code: 601766)) since December 2021, an independent non-executive director of China Longyuan Power Group Corporation Limited (龍源電力集團股份有限公司) (a company listed on the Hong Kong Stock Exchange (stock code: 0916) and the Shenzhen Stock Exchange (stock code: 001289)) since November 2021, an independent non-executive director of Sanergy Group Limited (昇能集團有限公司) (a company listed on the Hong Kong Stock Exchange (stock code: 2459)) since December 2022 and an independent non-executive director of True Partner Capital Holding Limited (a company listed on the Hong Kong Stock Exchange (stock code: 8657)) since March 2020.

From April 2006 to November 2013, Mr. Ngai worked at UBS AG (瑞士銀行) with his last position as the managing director, where he was mainly responsible for investment banking business. Mr. Ngai served as an independent non-executive director of Smart Digital Technology Group Limited (智數科技集團有限公司, formerly known as Starlight Culture Entertainment Group Limited (星光文化娛樂集團有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 1159)) from May 2017 to September 2023, and the president of Green Economy Development Limited (綠色經濟發展有限公司) (a company listed on the Hong Kong Stock Exchange (stock code: 1315)), from August 2021 to March 2025.

Mr. Ngai is a member of the 12th, 13th and 14th National Committee of Chinese People's Political Consultative Conference (中國人民政治協商會議全國委員會), the chairman of the Hong Kong Finance Association (香港金融發展協會), the council chairman of the City University of Hong Kong (香港城市大學), a Fellow Commoner of Clare Hall, University of Cambridge, an honorary fellow of Lingnan University (嶺南大學), and an honorary citizen of Harbin City, Heilongjiang Province.

Mr. Ngai obtained his master's degree from the University of Cambridge in the United Kingdom in July 1991.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

The following table sets out information regarding the members of senior management of our Company.

Name	Age	Position/Title	Time of Joining our Group	Date of Appointment as Senior Management	Role and Responsibility
Mr. Zhang Zhengping (張正萍)	35	Chairman of the Board, executive Director and president	June 2016	May 22, 2023	Managing the operations of the Board, overall strategic planning and setting the business direction of our Group
Mr. Yin Xianzhi (尹先知)	57	Executive Director and vice president	February 2022	July 11, 2022	Managing operations, administrative and security management-related matters
Ms. Shen Wei (申薇)	43	Executive Director, vice president and Board secretary	May 2018	November 11, 2019	Managing capital operations, compliance matters and Board-related matters of the Company
Ms. Liu Lian (劉聯)	57	Vice president and chief financial officer	May 2010	June 20, 2014	Overseeing the financial management of the Group
Mr. Wang Ping (王平)	52	Vice president	February 2022	May 22, 2023	Overseeing the intelligent manufacturing and quality management of complete vehicles and key components
Mr. Kang Bo (康波)	49	Vice president	August 2022	May 22, 2023	Brand management and overseeing public relations, industrial development planning and external strategic cooperation matters
Mr. Huang Qizhong (黃其忠)	55	Vice president	December 2021	May 22, 2023	Overseeing process architecture related matters
Mr. Zhou Lin (周林)	45	Chief technology officer	August 2003	May 22, 2023	Overseeing product technology planning and R&D system strategies

DIRECTORS AND SENIOR MANAGEMENT

Mr. Zhang Zhengping (張正萍), aged 35, is an executive Director, chairman of the Board and president of our Company. Please refer to “— Board of Directors — Executive Directors” in this section for the biographical details of Mr. Zhang.

Mr. Yin Xianzhi (尹先知), aged 57, is an executive Director and vice president of our Company. Please refer to “— Board of Directors — Executive Directors” in this section for the biographical details of Mr. Yin.

Ms. Shen Wei (申薇), aged 43, is an executive Director, vice president of the Company and our Board secretary. Please refer to “— Board of Directors — Executive Directors” in this section for the biographical details of Ms. Shen.

Ms. Liu Lian (劉聯), aged 57, joined our Group in May 2010 as the responsible person of finance of the listing office. She was an assistant to the president from April 2011 to April 2017, audit supervisory director from August 2011 to June 2014 and has been the chief financial officer and a vice president of our Company since June 20, 2014 and May 22, 2023, respectively. She is primarily responsible for overseeing the financial management of the Group. Ms. Liu was appointed as a Director from June 10, 2020 to May 21, 2023.

Prior to joining our Group, Ms. Liu held various positions including, among others, the deputy general manager of the business division at Chongqing Yuan Co., Ltd. (重慶渝安創新科技有限公司) from January 2000 to May 2010.

Ms. Liu obtained her master’s degree in business administration from Southwestern University of Finance and Economics (西南財經大學) in China in December 2013. She has been certified as an accountant by MOF since October 1998 and obtained the senior economist qualification certificate from Chongqing Shapingba District Title Reform Office (重慶市沙坪壩區職稱改革辦公室) in May 2018.

Mr. Wang Ping (王平), aged 52, joined our Group in February 2022 as our chief quality officer and was appointed as a vice president of the Company on May 22, 2023. He is primarily responsible for overseeing the intelligent manufacturing and quality management of complete vehicles and key components.

Prior to joining our Group, Mr. Wang worked at Qingling Motors Co., Ltd. (慶鈴汽車股份有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 1122), from July 1997 to August 2000. He also worked at Zongshen Technology Development and Research Co., Ltd. (宗申技術開發研究有限公司) from March 2001 to August 2002. From September 2002 to February 2022, he worked at Chang’an Ford Automobile Co., Ltd. (長安福特汽車有限公司).

Mr. Wang obtained his bachelor’s degree in mechanical design and manufacturing from the Jilin University of Industry (吉林工業大學) in the PRC in July 1997. Mr. Wang obtained the senior principal engineer certificate from Chongqing Title Reform Office (重慶市職稱改革辦公室) in December 2023.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Kang Bo (康波), aged 49, joined our Group in August 2022 and was appointed as a vice president of the Company on May 22, 2023. He is primarily responsible for brand management and overseeing public relations, industrial development planning and external strategic cooperation matters.

Mr. Kang has accumulated many years of experience in the automotive industry, particularly in listed companies. From June 2005 to October 2010, he worked at Delphi Automotive PLC, a company listed on the New York Stock Exchange (stock code: DLPH). From November 2010 to July 2022, he held various positions within BMW AG (“BMW”), a company listed on the Frankfurt Stock Exchange (stock code: BMW), and its group companies.

Mr. Kang obtained his bachelor’s degree in investment and economic management from East China University of Science and Technology (華東理工大學) in China in July 1997, his master’s degree in business administration from China Europe International Business School (中歐國際工商學院) in China in September 2009, and his doctoral degree in business administration from City University of Hong Kong in October 2020.

Mr. Huang Qizhong (黃其忠), aged 55, joined our Group in December 2021 as the responsible person of human resources and was appointed as a vice president of the Company on May 22, 2023. He is primarily responsible for overseeing process architecture related matters.

Prior to joining our Group, Mr. Huang had over ten years of work experience at Huawei. In particular, from November 2015 to September 2019, he served as a department head at Huawei Terminal Devices (Shenzhen) Co., Ltd. (華為終端(深圳)有限公司).

Mr. Huang obtained his bachelor’s degree in industrial management engineering from Southwest Jiaotong University (西南交通大學) in China in July 1993.

Mr. Zhou Lin (周林), aged 45, joined our Group in August 2003 as technical director and was appointed as the chief technology officer of the Company on May 22, 2023. He is primarily responsible for overseeing product technology planning and R&D system strategies.

Mr. Zhou obtained his advanced master’s degree in business administration from Southwestern University of Finance and Economics (西南財經大學) in China in December 2018. Mr. Zhou is a senior principal engineer.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Save as disclosed in this paragraph headed “Rule 8.10 of the Listing Rules” below, each of our Directors confirms that as of the Latest Practicable Date, he or she does not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company’s business, which would require disclosure under Rule 8.10 of the Listing Rules.

From time to time our non-executive Directors may serve on the boards of companies within the automobile industry. However, as these non-executive Directors are not members of our executive management team, we do not believe that their interests in such companies as directors would render us incapable of carrying on our business independently from the other companies in which they may hold directorships from time to time.

In particular, our non-executive Directors Mr. You Zheng (“**Mr. You**”), Mr. Li Wei (“**Mr. Li**”) and Mr. Zhou Changling (“**Mr. Zhou**”) currently also act as directors of Dongfeng Motor and/or its affiliated companies (collectively referred to as “**Dongfeng**”). Dongfeng is principally engaged in the manufacture and supply of commercial vehicles, passenger vehicles, electric vehicles as well as ancillary services and products. As such, Dongfeng might from time to time directly or indirectly compete with the business of our Company. Notwithstanding the above, we believe that we are capable of performing our business independently of, and at arm’s length from Dongfeng based on the following grounds:

- (i) Mr. You, Mr. Li and Mr. Zhou, as non-executive Directors, do not hold positions in the senior management of our Company, are not and will not be involved in the daily management and operations of our Group, and have no control in our Company;
- (ii) the experience of Mr. You, Mr. Li, and Mr. Zhou, gained through their respective roles at Dongfeng — which operates in the same industry as our Company do — would be highly beneficial to our Company, as they can offer valuable industry insights and strategic advice;
- (iii) we have appointed five independent non-executive Directors upon the Listing Date, comprising more than one-third of our Board, in order to promote the interests of our Company and our Shareholders as a whole;
- (iv) notwithstanding that our Group operates in the same industry as Dongfeng does, our core product offerings are different, and our transactions are conducted in the usual and ordinary course of business at arm’s length and are in the interests of our Company and our Shareholders as a whole; and
- (v) our Company has established relevant corporate governance measures to avoid conflicts of interest between our Group and any Director. In the event that a Director (such as Mr. You, Mr. Li and Mr. Zhou) is interested in a matter to be discussed or decided at a Board meeting, he/she shall abstain from voting in relation to such matter.

DIRECTORS AND SENIOR MANAGEMENT

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in March 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

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

GENERAL

Mr. Zhang Zhengping (張正萍), the executive Director, chairman of the Board and president of our Company, and Mr. Zhang Zhengyuan (張正源), an executive Director, are cousins. Mr. Zhang Zhengping is the son of our founder, Mr. Zhang Xinghai. Save as disclosed in “Directors and Senior Management”, none of our Directors or senior management are related to other Directors or senior management of our Company.

Save as disclosed in “Directors and Senior Management”, none of the Directors or members of senior management of our Company has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Prospectus.

To the best knowledge, information and belief of our Directors having made all reasonable inquiries, there is no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders, and there is no information relating to our Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

JOINT COMPANY SECRETARIES

Ms. Shen Wei (申薇) was appointed as our joint company secretary in March 2025, with effect from the Listing Date. Please refer to “— Board of Directors — Executive Directors” in this section for the biographical details of Ms. Shen.

Ms. Ho Wing Tsz Wendy (何詠紫) was appointed as our joint company secretary in March 2025, with effect from the Listing Date.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Ho is an executive director of Company Secretarial Services of Tricor Services Limited. Ms. Ho has over 25 years of experience in the corporate secretarial and governance services field. Her practice focuses on company secretarial advisory, corporate governance and regulatory compliance services for multinational, private and listed companies as well as non-profit making enterprises.

Ms. Ho is a Chartered Secretary, a Chartered Governance Professional and a Fellow member of both The Hong Kong Chartered Governance Institute (HKCGI) and The Chartered Governance Institute in the United Kingdom. Ms Ho is the Council Member of HKCGI, the Chairman of Professional Development Committee, a Member of Professional Services Panel and a Member of Mainland China Technical Consultation Panel of HKCGI. She holds a master's degree in business administration from The Hong Kong Polytechnic University.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code, our Company has formed five Board committees, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, the Strategy Committee and the ESG Committee.

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of Part 2 of the Corporate Governance Code. The Audit Committee consists of five Directors, namely Mr. Li Ming (黎明), Mr. Zhang Kebang (張克邦), Mr. Zhou Changling (周昌玲), Mr. Li Kaiguo (李開國) and Mr. Zhang Guolin (張國林). Mr. Li Ming (黎明), who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules, serves as the chairperson of the Audit Committee. The primary duties of the Audit Committee include, but are not limited to, reviewing the Company's financial information and its disclosure, and monitoring and evaluating internal and external audit work and internal controls.

Remuneration and Appraisal Committee

We have established a Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of Part 2 of the Corporate Governance Code. The Remuneration and Appraisal Committee consists of three Directors, namely Mr. Li Kaiguo (李開國), Mr. Li Ming (黎明), and Mr. Yin Xianzhi (尹先知). Mr. Li Kaiguo (李開國) serves as the chairperson of the Remuneration and Appraisal Committee. The primary duties of the Remuneration and Appraisal Committee include, but are not limited to, formulating evaluation standards for our Directors and senior management of the Company, implementation of measures in response to such evaluation, and formulating and reviewing the remuneration policies and plans for Directors and senior management of the Company.

DIRECTORS AND SENIOR MANAGEMENT

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of Part 2 of the Corporate Governance Code. Upon Listing, the Nomination Committee consists of three Directors, namely Mr. Li Kaiguo (李開國), Mr. Zhang Guolin (張國林) and Ms. Shen Wei (申薇). Mr. Li Kaiguo (李開國) serves as the chairperson of the Nomination Committee. The primary duties of the Nomination Committee include, but are not limited to, developing standards and procedures for the election of our Directors and senior management of the Company, and selecting and examining the qualifications of the candidates for our Directors and senior management of the Company.

Strategy Committee

We have established a Strategy Committee with written terms of reference. The Strategy Committee consists of three Directors, namely Mr. Zhang Zhengping (張正萍), Mr. Li Kaiguo (李開國) and Mr. Li Wei (李瑋). Mr. Zhang Zhengping (張正萍) serves as the chairperson of the Strategy Committee. The primary duties of the Strategy Committee include, but are not limited to, conducting research and making recommendations on our Company's long-term development plans, business strategies and objectives, and major strategic investment and financing proposals.

ESG Committee

We have established an ESG Committee with written terms of reference. The ESG Committee consists of four Directors, namely Mr. Zhang Zhengping (張正萍), Mr. Li Kaiguo (李開國), Mr. Yin Xianzhi (尹先知) and Ms. Shen Wei (申薇). Mr. Zhang Zhengping (張正萍) serves as the chairperson of the ESG Committee. The primary duties of the ESG Committee include, but are not limited to, establishing, adopting and reviewing our ESG strategies and goals, and evaluating, determining and addressing our near-term, medium-term and long-term ESG-related risks.

REMUNERATION

Our Directors receive their remuneration in the form of fees, salaries and other allowances, discretionary bonus, and other retirement benefit scheme contributions.

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the aggregate amount of remuneration paid or payable to our Directors amounted to approximately RMB13.99 million, RMB14.27 million, RMB8.82 million and RMB6.75 million, respectively.

DIRECTORS AND SENIOR MANAGEMENT

Under the current compensation arrangement, we estimate the total compensation before taxation to be accrued to our Directors for the year ending December 31, 2025 to be approximately RMB9.98 million.

For the years ended December 31, 2022 and 2023, there were two and two Directors among the five highest paid individuals, respectively. Among the five highest paid individuals, none of them is a Director for the year ended December 31, 2024 and the six months ended June 30, 2025. The total emolument for the remaining individuals among the five highest paid individuals for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025 were RMB10.60 million, RMB11.41 million, and RMB23.14 million and RMB21.12 million, respectively.

During the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office in connection with the management positions of any subsidiary of our Company.

During the Track Record Period, none of our Directors waived any remuneration. Save as disclosed in this section, no other payments have been paid, or are payable, by our Company or any of our subsidiaries to our Directors or the five highest paid individuals during the Track Record Period.

CORPORATE GOVERNANCE CODE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with the Corporate Governance Code and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the Listing.

Pursuant to paragraph C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Hong Kong Stock Exchange are expected to comply with, but may choose to deviate from, the requirement that the responsibilities between chairman and chief executive should be segregated and should not be performed by the same individual. We do not have a separate chairman and chief executive, and Mr. Zhang Zhengping (張正萍) currently performs the roles of the chairman of our Board and the president of our Company. Mr. Zhang has assumed the role of chairman of our Board since November 2020. He has extensive experience in the business operations and management of our Group, given his first appointment as a Director in April 2017. Our Board believes that, in view of his experience, personal profile and his roles in our Company as mentioned above, Mr. Zhang is the Director best suited to identify strategic opportunities and the focus of the Board due to his extensive understanding of our business. The Board also believes that vesting the roles of both chairman of the Board and president of the Company in the same person has the benefit of (i) ensuring consistent leadership within the Group, (ii) enabling more effective and efficient overall strategic planning and streamlining the execution of strategic initiatives of the Board, and (iii)

DIRECTORS AND SENIOR MANAGEMENT

facilitating the flow of information between the management and the Board for the Group. The Board considers that the balance of power and authority in the present arrangement is not compromised, given the size of the Board, contributions from the robust senior management team, and believes that this arrangement will enable the Company to make and implement decisions promptly and effectively. The Board will continue to consider splitting the roles of chairman of the Board and president of the Company at an appropriate time, taking into account the circumstances of the Group as a whole.

Save as disclosed in this section, our Directors consider that we will comply with all applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules upon Listing.

BOARD AND WORKPLACE DIVERSITY POLICY

We are committed to promoting diversity development in the Company. In order to maintain a robust corporate governance structure and to achieve sustainable and balanced corporate development, we have adopted a Board and workplace diversity policy (the “**Diversity Policy**”) which sets out the objectives for and approaches to achieving and maintaining diversity at the Company.

Pursuant to the Diversity Policy, we seek to achieve Board diversity through the consideration of a number of factors when selecting the candidates to our Board, including but not limited to gender, age, cultural and educational background, and professional experience. The ultimate decision of each appointment will be based on merit and the contribution which the selected candidates are expected to bring to our Board.

Our Directors have a balanced mix of knowledge and skills, including but not limited to depth of experience in the areas of business administration, financial investment, automotive business management, law and accounting. Upon Listing, we have five independent non-executive Directors with different industry backgrounds, with solid professional experiences in the fields of accounting, media and investment management for more than one-third of the members of our Board.

Our Company has evaluated the structure, size and composition of our Board, taking into account the skills matrix of our Board, and is of the opinion that the structure of our Board is reasonable, and the experience and skills of the Directors will enable our Company to maintain a high standard of operations. This is evidenced by the fact that our Directors range in age from 35 to 70 years old, and our Board comprises one female Director and twelve male Directors upon Listing. Taking into account our existing business model and specific needs, as well as the different backgrounds of our Directors, the composition of our Board satisfies our Diversity Policy. Our Nomination Committee is responsible for ensuring the diversity of our Board, and will continue to be responsible for the same after the Listing.

DIRECTORS AND SENIOR MANAGEMENT

Apart from diversity within our Board, we recognize the importance of gender diversity, which we have taken, and will continue to take, steps to promote at all levels of our Company, including at the Board, senior management and workforce (excluding senior management) level. Going forward, in accordance with the Diversity Policy, we will have at least one female Director at all times, we will ensure that a female Director serves on the Nomination Committee at all times, and we will continue to work to enhance gender diversity when selecting and recommending suitable candidates across the Board, senior management and workforce (excluding senior management) levels. We will strive to enhance female representation within the Company and will maintain a non-single gender Board at all times with reference to stakeholders' expectations and international standards and best practices. In particular, we aim to develop a pipeline of female employees from the workforce to reach senior management level and become potential successors to the Board by implementing comprehensive programs aimed at identifying and training our female employees who display leadership and potential, and ensuring that our female management members have equal opportunities to develop and perform so as to be equipped to step up as a member of our Board.

After the Listing, our Nomination Committee will, among its other duties, review the Diversity Policy and its implementation from time to time to ensure its continued effectiveness, and we will disclose the Diversity Policy or a summary thereof in the corporate governance report of the Company on an annual basis.

COMPLIANCE ADVISER

We have appointed Rainbow Capital (HK) Limited as our compliance adviser (the “**Compliance Adviser**”) pursuant to Rules 3A.19 and 3A.23 of the Listing Rules. The Compliance Adviser will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Adviser will advise our Company in certain circumstances including:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;
- where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this Prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this Prospectus; and
- where the Hong Kong Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of its listed securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Adviser will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Hong Kong Stock Exchange. The Compliance Adviser will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the Compliance Adviser's appointment will commence on the Listing Date and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing.

CONNECTED TRANSACTIONS

Upon Listing, certain transactions between us and our connected persons will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

CONNECTED PERSONS

We have entered into certain transactions in the ordinary and normal course of our business with the following entities expected to constitute our connected persons under Chapter 14A of the Listing Rules upon Listing, which will constitute continuing connected transactions upon the Listing:

Names of our connected persons	Connected relationship
Sokon Holding and/or its associates . . .	As of the Latest Practicable Date, Sokon Holding held approximately 24.52% of the total issued share capital of our Company. Therefore, Sokon Holding is our substantial shareholder and a connected person of our Company upon the Listing.
Dongfeng Motor and/or its associates (collectively referred to as “ Dongfeng Motor Group ”)	As of the Latest Practicable Date, Dongfeng Motor held approximately 20.04% of the total issued share capital of our Company. Therefore, Dongfeng Motor is our substantial shareholder and a connected person of our Company upon the Listing.
Chongqing Ruichi Automobile Industry Co., Ltd. (重慶瑞馳汽車實業有限公司) (“ Chongqing Ruichi ”) and/or its associates (collectively referred to as “ Ruichi Group ”)	As of the Latest Practicable Date, Chongqing Ruichi is held as to approximately 44.05% by Seres Hubei, a wholly-owned subsidiary of our Company, and approximately 6.61% by Sokon Holding, our substantial shareholder. As Chongqing Ruichi is majority-controlled by Sokon Holding, the financial results are consolidated into Sokon Holding. Hence, Chongqing Ruichi is a subsidiary of Sokon Holding, and therefore a connected person of our Company upon the Listing.

CONNECTED TRANSACTIONS

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

				Proposed annual cap for the years ending December 31,	
Transaction	Counterparty	Applicable Listing Rules	Waiver/ confirmation sought	2025 ^(Note 1)	2026
(RMB in million)					
Partially-exempt continuing connected transactions					
Products and Services Sales Framework Agreement	Dongfeng Motor Group	14A.76(2)(a) and 14A.105	Announcement	210	N/A
Products and Services Procurement Framework Agreement	Dongfeng Motor Group	14A.76(2)(a) and 14A.105	Announcement	500	N/A
Financial Services Agreement (in relation to the deposit service only)	Dongfeng Finance	14A.76(2)(a) and 14A.105	Announcement	Maximum outstanding daily balance of deposit amount	
				800	800 ^(Note 2)
Products and Services Sales Framework Agreement	Chongqing Ruichi	14A.76(2)(a) and 14A.105	Announcement	3,000	N/A
Products and Services Procurement Framework Agreement	Chongqing Ruichi	14A.76(2)(a) and 14A.105	Announcement	120	N/A
Fully-exempt continuing connected transactions					
Trademark Licensing Agreement	Dongfeng Motor	14A.52 and 14A.76(1)(a)	N/A	N/A	N/A

Notes:

- (1) The term of the Products and Services Sales Framework Agreement and the Products and Services Procurement Framework Agreement with Dongfeng Motor Group, and the Products and Services Sales Framework Agreement and the Products and Services Procurement Framework Agreement with Chongqing Ruichi are set to expire on December 31, 2025. Any renewal of such framework agreements upon expiry will be subject to mutual consent and compliance with the applicable requirements of the relevant rules and regulations (including but not limited to Listing Rules) after the Listing. In the event that such renewal agreements are entered into after the Listing, the Company will, based on the proposed annual caps, comply with the applicable requirements of the relevant rules and regulations (including but not limited to Chapter 14A of the Listing Rules) as may be applicable.
- (2) The proposed annual caps for the year ending December 31, 2026 shall expire on January 20, 2026, i.e. the expiry of the Financial Services Agreement, or the day before the Company first annual general meeting to be held after Listing, whichever is earlier.

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Connected transactions with Dongfeng Motor

a. Products and Services Sales Framework Agreement

Principal Terms

On October 15, 2025, our Company, for itself and on behalf of its subsidiaries, entered into a framework agreement (the “**Dongfeng Sales Framework Agreement**”) with Dongfeng Motor Group, pursuant to which our Group would supply to Dongfeng Motor Group various types of products and/or services, including but not limited to vehicles, engines, parts and components, vehicles maintenance services and inspection services and other ancillary products and services as it may require from time to time. The initial term of the agreement will commence on the Listing Date and end on December 31, 2025. The Dongfeng Sales Framework Agreement will be subject to negotiation at renewal with mutual consent and in compliance with the requirements of the Listing Rules and other applicable laws and regulations. Both parties or their respective subsidiaries will enter into separate underlying agreements which will set out the specific terms and conditions for the supply of products and/or services according to the principles provided in the Dongfeng Sales Framework Agreement.

Reasons for the transaction

Dongfeng Motor is a state-owned enterprise established under the laws of the PRC and the controlling shareholder of Dongfeng Motor Group Company Limited (東風汽車集團股份有限公司), a joint stock limited company incorporated in the PRC with limited liability and the H shares of which are listed on the Hong Kong Stock Exchange (stock code: 0489). Dongfeng Motor is principally engaged in the manufacture and supply of commercial vehicles, passenger vehicles, electric vehicles as well as ancillary services and products.

We mainly supply to Dongfeng Motor Group parts and components such as battery packs and motor drive assembly and related maintenance services, which serves as an extra income stream of the Group. The transactions under the Dongfeng Sales Framework Agreement are conducted in the ordinary course of business of the Group, which satisfy the needs of the Group’s business development and are conducive to the healthy and stable development of the Group.

CONNECTED TRANSACTIONS

Consideration and pricing policies

The fees to be charged by our Group to Dongfeng Motor Group for the services and/or products supplied by us shall be determined in accordance with the strict compliance with the pricing principle of transactions between related parties, to ensure fairness and reasonableness, with reference to factors including but not limited to the official governmental and the industry pricing standards or market rate of the fee and price quotes for such services and/or products, or reasonable profit margin of the Group with reference to the relevant costs incurred for the provision of the products and services. For fees and prices determined with reference to market rate, the parties shall keep track of the market prices and adjust the fees and prices in a timely manner with reference to the changes in market prices.

Historical amounts

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the historical transaction amounts with respect to the supply of services and/or products by our Group to Dongfeng Motor Group were approximately RMB1,345.8 million, RMB209.9 million, RMB87.1 million and RMB34.4 million, respectively. The decrease in the historical transaction amounts for the year ended December 31, 2024 compared with 2023 was due to the decrease in Dongfeng Motor Group's demand for our parts and components such as battery packs and motor drive assembly which are primarily used by Dongfeng Motor Group in assembling whole vehicles as a result of changes in end-user market demand for whole vehicles.

Annual cap

The proposed annual cap for the annual transaction amount to be paid to us by Dongfeng Motor Group under the Dongfeng Sales Framework Agreement for the year ending December 31, 2025 will be RMB210 million.

The proposed annual cap is determined based on, among others:

- (i) the historical amounts of the transactions between our Group and Dongfeng Motor Group during the Track Record Period in respect of our supply of services and products to Dongfeng Motor Group, which demonstrated a fluctuating trend; and
- (ii) buffer for the potential fluctuation in transaction amount due to, among others, the possible increase in the demand for the services and products by Dongfeng Motor Group, in particular having considered (a) the fluctuations in the transaction amount incurred during the Track Record Period, and (b) the fact that Dongfeng Motor Group usually places orders with us on a back-to-back basis depending on its actual business needs.

CONNECTED TRANSACTIONS

b. Products and Services Procurement Framework Agreement

Principal Terms

On October 15, 2025, our Company, for itself and on behalf of its subsidiaries, entered into a framework agreement (the “**Dongfeng Procurement Framework Agreement**”) with Dongfeng Motor Group, pursuant to which our Group would procure from Dongfeng Motor Group various types of products and/or services, including but not limited to vehicles, parts and components, vehicles inspection services, transportation services and other ancillary products and services as we may require from time to time. The initial term of the agreement will commence on the Listing Date and end on December 31, 2025. The Dongfeng Procurement Framework Agreement will be subject to negotiation at renewal with mutual consent and in compliance with the requirements of the Listing Rules and other applicable laws and regulations. Both parties or their respective subsidiaries will enter into separate underlying agreements which will set out the specific terms and conditions for the supply of products and/or services according to the principles provided in the Dongfeng Procurement Framework Agreement.

Reasons for the transaction

We mainly procure pick-up trucks from Dongfeng Motor Group for further export sales which serves as an extra income stream for our Company. We also procure delivery services from Dongfeng Motor Group primarily for, including but not limited to, delivering parts and components to our production lines during ordinary course of business. The transactions under the Dongfeng Procurement Framework Agreement are ordinary purchases of products and services necessary in the production and operation of the Group, which satisfy the needs of the Group’s business development and are conducive to the healthy and stable development of the Group.

Consideration and pricing policies

The fees to be paid by our Group to Dongfeng Motor Group under the Dongfeng Procurement Framework Agreement shall be determined in accordance with the strict compliance with the pricing principle of transactions between related parties, to ensure fairness and reasonableness, with reference to factors including but not limited to the official governmental and the industry pricing standards or market rate of the fee and price quotes for such services and/or products, or reasonable profit margin of the Dongfeng Motor Group with reference to the relevant costs incurred for the provision of the products and services. For fees and prices determined with reference to market rate, the parties shall keep track of the market prices and adjust the fees and prices in a timely manner with reference to the changes in market prices.

CONNECTED TRANSACTIONS

Historical amounts

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the historical transaction amounts with respect to the procurement of services and products by our Group from Dongfeng Motor Group were approximately RMB363.8 million, RMB241.9 million, RMB287.1 million and RMB81.7 million, respectively. The decrease in the historical transaction amounts for the year ended December 31, 2023 compared with 2022 was because we reduced our purchase in certain parts components from Dongfeng Motor Group having considered our business needs. The increase in the historical transaction amount for the year ended December 31, 2024 compared with 2023 was because we procured more delivery services from Dongfeng Motor Group as a result of our business needs.

Annual cap

The proposed annual cap for the annual transaction amount to be paid to Dongfeng Motor Group under the Dongfeng Procurement Framework Agreement for the year ending December 31, 2025 will be RMB500 million.

The proposed annual cap is determined based on, among others:

- (i) the historical amounts of the transactions between our Group and Dongfeng Motor Group during the Track Record Period in respect of our procurement of services and products from Dongfeng Motor Group. In particular, the transaction amount increased for about 19% in the year ended December 31, 2024 compared to the year ended December 31, 2023;
- (ii) the potential fluctuation in the transaction amount due to, among others, the possible increase in the demand for the services and products by Dongfeng Motor Group, in particular having considered (a) the fluctuation in the transaction amount incurred during the Track Record Period, and (b) the fact that we usually place orders with Dongfeng Motor Group on a back-to-back basis depending on our actual business needs; and
- (iii) other factors including but not limited to the possible fluctuation in the unit prices of Dongfeng Motor's services and products, taking into account the costs and expenses relating to raw materials, labour etc., exchange rate fluctuations as well as market trends.

c. Financial Services Agreement

Principal Terms

On January 20, 2023, our Company entered into a framework agreement (the “**Financial Services Agreement**”) with Dongfeng Motor Finance Co., Ltd. (東風汽車財務有限公司) (“**Dongfeng Finance**”), a member of the Dongfeng Motor Group, pursuant to which Dongfeng Finance agreed to provide certain financial services to our Group. Such financial services include credit line of not exceeding RMB1 billion, deposit services of a daily deposit balance of not exceeding RMB800 million, settlement services and other financial services. The Financial Services Agreement has a term of three years.

Pricing policies

- (1) **Credit line:** Interest rate and discount rate shall be determined with reference to the relevant regulations of the PBOC, and shall not violate the relevant regulations of the PBOC or Dongfeng Finance.
- (2) **Deposit services:** Interest rate of deposit made with Dongfeng Finance under the Financial Services Agreement shall be determined with reference to the benchmark interest rate for RMB deposit published by the PBOC, which shall not be less than the interest rate offered by other commercial banks in China to similar deposit under the same condition during the same period.
- (3) **Settlement services:** No handling fee will be charged by Dongfeng Finance under the Financial Services Agreement.

Reasons for the transaction

The engagement of Dongfeng Finance for the provision of the financial services would enable the Group to fulfill its business development and capital management needs during the ordinary course of business and is fair and reasonable to the Group.

CONNECTED TRANSACTIONS

Historical amounts

Set out below are the historical figures of the maximum daily balance of deposit amount placed by the Group with Dongfeng Finance under the Financial Services Agreement during the Track Record Period:

	For the years ended December 31,		For the six months ended June 30,
	2023	2024	2025
			(approximation)
Maximum outstanding daily balance of deposit amount placed by the Group with Dongfeng Finance	RMB410 million	RMB250 million	RMB8,800

The deposit placed by the Group with Dongfeng Finance is used for the purpose of obtaining trade acceptance notes from Dongfeng Finance for our settlement use during our ordinary course of business. The maximum outstanding daily balance of deposit amount placed by the Group with Dongfeng Finance decreased for the year ended December 31, 2024 compared to 2023 was because our demand for trade acceptance notes reduced in 2024, therefore we have reduced the amount of bill deposit placed with Dongfeng Finance.

Annual caps

Set out below are the proposed annual caps for the maximum daily balance of deposit amount placed by the Group with Dongfeng Finance during the years ending December 31, 2025 and 2026 (until January 20, 2026, i.e. the expiry of the Financial Services Agreement) or the day before the Company's first annual general meeting to be held after Listing, whichever is earlier:

	For the years ending December 31,	
	2025	2026 ^(Note)
Maximum outstanding daily balance of deposit amount placed by the Group with Dongfeng Finance	RMB800 million	RMB800 million

Note: The proposed annual caps for the year ending December 31, 2026 shall expire on January 20, 2026, i.e. the expiry of the Financial Services Agreement, or the day before the Company's first annual general meeting to be held after Listing, whichever is earlier.

CONNECTED TRANSACTIONS

The proposed annual caps of the maximum outstanding daily balance on the deposits are mainly determined based on estimated annual cash flows of the Group and the historical amount of outstanding daily deposit placed by the Group with Dongfeng Finance.

Listing Rules Implications

The highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules is expected to be above 0.1% but will not exceed 5% on an annual basis for continuing connected transactions under each of the Dongfeng Sales Framework Agreement, Dongfeng Procurement Framework Agreement and Financial Services Agreement (in relation to the deposit service only). Accordingly, the continuing connected transactions under the Dongfeng Sales Framework Agreement, Dongfeng Procurement Framework Agreement and Financial Services Agreement (in relation to the deposit service only) are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules but will be subject to the annual reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

The provision of the credit line by Dongfeng Finance to the Group pursuant to the Financial Services Agreement constitute financial assistance received by the Group from a connected person under the Listing Rules. As (i) the provision of abovementioned services is to be provided to the Group on normal commercial terms that are comparable to or more favourable than those offered by Independent Third Parties for similar services in the PRC; and (ii) no security over the assets of the Group is granted in respect of such credit line, pursuant to Rule 14A.90 of the Listing Rules, the provision of the credit line by Dongfeng Finance to the Group pursuant to the Financial Services Agreement is fully exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Connected transactions with Chongqing Ruichi

a. Products and Services Sales Framework Agreement

Principal Terms

On October 15, 2025, our Company, for itself and on behalf of its subsidiaries, entered into a framework agreement (the **"Ruichi Sales Framework Agreement"**) with Ruichi Group, pursuant to which our Group would supply to Ruichi Group various types of products and/or services, including but not limited to vehicles, parts and components, vehicles maintenance services and inspection services and other ancillary products and services as it may require from time to time. The initial term of the agreement will commence on the Listing Date and end on December 31, 2025. The Ruichi Sales Framework Agreement will be subject to negotiation at renewal with mutual consent and in compliance with the requirements of the Listing Rules and other applicable laws and

CONNECTED TRANSACTIONS

regulations. Both parties or their respective subsidiaries will enter into separate underlying agreements which will set out the specific terms and conditions for the supply of products and/or services according to the principles provided in the Ruichi Sales Framework Agreement.

Reasons for the transaction

Chongqing Ruichi had been a wholly-owned subsidiary of the Company until December 2023, and is owned as to 44.05% of the Company as of the Latest Practicable Date. It is primarily engaged in the production and sales of electric commercial use automobile. As Chongqing Ruichi was historically a wholly-owned subsidiary of the Group and is still an associate of us now, we are familiar with Ruichi Group's business needs, quality standards and operational requirements in respect of the services and products. We mainly supply to Ruichi Group new energy vehicles and other relevant components, which is part of our ordinary course of business. The Company considers that the supply of services and products to Ruichi Group provides the Group with a stable source of sales revenue and facilitate the business growth and development of the Group.

Consideration and pricing policies

The fees to be charged by our Group to Ruichi Group for the services and/or products supplied by us under the Ruichi Sales Framework Agreement shall be determined in accordance with the strict compliance with the pricing principle of transactions between related parties, to ensure fairness and reasonableness, with reference to factors including but not limited to the official governmental and the industry pricing standards or market rate of the fee and price quotes for such services and/or products, or reasonable profit margin of the Group with reference to the relevant costs incurred for the provision of the products and services. For fees and prices determined with reference to market rate, the parties shall keep track of the market prices and adjust the fees and prices in a timely manner with reference to the changes in market prices.

Historical amounts

Chongqing Ruichi was not a connected person of us until December 2023, as it was our wholly-owned subsidiary before then. Therefore any transaction between the Company and its other subsidiaries and Chongqing Ruichi before December 2023 were our intra-group transactions. For the year ended December 31, 2024 and the six months ended June 30, 2025, the historical transaction amount with respect to the supply of services and/or products by our Group to Ruichi Group amounted to approximately RMB417.9 million and RMB624.1 million, respectively.

CONNECTED TRANSACTIONS

Annual cap

The proposed annual cap for the annual transaction amount to be paid to us by Ruichi Group under the Ruichi Sales Framework Agreement for the year ending December 31, 2025 will be RMB3,000 million.

The proposed annual cap is determined based on, among others:

- (i) the historical amounts of the transactions between our Group and Chongqing Ruichi during the Track Record Period in respect of our supply of services and products to Chongqing Ruichi. In particular, the transaction amounts already amounted to approximately RMB624.1 million for the six months ended June 30, 2025;
- (ii) the possible increase in the transaction amount due to the demand for the services and products by Ruichi Group to meet its needs for its business development in its ordinary course of business, in particular having considered (a) the substantial increase in the transaction amount incurred during the six months ended June 30, 2025, and (b) the fact that Ruichi Group usually places orders with us on a back-to-back basis depending on our actual business needs; and
- (iii) other factors including but not limited to the possible fluctuation in the unit prices of our services and products, taking into account the costs and expenses relating to raw materials, labour etc., exchange rate fluctuations as well as market trends.

b. Products and Services Procurement Framework Agreement

Principal Terms

On October 15, 2025, our Company, for itself and on behalf of its subsidiaries, entered into a framework agreement (the “**Ruichi Procurement Framework Agreement**”) with Ruichi Group, pursuant to which our Group would procure from Ruichi Group various types of products and/or services, including but not limited to vehicles, parts and components, vehicles maintenance services and other ancillary products and services as we may require from time to time. The initial term of the agreement will commence on the Listing Date and end on December 31, 2025. The Ruichi Procurement Framework Agreement will be subject to negotiation at renewal with mutual consent and in compliance with the requirements of the Listing Rules and other applicable laws and regulations. Both parties or their respective subsidiaries will enter into separate underlying agreements which will set out the specific terms and conditions for the supply of products and/or services according to the principles provided in the Ruichi Procurement Framework Agreement.

CONNECTED TRANSACTIONS

Reasons for the transaction

We mainly procure from Ruichi Group commercial vehicles for further sales which serves as an extra other income stream for our Group. As a subsidiary historically wholly-owned by the Group and is still an associate of us now, Chongqing Ruichi is familiar with the business needs, quality standards and operational requirements in respect of the services and products we require. The Company considers that the supply of services and products by Ruichi Group provides the Group with a stable source of relevant services and products that the Group requires in its ordinary course of business.

Consideration and pricing policies

The fees to be charged by Ruichi Group for the services and/or products supplied to us under the Ruichi Procurement Framework Agreement shall be determined in accordance with the strict compliance with the pricing principle of transactions between related parties, to ensure fairness and reasonableness, with reference to factors including but not limited to the official governmental and the industry pricing standards or market rate of the fee and price quotes for such services and/or products, or reasonable profit margin of the Group with reference to the relevant costs incurred for the provision of the products and services. For fees and prices determined with reference to market rate, the parties shall keep track of the market prices and adjust the fees and prices in a timely manner with reference to the changes in market prices.

Historical amounts

Chongqing Ruichi was not a connected person of us until December 2023, as it was our wholly-owned subsidiary before then. Therefore any transaction between the Company and its other subsidiaries and Chongqing Ruichi before December 2023 were our intra-group transactions. For the year ended December 31, 2024 and the six months ended June 30, 2025, the historical transaction amounts with respect to the procurement of services and products by our Group from Ruichi Group were approximately RMB47.4 million and RMB33.6 million, respectively.

Annual cap

The proposed annual cap for the annual transaction amount to be paid by us to Ruichi Group under the Ruichi Procurement Framework Agreement for the year ending December 31, 2025 will be RMB120 million.

The proposed annual cap is determined based on, among others:

- (i) the historical amounts of the transactions between our Group and Chongqing Ruichi during the Track Record Period in respect of our procurement of services and products from Chongqing Ruichi. For illustration purpose, we

CONNECTED TRANSACTIONS

recorded intra-group transactions of approximately RMB460 million and RMB158 million for procurement of products from Chongqing Ruichi during the years ended December 31, 2022 and 2023, respectively;

- (ii) the possible increase in the transaction amount due to the demand for the services and products by our Group to meet the expected needs for our business development, in particular having considered (a) the fluctuation in the transaction amounts during the Track Record Period, and (b) the fact that we usually place orders on a back-to-back basis depending on our actual business needs. Further, as a subsidiary historically wholly-owned by the Group, Chongqing Ruichi is familiar with our business needs, quality standards and operational requirements in respect of the services and products we require, and we expect to continue to strengthen our business cooperation with Chongqing Ruichi; and
- (iii) other factors including but not limited to the possible fluctuation in the unit prices of Chongqing Ruichi's services and products, taking into account the costs and expenses relating to raw materials, labour etc., exchange rate fluctuations as well as market trends.

Listing Rules Implications

The highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules is expected to be above 0.1% but will not exceed 5% on an annual basis for continuing connected transactions under each of the Ruichi Sales Framework Agreement and Ruichi Procurement Framework Agreement. Accordingly, the continuing connected transactions under the Ruichi Sales Framework Agreement and Ruichi Procurement Framework Agreement are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules but will be subject to the annual reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Trademark licensing agreement

Seres Hubei has entered into a trademark licensing agreement with Dongfeng Motor on May 19, 2020 (as supplemented by the supplemental agreement dated August 30, 2024) (the “**Trademark Licensing Agreement**”), pursuant to which Dongfeng Motor agreed to grant Seres Hubei the right to use certain trademarks of Dongfeng Motor in its vehicles, product descriptions, products sales promotions and other matters separately approved by Dongfeng Motor for a term of 6 years at an annual license fee of RMB1 million for 2020 and 2021, and an annual license fee of RMB0.5 million from 2022 to 2026, which were determined after arm's length negotiations between the parties having considered the scope of use of the trademarks.

CONNECTED TRANSACTIONS

By licensing the trademark from Dongfeng Motor, we are able to use and leverage on the trademark and branding of Dongfeng Motor in the relevant vehicles sales business. Our Directors are of the view that the Trademark Licensing Agreement has been arrived at after arm's length negotiations and that the terms are fair and reasonable, on normal commercial terms or better and are in the interest of our Company and Shareholders as a whole.

As required by Rule 14A.52 of the Listing Rules, the period for continuing connected transactions must not exceed three years, except in cases where the nature of the transaction requires the contract to be of a duration longer than three years. Our Directors are of the view that the Trademark Licensing Agreement was entered into on normal commercial terms and believe it is normal business practice and in the interests of us and our Shareholders as a whole for the term of the Trademark Licensing Agreement to be longer than three years. For details, see "Directors' view" in this section below.

Other Fully-Exempt Continuing Connected Transactions

In the usual and ordinary course of business, we have also entered into, and will, upon Listing, continue to enter into certain transactions (the "**Other Fully-exempt Continuing Connected Transactions**") with (i) Sokon Holding Group for the supply of, including but not limited to vehicles, parts and components, vehicles maintenance and inspection services and other ancillary products and services to Sokon Holding Group, and the procurement of, including but not limited to catering and accommodations, promotional services, consumables and other ancillary products and services from Sokon Holding Group, and (ii) Sokon Holding Group, Dongfeng Motor Group and Ruichi Group for the leasing of property and equipment by our Group to these connected persons. The prices under the Other Fully-exempt Continuing Connected Transactions shall be determined by commercial negotiation between the parties on arm's length basis and the terms shall be no less favorable than those provided to the Company by Independent Third Parties or by Independent Third Parties to the Company.

Listing Rules Implications

Our Directors currently expect that the highest applicable percentage ratio in respect of the above fully-exempt connected transactions (including the Trademark Licensing Agreement) calculated for the purpose of Chapter 14A of the Listing Rules, will be less than 0.1% on an annual basis. Under Rule 14A.76(1) of the Listing Rules, such transactions will be fully exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

APPLICATION FOR AND CONDITIONS FOR WAIVER

In relation to the Dongfeng Sales Framework Agreement, Dongfeng Procurement Framework Agreement, Financial Services Agreement (in relation to the deposit service only), Ruichi Sales Framework Agreement and Ruichi Procurement Framework Agreement, we have applied for, and the Hong Kong Stock Exchange has granted to us, a waiver from strict compliance with the announcement requirement under Chapter 14A of the Listing Rules pursuant to Rule 14A.105 of the Listing Rules, subject to the condition that the aggregate value of such continuing connected transactions shall not exceed relevant annual caps stated above.

DIRECTORS' VIEW

Our Directors, including the independent non-executive Directors, are of the view that all the continuing connected transactions described above have been and shall be entered into: (i) in the ordinary and usual course of our business; (ii) on normal commercial terms or better; and (iii) that the respective terms and the proposed annual caps thereof are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Further, our Directors are of the view that it is in the interests of us and our Shareholders as a whole for the term of the Trademark Licensing Agreement to be longer than three years given (i) the benefit and necessity of the use of the trademarks under the Trademark Licensing Agreement in our vehicles sales business; (ii) the term provides certainty for us to use the trademarks without interruption in our vehicles sales business during the term of the Trademark Licensing Agreement. If the Trademark Licensing Agreement were to be renewed frequently, the uncertainty of the use of trademarks may hinder our ability to plan efficiently in the longer term; and (iii) the long-term nature of the arrangement provides comfort that we would not be required to spend unnecessary time, costs and resources to negotiate the terms of use of the trademarks, which would be financially, operationally and administratively burdensome.

JOINT SPONSORS' VIEW

Based on the documentation, information and data provided by the Company and participation in the due diligence with the Company, the Joint Sponsors are of the view that: (i) the aforesaid continuing connected transactions for which waivers have been sought have been and will be entered into in the ordinary and usual course of business of the Company on normal commercial terms or better, that are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole; and (ii) the proposed annual caps of the foregoing continuing connected transactions are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Further, having considered the strategic nature and importance of the Trademark Licensing Agreement, the Joint Sponsors are of the view that it is commercially justifiable and normal business practice for agreements of similar nature to be of a duration of more than three years.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Global Offering, and assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date, the following persons will have an interest and/or short position in our Shares or underlying Shares which would fall to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be directly or indirectly interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of interest	Description of Shares	As of the Latest Practicable Date		Immediately following the completion of the Global Offering		
			Number of Shares ⁽¹⁾	Approximate percentage of shareholding in our Company ⁽²⁾	Number of Shares ⁽¹⁾	Approximate percentage of shareholding in our A Shares ⁽³⁾	Approximate percentage of shareholding in our Company ⁽³⁾
Mr. Zhang Xinghai ⁽⁴⁾	Interest in controlled corporations	A Shares	466,594,414	28.57%	466,594,414	28.57%	26.92%
Sokon Holding ⁽⁴⁾	Beneficial interest	A Shares	400,503,464	24.52%	400,503,464	24.52%	23.10%
Dongfeng Motor ⁽⁵⁾	Beneficial interest	A Shares	327,380,952	20.04%	327,380,952	20.04%	18.88%

Notes:

- All interests stated are long positions in the Shares.
- The calculation is based on the total number of 1,633,366,086 A Shares in issue as of the Latest Practicable Date.
- The calculation is based on the total number of 1,633,366,086 A Shares and 100,200,000 H Shares in issue immediately after completion of the Global Offering since 100,200,000 H Shares will be issued pursuant to the Global Offering, assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised.
- As of the Latest Practicable Date, Sokon Holding held 400,503,464 A Shares and Yu'an Industry held 66,090,950 A Shares. Sokon Holding is held as to 50%, 25% and 25% by Mr. Zhang Xinghai, Mr. Zhang Xingli and Mr. Zhang Xingming, respectively. Pursuant to the articles of association of Sokon Holding, in the event that a deadlock arises when voting (where votes are equally split 50%:50%), Mr. Zhang Xinghai, as the shareholder with the largest capital contribution in Sokon Holding shall have the casting vote.

Yu'an Industry is held as to, among others, 15.8419% by Sokon Holding and 11.9732% by Mr. Zhang Xinghai, respectively. Pursuant to the articles of association of Yu'an Industry, the voting rights of the shareholders of Yu'an Industry are held as to 50%, 25% and 25% by Mr. Zhang Xinghai, Mr. Zhang Xingli and Mr. Zhang Xingming, respectively. In the event that a deadlock arises when voting (where votes are equally split 50%:50%), Mr. Zhang Xinghai, as the shareholder with the largest capital contribution in Yu'an Industry shall have the casting vote. Hence, Mr. Zhang Xinghai is deemed to be interested in the A Shares held by Sokon Holding and Yu'an Industry by virtue of the SFO. Further, Sokon Holding has invested in other companies and has genuine funding needs from time to time given its nature and scale of business. Pledging A Shares it held is a typical kind of collateral to support its external financing. As at the Latest Practicable Date, Sokon Holding pledged 69,100,000 A Shares it held to certain regulated financial institutions in the PRC such as PRC banks and securities companies regulated by the CSRC as securities for certain financings provided by such financial institutions to Sokon Holding.
- Dongfeng Motor is wholly-owned by the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會).

SUBSTANTIAL SHAREHOLDERS

For those who are directly and/or indirectly interested in 10% or more of the issued voting shares of any other members of our Group, see “Statutory and General Information — Further Information about our Directors and Substantial Shareholders — Interests of the substantial shareholders in other members of our Group” in Appendix IV.

Save as disclosed in “Substantial Shareholders” and in “Statutory and General Information — Further Information about our Directors and Substantial Shareholders” in Appendix IV, our Directors are not aware of any other person who will, immediately following the completion of the Global Offering (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised), have any interest and/or short position in our Shares or underlying Shares which would fall to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group.

CORNERSTONE INVESTORS

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a “**Cornerstone Investment Agreement**” and collectively, the “**Cornerstone Investment Agreements**”) with the cornerstone investors set out below (each a “**Cornerstone Investor**” and collectively, the “**Cornerstone Investors**”), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 100 H Shares) that may be purchased for an aggregate amount of US\$826.47 million (or approximately HK\$6,421.12 million, calculated based on the exchange rate set out in the section headed “Information about this Prospectus and the Global Offering — Exchange Rate Conversion” in this Prospectus) (the “**Cornerstone Placing**”). The aggregate amount of the investment contributed by the Cornerstone Investors does not include brokerage, SFC transaction levy, AFRC transaction levy and Hong Kong Stock Exchange trading fee which the Cornerstone Investors will pay in respect of the International Offer Shares to be subscribed by them.

Based on an Offer Price of HK\$131.50, being the maximum Offer Price, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 48,828,700 Offer Shares. The table below reflects the shareholding immediately after the Global Offering assuming there is no other change made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date (or the date of exercise of Over-allotment Option (where applicable)).

Assuming the Offer Size Adjustment Option is not exercised				Assuming the Offer Size Adjustment Option is exercised in full			
Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full		Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
Approximate % of the Offer Shares	Approximate % of the total issued share capital	Approximate % of the Offer Shares	Approximate % of the total issued share capital	Approximate % of the Offer Shares	Approximate % of the total issued share capital	Approximate % of the Offer Shares	Approximate % of the total issued share capital
48.73%	2.82%	42.37%	2.79%	42.37%	2.79%	36.85%	2.77%

We believe that the Cornerstone Placing signifies our Cornerstone Investors’ confidence in our Company and its business prospect, and that the Cornerstone Placing will help to raise the profile of our Company. Our Company became acquainted with each of the Cornerstone Investors during its ordinary course of operations, either through the Group’s business network or through introduction by the Company’s business partners or the Underwriters.

The Cornerstone Placing will form part of the International Offering, and save as otherwise consented to by the Stock Exchange, the Cornerstone Investors (and for PSBC Wealth who will subscribe for our Offer Shares through qualified domestic institutional investors (“**QDII(s)**”), the QDIIs) and their respective close associates will not subscribe for

CORNERSTONE INVESTORS

any Offer Shares under the Global Offering other than pursuant to the Cornerstone Investment Agreements. The Offer Shares to be subscribed by the Cornerstone Investors (and for PSBC Wealth who will subscribe for our Offer Shares through QDIIs, the QDIIs) will rank *pari passu* in all respects with the fully paid Shares in issue and all the H Shares to be subscribed by the Cornerstone Investors will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules. Immediately following the completion of the Global Offering, the Cornerstone Investors will not have any Board representation in our Company; and none of the Cornerstone Investors will become a substantial shareholder of our Company. The Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders, other than a guaranteed allocation of the relevant Offer Shares at the Offer Price.

As confirmed by each of the Cornerstone Investors, there are no side arrangements or agreements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Listing, other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, following the principles as set out in Chapter 4.15 of the Guide for New Listing Applicants.

The Cornerstone Investors have agreed to pay for the relevant Offer Shares that they have subscribed before dealings in the Company's H Shares commence on the Stock Exchange. There will be no deferred settlement of the Offer Shares to be subscribed by the Cornerstone Investors. Where delayed delivery takes place, each Cornerstone Investor that may be affected by such delayed delivery arrangement has agreed that it shall nevertheless pay for the relevant Offer Shares in full before the Listing.

Among the Cornerstone Investors, Chongqing Industrial Parent Fund, Linyuan Fund and Mr. Lin, GF Fund Management, and Schroders (comprising SIMSL and SIMHK) (each of which as defined in this section) are either existing minority Shareholders or their respective close associates. The Stock Exchange has granted a waiver from strict compliance with the requirements under Rule 10.04 and consent under Paragraph 1C of the Appendix F1 to the Listing Rules to permit H Shares in the International Offering to be placed to certain existing minority Shareholders and/or their close associates. For further details, see "Waivers, Consents and Exemption — Allocation of H Shares to Existing Minority Shareholders and their Close Associates". To the best of the knowledge, information and belief of our Company, other than the Cornerstone Investors who are either existing minority Shareholders or their respective close associates, (i) each of the Cornerstone Investors (and for PSBC Wealth who will subscribe for our Offer Shares through QDIIs, the QDIIs) is an Independent Third Party; (ii) none of the Cornerstone Investors (and for PSBC Wealth who will subscribe for our Offer Shares through QDIIs, the QDIIs) is accustomed to take and has not taken instructions from the Company, our Directors, chief executive, the Single Largest Group of Shareholders, substantial shareholders, existing Shareholders or any of their subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; and (iii) none of the subscription of the Offer Shares by the Cornerstone Investors (and for PSBC Wealth who will subscribe for our Offer Shares through QDIIs, the QDIIs) is directly

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or indirectly financed by the Company, our Directors, chief executive, the Single Largest Group of Shareholders, substantial shareholders, existing Shareholders or any of their subsidiaries or their respective close associates.

To the best knowledge of the Company and the Overall Coordinators, and based on the indicative interest of investment of the Cornerstone Investors and/or their close associates as of the date of this Prospectus, certain Cornerstone Investors and/or their close associates may participate in the International Offering as placees and subscribe for further Offer Shares in the Global Offering. The Company will seek the Stock Exchange's consent and/or waiver to allow the Cornerstone Investors and/or their close associates to participate in the International Offering as placees pursuant to Chapter 4.15 of the Guide for New Listing Applicants. Whether such Cornerstone Investors and/or their close associates will place orders in the International Offering is uncertain and will be subject to the final investment decisions of such investors and the terms and conditions of the Global Offering.

To the best knowledge of our Company, (i) the Cornerstone Investors make independent investment decisions, and (ii) their subscription under the Cornerstone Investment Agreements would be financed by their own internal resources, financial resources of their shareholders, connected person or (in the case of Cornerstone Investors which are funds or investment managers) the assets managed for their investors as the source of funding for the subscription of the Offer Shares, and they each have sufficient funds to settle their respective investments under the Cornerstone Placing. Each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing, and that no specific approval from any stock exchange (if relevant) or its shareholders is required for their participation in the Cornerstone Placing.

Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of our Company to be published on or around November 4, 2025.

THE CORNERSTONE INVESTORS

The information about our Cornerstone Investors set forth below has been provided by our Cornerstone Investors in connection with the Cornerstone Placing.

Chongqing Industrial Parent Fund

Chongqing Industrial Investment Parent Fund Enterprise Partnership (L.P.) (重慶產業投資母基金合夥企業(有限合夥)) (“**Chongqing Industrial Parent Fund**”) is a limited partnership established in the PRC, which is primarily engaged in investment and asset management. The general partner of Chongqing Industrial Parent Fund is Chongqing Yufu High Quality Industrial Parent Fund Private Equity Investment Fund Management Co., Ltd. (重慶渝富高質產業母基金私募股權投資基金管理有限公司)(“**Yufu High Quality Fund**”). Yufu High Quality Fund is wholly-owned by Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司) (“**Yufu Holding**”), which is in turn wholly owned by Chongqing

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State-owned Assets Supervision and Administration Commission (重慶市國有資產監督管理委員會). Yufu Holding is also the largest limited partner of Chongqing Industrial Parent Fund, holding approximately 68.75% of the partnership interests of Chongqing Industrial Parent Fund. Save for Yufu Holding, there is no other limited partner holding 30% or more of the partnership interests of Chongqing Industrial Parent Fund.

Linyuan Fund and HTCI (in connection with the HT Back-to-back TRS and Linyuan TRS)

Huatai Capital Investment Limited (“**HTCI**”) and Huatai Securities Co., Ltd (“**HTSC**”) will enter into a back-to-back total return swap (the “**HT Back-to-back TRS**”) in connection with a total return swap order placed by Shenzhen Lin Yuan Investment Management Co., Ltd. (深圳市林園投資管理有限責任公司) (“**Linyuan Investment**”), acting in its capacity as investment manager for and on behalf of Lin Yuan Investment 309 Private Securities Investment fund (林園投資309號私募證券投資基金) (“**Linyuan Fund**”) to HTSC (the “**Linyuan TRS**”), pursuant to which HTCI will hold the Offer Shares on a non-discretionary basis to hedge the HT Back-to-back TRS in connection with the Linyuan TRS, while the economic risks and returns of the underlying Offer Shares are ultimately born by Linyuan Fund, subject to customary fees and commissions.

The HT Back-to-back TRS will be fully funded by Linyuan Fund. During the terms of the HT Back-to-back TRS and the Linyuan TRS, all economic returns of the Offer Shares subscribed by HTCI will be ultimately passed to Linyuan Fund and all economic loss shall be ultimately borne by Linyuan Fund through the Linyuan TRS and the HT Back-to-back TRS, and HTCI will not take part in any economic return or bear any economic loss in relation to the Offer Shares, subject to customary fees and commissions.

The HT Back-to-back TRS and the Linyuan TRS are linked to the Offer Shares and Linyuan Fund may, after expiration of the lock-up period beginning from the date of the relevant cornerstone agreement and ending on the date which is six months from the Listing Date, request to early terminate the Linyuan TRS at its own discretion. Upon the final maturity or early termination of the Linyuan TRS by Linyuan Fund, HTCI will accordingly dispose of the Offer Shares on the secondary market and Linyuan Fund will receive a final settlement amount of the HT Back-to-back TRS and the Linyuan TRS in cash in accordance with the terms and conditions of the HT Back-to-back TRS and the Linyuan TRS. Despite that HTCI will hold the legal title of the Offer Shares by itself, it will not exercise the voting rights attaching to the relevant Offer Shares during the terms of the HT Back-to-back TRS and the Linyuan TRS.

Linyuan Fund is a registered private offering fund in mainland China (No. SQX800), managed by Linyuan Investment which is a private fund management company established in 2006 registered under the Asset Management Association of China (AMAC). As of the Latest Practicable Date, Linyuan Investment is owned as to 60%, 20% and 20% by Mr. Lin Yuan (林園) (“**Mr. Lin**”), Mr. Zhang Wen (張文) and Mr. Ma Zhihong (馬志宏, spouse of Ms. Lin Hong 林紅), respectively, each of whom is an independent third party of HTCI, and the companies which are members of the same group of Huatai Financial Holdings (Hong Kong) Limited

(“**Huatai**”). The size of assets under management of Linyuan Investment exceeds RMB25.5 billion. As confirmed by Linyuan Investment, Linyuan Investment, Mr. Lin and Ms. Lin Hong (林紅, sister of Mr. Lin) are subscribers of Linyuan Fund, collectively holding over 80% of the interests in Linyuan Fund.

As confirmed by Linyuan Investment, Mr. Lin and Linyuan Investment are Existing Minority Shareholders of the Company, collectively holding less than 5% voting right in the Company as of the Latest Practicable Date. The Stock Exchange has granted a waiver from strict compliance with the requirements under Rule 10.04 and consent under Paragraph 1C(2) of Appendix F1 to the Listing Rules and paragraph 18 of Chapter 2.3 of the Guide for New Listing Applicants to permit H Shares in the International Offering to be placed to Mr. Lin and Linyuan Investment as beneficial owners of Linyuan Fund through HTCI. For further details, please refer to the section headed “Waivers, Consents and Exemption — Allocation of H Shares to Existing Minority Shareholders and their Close Associates”.

Both HTCI and Huatai, one of the Joint Global Coordinators and Joint Bookrunners of the Global Offering, are indirect wholly-owned subsidiaries of HTSC, the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601688), the H shares of which are listed on the Stock Exchange (stock code: 6886), and the global depositary receipts of which are listed on the London Stock Exchange (LON: HTSC). HTCI is a connected client (as defined under Appendix F1 to the Listing Rules) of Huatai, holding securities on a non-discretionary basis on behalf of independent third parties. To the best of HTCI’s knowledge after having made all reasonable inquiries, Linyuan Fund is an independent third party of (i) the Company, the connected persons or associates thereof, and (ii) HTCI, and the companies which are members of the same group of Huatai. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, its consent under paragraph 1C(1) of Appendix F1 to the Listing Rules to permit us to allocate the Offer Shares to HTCI. See “Waivers, Consents and Exemption — Consent in respect of the Proposed Subscription of H Shares by certain Cornerstone Investor who is Connected Client”.

GF Fund Management Co., Ltd. (廣發基金管理有限公司) and GF International Investment Management Limited (廣發國際資產管理有限公司) (together “GF Fund”)

GF Fund Management Co., Ltd. (廣發基金管理有限公司) (“**GF Fund Management**”) was established on August 5, 2003. GF Fund Management and its subsidiaries are licensed to conduct business as Qualified Investment Manager of Public Fund, Entrusted Domestic Investment Manager of National Social Security Fund (NSSF), qualified investment management institution of Basic Pension Insurance Funds, qualified fund management company to provide asset management services for specific clients, Qualified Domestic Institutional Investor (QDII), RMB Qualified Foreign Institutional Investor (RQFII), Qualified Foreign Institutional Investors (QFII), Qualified Domestic Limited Partner (QDLP), entrusted insurance funds investment manager, entrusted investment manager of asset management for Insurance Security Funds and fund investment advisor, making it a large fund management company with comprehensive asset management capabilities and experience. The controlling shareholder of GF Fund Management is GF Securities Co., Ltd. (廣發証券股份有限公司) (“**GF**

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Securities”), a limited company listed on the Stock Exchange (stock code: 1776) and Shenzhen Stock Exchange (stock code: 000776), which owns 54.53% shareholding in GF Fund Management. Apart from GF Securities, no other shareholder has a 30% or more shareholding in GF Fund Management.

GF International Investment Management Limited (“**GF Fund HK**”) is a wholly-owned subsidiary of GF Fund Management. GF Fund HK (central number in the Hong Kong Securities and Futures Commission license: AXL121) was incorporated in Hong Kong in December 2010. GF Fund HK is licensed by SFC to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities in Hong Kong. GF Fund HK serves as the global investment and business platform for its parent company, GF Fund Management. As GF Fund Management’s window company overseas, GF Fund HK strategically connects China and the overseas market. GF Fund HK capitalizes the investment and research capabilities of GF Fund Management and its competitive advantage in the overseas market to provide comprehensive quality service to its clients.

The subscription of the Offer Shares as a cornerstone investor will be made by GF Fund Management and GF Fund HK in their capacity as the discretionary investment manager of certain funds and/or independent segregated accounts under their management. To the best knowledge of GF Fund Management and GF Fund HK, each fund and/or account is an Independent Third Party.

New China Asset Management

New China Asset Management (Hong Kong) Limited (“**New China Asset Management**”), in its capacity as investment manager acting as agent on behalf of its discretionary account, New China Life Traditional Insurance Account, the ultimate beneficial owner being New China Life Insurance Company Ltd. (新華人壽保險股份有限公司), has agreed to subscribe for the H Shares of the Company. New China Asset Management was incorporated in Hong Kong with limited liability. New China Asset Management is licensed with the SFC to carry on business in Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Cap. 571). New China Asset Management focuses on investments in equity securities, fixed income securities, as well as in a wide range of underlying investment funds. New China Asset Management is held as to 99.6% directly and indirectly by New China Life Insurance Company Ltd. (新華人壽保險股份有限公司), a company dually listed on the Hong Kong Stock Exchange (stock code: 1336.HK) and the Shanghai Stock Exchange (stock code: 601336.SH).

BESS Broadway

BESS Broadway Limited (“**Bess Broadway**”) is a limited company incorporated in the BVI primarily engages in medium to long-term investments in sectors such as finance and emerging technology. Bess Broadway is ultimately owned as to 80% by Mr. Yee Chun Keung (“**Mr. Yee**”), and 20% by a leading manufacturer in the automobile parts industry. Mr. Yee is an individual investor and the founder, director and indirect major shareholder of Bess Broadway. Mr. Yee has ample experience in the financial management and high-end manufacturing industry. Mr. Yee is currently serving as the General Manager of Navitasys Technology Limited. Mr. Yee is an Independent Third Party.

Sanhua (Hong Kong)

Sanhua (Hong Kong) Co Limited (“**Sanhua (Hong Kong)**”) is a company incorporated in Hong Kong on September 10, 2025. Sanhua (Hong Kong) principally engages in commercial trading. Sanhua (Hong Kong) is indirectly wholly owned by Zhejiang Sanhua Intelligent Controls Co., Ltd. (浙江三花智能控制股份有限公司), whose A shares are listed on the Shenzhen Stock Exchange (002050.SZ) and H shares are listed on the Hong Kong Stock Exchange (2050.HK).

Zhongsheng

Zhongsheng Holdings Company Limited (中升集團有限公司) is a limited liability company incorporated in Hong Kong. It is indirectly wholly-owned by Zhongsheng Group Holdings Limited (中升集團控股有限公司), a limited liability company incorporated in Cayman Islands, the shares of which are listed on the Hong Kong Stock Exchange (stock code: 881). Zhongsheng Group Holdings Limited is a leading national automobile distribution group in the PRC principally engaged in providing one-stop services including sales of new and second-hand automobiles, aftersales, refitting, parts and accessories, financial, insurance and leasing services.

Zhink International

Zhink International Pte. Ltd. (“**Zhink International**”) was incorporated in Singapore in 2023. It is owned as to 96.25% by Mr. Shen Zhigang (沈志剛), the chairman of Zhejiang Zhink Group Co., Ltd. (浙江正凱集團有限公司) (“**Zhink Group**”). Founded in 1997, Zhink Group is a modern group enterprise focusing on the development of the two major industries of global PET and textile. Zhink Group is also the controlling shareholder of Wankai New Materials Co., Ltd. (萬凱新材料股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301216).

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Gold Wings

Gold Wings Holdings Limited (“**Gold Wings**”) is a business company incorporated in the BVI on December 10, 2020, which is wholly owned by WU Yi (吳毅), an Independent Third Party. Gold Wings is primarily engaged in investment.

Honour Goal Investments

Honour Goal Investments Limited (達安投資有限公司) (“**Honour Goal Investments**”) is a limited liability company incorporated in Hong Kong, which is wholly owned by Zhongchengxin (HK) Investment Services Limited (中誠信(香港)投資服務有限公司) (“**Zhongchengxin (HK)**”), a company incorporated in Hong Kong with limited liability.

Zhongchengxin (HK) is wholly owned by Zhongchengxin Investment Group Company Limited* (中誠信投資集團有限公司) (“**Zhongchengxin Investment**”), a company established in the PRC with limited liability primarily engaged in industrial investment, asset management, business information consulting, and corporate management consulting. Zhongchengxin Investment is also involved in more than 20 domestic and international equity investment projects, including finance, real estate, and ski resort projects. Zhongchengxin Investment is ultimately majority beneficially owned by Mao Zhenhua (毛振華), founder of Zhongchengxin Group (中誠信集團). No other shareholder is interested in 30% or more of the shareholding interests of Zhongchengxin Investment.

Hichain Logistics HK

Hichain Logistics (Hong Kong) Limited (“**Hichain Logistics HK**”) is a limited liability company incorporated in Hong Kong, which is principally engaged in investment holding and integrated logistics services. Its ultimate holding company is Hichain Logistics Co., Ltd. (江蘇海晨物流股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange (stock code: 300873). The principal business of Hichain Logistics Co., Ltd. includes high-end logistics equipment manufacturing, production logistics operations, and automation integration services.

Schroders

Schroder Investment Management (Singapore) Ltd (“**SIMSL**”) and Schroder Investment Management (Hong Kong) Limited (“**SIMHK**”), each acting as a discretionary investment manager for and on behalf of a total of six funds and/or segregated accounts with a focus on Asian Equities, have entered into the cornerstone investment agreement with the Company. To the best of Schroders’ knowledge, no single ultimate beneficial owner holds 30% or more interest in the participating accounts of such funds/accounts, and each of such fund/account is an Independent Third Party.

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SIMSL is a company incorporated in Singapore. SIMHK is a company incorporated in Hong Kong. Each of SIMSL and SIMHK is ultimately wholly owned by Schroders plc, whose ordinary shares are listed on the London Stock Exchange (LON: SDR). There is no individual person who is the “ultimate controlling shareholder” of Schroders plc. The interests of some members of the Schroder family, are spread across a number of parties, who are collectively known as the Principal Shareholder Group (PSG).

Mirae Securities

Mirae Asset Securities Co., Ltd. (“**Mirae Securities**”) is one of the largest investment banks in the Republic of Korea, providing a comprehensive range of financial services, including brokerage, wealth management, investment banking, sales & trading, and principal investments. It is ultimately controlled by Mirae Asset Capital Co., Ltd., a financial investment company in the Republic of Korea. Mirae Securities is listed on the Korea Exchange under stock code 006800.KS.

New Alternative

New Alternative Limited (“**New Alternative**”) is a limited liability company incorporated in the BVI and is wholly owned by Yunfeng Capital Limited, a wholly-owned subsidiary of Yunfeng Investments Limited (“**Yunfeng Capital**”). Yunfeng Capital is majority-owned and controlled by Mr. Yu Feng. The other minority shareholder is an Independent Third Party.

PSBC Wealth

PSBC Wealth Management Co., Ltd. (“**PSBC Wealth**”) was established on December 18, 2019, with a registered capital of RMB8.0 billion, in which Postal Savings Bank of China Co., Ltd. (stock code: 1658) holds a 100% stake and is ultimately controlled by China Post Group Corporation Limited. Its business scope is public issuance of wealth management products to the general public, investment and management of entrusted assets for investors; non-public issuance of wealth management products to eligible investors, investment and management of entrusted assets for investors; financial advisory and consulting services, etc. PSBC Wealth remained firmly committed to balanced development of scale, quality and profitability, aimed at fostering core competitiveness, deepened investment analysis, marketing, internal control, operational reforms and digital transformation, and continued to improve the rule-based, specialized and market-oriented development of wealth management business.

Skyler International

Skyler International Co., Ltd (“**Skyler International**”) is an investment company incorporated in the Republic of the Marshall Islands, which is primarily engaged in investments in equity and shares. Its ultimate controlling shareholder is Mr. Wu Jianshu (鄔建樹先生), who serves as the chairman of the board of directors of Ningbo Tuopu Group Co., Ltd. (寧波拓普集團股份有限公司), an industry-leading automotive components manufacturer listed on the Shanghai Stock Exchange (stock code: 601689).

Xingyu HK

Xingyu Automotive Lighting (Hong Kong) Co., Limited (“**Xingyu HK**”) is a limited company incorporated under the laws of Hong Kong, principally engaged in automotive lighting market development and maintenance of customer and supplier relationships. It is wholly owned by Changzhou Xingyu Automotive Lighting Systems Co., Ltd.* (常州星宇車燈股份有限公司) (“**Xingyu Co., Ltd.**”), the A shares of which are listed on the Shanghai Stock Exchange under stock code 601799. Xingyu Co., Ltd. is principally engaged in supplying lighting products to vehicle manufacturers.

China MeiDong

China MeiDong Auto Holdings Limited (中國美東汽車控股有限公司) (“**China MeiDong**”) is a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the Hong Kong Stock Exchange (stock code: 1268). China MeiDong is an investment holding company. Its subsidiaries are principally engaged in automobile dealership business authorized by automobile manufacturers of various brands in the PRC, including the sale of new passenger cars, spare parts, service and survey.

Ghisallo Fund

Ghisallo Fund Master Ltd. (“**Ghisallo Fund**”) is wholly owned by Ghisallo Master Fund LP (“**Ghisallo Master**”), which is a pooled investment fund domiciled in the Cayman Islands with notional assets under management of approximately US\$5.9 billion. The general partner of Ghisallo Master is Ghisallo Master Fund General Partner LP (“**Ghisallo Master GP**”), of which the general partner is Ghisallo MGP LLC (“**MGP**”). There is no ultimate beneficial owner or general partner that owns 30% or more of interests in Ghisallo Master, and Michael Germino controls, and is the only beneficial owner that owns more than 30% of interests in Ghisallo Master GP and MGP. Ghisallo Master’s discretionary investment manager is Ghisallo Capital Management LLC, a US registered investment advisor ultimately controlled by Michael Germino.

Jump Trading

Jump Trading Pacific Pte. Ltd. (“**Jump Trading**”) is a member of the Jump Trading Group. Founded in 1999, Jump Trading Group is a leading global financial trading group. Jump Trading Group is headquartered in Chicago and has offices in Chicago, New York, London, Hong Kong, Shanghai, Singapore, India, Amsterdam in addition to other major financial centers. As part of its investment activities, the capital markets investment team of Jump Trading Group engages and invests in high-quality companies through equity raisings and relies on the firm’s best-in-class execution and strong corporate governance to make strategic investments. The capital markets investments team consists of seasoned investment

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professionals with strong focus and understanding of company fundamentals. The team focuses and invests extensively across the Asia Pacific region. Jump Trading is controlled by two revocable trusts. No single ultimate beneficial owner holds 30% or more interests in Jump Trading.

Jain Global Master Fund Ltd

Jain Global Master Fund Ltd is a fund established in the Cayman Islands and managed by Jain Global LLC (“**Jain Global**”). Jain Global is wholly owned by a holding company, Jain Holdings LLC, a Delaware limited liability company (“**Jain Holdings**”). Mr. Robert Jain is the managing member and principal owner of Jain Holdings and therefore controls Jain Global. Jain Global has offices in the United States of America, United Kingdom, Hong Kong, and Singapore. Jain Global, on behalf of Jain Global Master Fund Ltd, pursues investment strategies across a range of different asset classes, products, and geographic regions. Jain Global Master Fund Ltd’s capital will be primarily deployed in the following investment strategies: fundamental equities, rates and macro, equity arbitrage, credit, systematic and commodities. No ultimate beneficial owner holds 30% or more of interests in Jain Global Master Fund Ltd.

China Alpha Fund

China Alpha Fund Management (HK) Limited (“**China Alpha Fund**”) is an investment management company holding Type 4 (advising on securities) and Type 9 (asset management) licences with the SFC. It focuses on equity investment in Greater China and has more than 23 years of fund management experience. It is ultimately wholly owned by Mr. Junyan Wang, who is also the Chairman of China Alpha Fund Management (HK) Limited.

China Alpha Fund is acting as the investment advisor for and on behalf of China Alpha Multi-Joy Value Fund. China Alpha Multi-Joy Value Fund is an investment fund, the investment objective of which is to achieve capital growth primarily by investing globally in equities, fixed income of both corporate and government issuer, private equity, derivatives and cash/cash equivalents. China Alpha Multi-Joy Value Fund’s management shares are wholly-owned by China Alpha Fund Management Limited, which is ultimately controlled by Mr. Junyan Wang. All of the non-voting participating shares of China Alpha Multi-Joy Value Fund are ultimately held by Mr. Liao Hsueh-Hsuan.

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Set out below is the details of the Cornerstone Placing assuming there is no other change made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date (or the date of exercise of Over-allotment Option (where applicable)):

Based on the Offer Price of HK\$131.50 (being the maximum Offer Price)

Cornerstone Investor	Investment amount ⁽¹⁾	Number of Offer Shares ⁽²⁾	Assuming the Offer Size Adjustment Option is not exercised				Assuming the Offer Size Adjustment Option is exercised in full			
			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised		Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
			Approximate % of the issued share capital	Approximate % of our total issued share capital	Approximate % of the issued share capital	Approximate % of our total issued share capital	Approximate % of the issued share capital	Approximate % of our total issued share capital	Approximate % of the issued share capital	Approximate % of our total issued share capital
Chongqing Industrial Parent Fund	HK\$2,176,752,285	16,553,200		0.95%	14.37%	0.95%		14.37%	0.95%	12.49%
Linyuan Fund and HTCI (in connection with the HT Back-to-back TRS and Linyuan TRS). . . .	US\$50 million	2,954,100		0.17%	2.56%	0.17%		2.56%	0.17%	0.17%
GF Fund										
– GF Fund Management .	US\$30 million	1,772,400	1.77%	0.10%	1.54%	0.10%	1.54%	0.10%	1.34%	0.10%
– GF Fund HK	US\$6.3 million	372,200	0.37%	0.02%	0.32%	0.02%	0.32%	0.02%	0.28%	0.02%
New China Asset Management	US\$30 million	1,772,400	1.77%	0.10%	1.54%	0.10%	1.54%	0.10%	1.34%	0.10%
Bess Broadway	US\$30 million	1,772,400	1.77%	0.10%	1.54%	0.10%	1.54%	0.10%	1.34%	0.10%
Sanhua (Hong Kong) . . .	US\$30 million	1,772,400	1.77%	0.10%	1.54%	0.10%	1.54%	0.10%	1.34%	0.10%
Zhongsheng	US\$30 million	1,772,400	1.77%	0.10%	1.54%	0.10%	1.54%	0.10%	1.34%	0.10%
Zhink International	US\$30 million	1,772,400	1.77%	0.10%	1.54%	0.10%	1.54%	0.10%	1.34%	0.10%
Gold Wings	US\$30 million	1,772,400	1.77%	0.10%	1.54%	0.10%	1.54%	0.10%	1.34%	0.10%
Honour Goal Investments .	US\$30 million	1,772,400	1.77%	0.10%	1.54%	0.10%	1.54%	0.10%	1.34%	0.10%
Hichain Logistics HK . . .	US\$26 million	1,536,100	1.53%	0.09%	1.33%	0.09%	1.33%	0.09%	1.16%	0.09%

CORNERSTONE INVESTORS

Cornerstone Investor	Investment amount ⁽¹⁾	Number of Offer Shares ⁽²⁾	Assuming the Offer Size Adjustment Option is not exercised				Assuming the Offer Size Adjustment Option is exercised in full			
			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised		Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
			Approximate % of the Offer Shares	Approximate % of our total issued share capital	Approximate % of the Offer Shares	Approximate % of our total issued share capital	Approximate % of the Offer Shares	Approximate % of our total issued share capital	Approximate % of the Offer Shares	Approximate % of our total issued share capital
Schroders	US\$24 million	1,417,900	1.42%	0.08%	1.23%	0.08%	1.23%	0.08%	1.07%	0.08%
Mirae Securities	US\$20 million	1,181,600	1.18%	0.07%	1.03%	0.07%	1.03%	0.07%	0.89%	0.07%
New Alternative	US\$20 million	1,181,600	1.18%	0.07%	1.03%	0.07%	1.03%	0.07%	0.89%	0.07%
PSBC Wealth	US\$20 million	1,181,600	1.18%	0.07%	1.03%	0.07%	1.03%	0.07%	0.89%	0.07%
Skyler International	US\$20 million	1,181,600	1.18%	0.07%	1.03%	0.07%	1.03%	0.07%	0.89%	0.07%
Xingyu HK	US\$20 million	1,181,600	1.18%	0.07%	1.03%	0.07%	1.03%	0.07%	0.89%	0.07%
China MeiDong	US\$20 million	1,181,600	1.18%	0.07%	1.03%	0.07%	1.03%	0.07%	0.89%	0.07%
Ghisallo Fund	US\$20 million	1,181,600	1.18%	0.07%	1.03%	0.07%	1.03%	0.07%	0.89%	0.07%
Jump Trading	US\$20 million	1,181,600	1.18%	0.07%	1.03%	0.07%	1.03%	0.07%	0.89%	0.07%
Jain Global Master Fund Ltd	US\$20 million	1,181,600	1.18%	0.07%	1.03%	0.07%	1.03%	0.07%	0.89%	0.07%
China Alpha Fund	US\$20 million	1,181,600	1.18%	0.07%	1.03%	0.07%	1.03%	0.07%	0.89%	0.07%
Total	US\$826.47 million	48,828,700	48.73%	2.82%	42.37%	2.79%	42.37%	2.79%	36.85%	2.77%

Notes:

- (1) The investment amount excludes brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee, and is calculated based on the exchange rate set out in the section headed “Information about this Prospectus and the Global Offering — Exchange Rate Conversion” in this Prospectus.
- (2) Rounded down to the nearest whole board lot of 100 H Shares, and is calculated based on the exchange rate set out in the section headed “Information about this Prospectus and the Global Offering — Exchange Rate Conversion” in this Prospectus.

CLOSING CONDITIONS

The obligation of each of the Cornerstone Investors to subscribe for the Offer Shares under their respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

- (i) the Hong Kong Underwriting Agreement and the International Underwriting Agreement being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Hong Kong Underwriting Agreement and the International Underwriting Agreement, and neither the Hong Kong Underwriting Agreement nor the International Underwriting Agreement having been terminated;
- (ii) the Offer Price having been agreed upon between our Company and the Overall Coordinators (for themselves and on behalf of the underwriters of the Global Offering);
- (iii) the Listing Committee having granted the approval for the listing of, and permission to deal in, the H Shares (including the Shares under the Cornerstone Placing) as well as other applicable waivers and approvals and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;
- (iv) no laws having been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or each Cornerstone Investment Agreement, and there being no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions;
- (v) the respective representations, warranties, acknowledgements, undertakings, and confirmations of the Cornerstone Investors under their respective Cornerstone Investment Agreement are (as of the date of the respective Cornerstone Investment Agreement) and will be (as of the Listing Date) accurate, true and complete in all material respects and not misleading or deceptive and that there is no material breach of the respective Cornerstone Investment Agreement on the part of the relevant Cornerstone Investor; and
- (vi) the overseas direct investment approval or any other government approval, filing, registration or consent required for the outbound investment and foreign exchange conversion of funds in connection with the transactions contemplated under the Cornerstone Investment Agreement having been completed and obtained prior to the approval-in-principle for the listing of the H Shares being issued by the Hong Kong Stock Exchange.

CORNERSTONE INVESTORS

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each Cornerstone Investor has agreed that without the prior written consent of our Company, the Joint Sponsors and the Overall Coordinators, it will not, whether directly or indirectly, at any time during the period of six months after the Listing Date (the “**Lock-up Period**”), dispose of, in any way, any of the Offer Shares it has purchased, pursuant to their respective Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of the Cornerstone Investor, including the Lock-up Period restriction.

SHARE CAPITAL

This section presents certain information regarding our share capital before and upon completion of the Global Offering.

BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, the issued share capital of our Company was RMB1,633,366,086, comprising 1,633,366,086 A Shares of nominal value RMB1.00 each, all of which are listed on the Shanghai Stock Exchange.

UPON THE COMPLETION OF THE GLOBAL OFFERING

Immediately following the completion of the Global Offering, assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised, the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate Percentage of the Total Share Capital of our Company
A Shares in issue	1,633,366,086	94.22%
H Shares to be issued under the Global Offering	100,200,000	5.78%
Total	1,733,566,086	100.00%

Immediately following completion of the Global Offering, assuming the Offer Size Adjustment Option and the Over-allotment Option are fully exercised, the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate Percentage of the Total Share Capital of our Company
A Shares in issue	1,633,366,086	92.50%
H Shares to be issued under the Global Offering	132,514,500	7.50%
Total	1,765,880,586	100.00%

SHARE CAPITAL

OUR SHARES

Upon completion of the Global Offering, the Shares will consist of A Shares and H Shares. A Shares and H Shares are all ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between investors of the PRC.

Shanghai-Hong Kong Stock Connect has established a stock connect mechanism between the PRC and Hong Kong. Our A Shares can be subscribed for and traded by investors in the PRC, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shanghai-Hong Kong Stock Connect. If our H Shares are eligible securities under the Southbound Trading Link, they can also be subscribed for and traded by investors in the PRC in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

Our H Shares and our A Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Prospectus. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends may also be distributed in the form of Shares. Our H Shareholders will receive share dividends in the form of H Shares, and our A Shareholders will receive share dividends in the form of A Shares.

NO CONVERSION OF OUR A SHARES INTO H SHARES FOR LISTING AND TRADING ON THE HONG KONG STOCK EXCHANGE

A Shares and H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and H Shares may be different after the Global Offering. The Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請“全流通”業務指引》) announced by the CSRC are not applicable to companies dual listed in the PRC and on the Hong Kong Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A Shareholders may convert A Shares held by them into H Shares for listing and trading on the Hong Kong Stock Exchange.

SHARE CAPITAL

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE GLOBAL OFFERING

We have obtained approval from our A Shareholders to issue H Shares and seek the listing of the H Shares on the Hong Kong Stock Exchange. Such approval was obtained at the general meeting of our Company held on April 22, 2025 and is subject to the following conditions:

(i) Size of the Offer

The number of H Shares to be offered shall not exceed 15% of the total issued share capital as enlarged by the H Shares to be issued pursuant to the Global Offering (before the exercise of the Over-allotment Option). The number of H Shares to be issued pursuant to the full exercise of the Over-allotment Option shall not exceed 15% of the total number of H Shares to be offered under the Global Offering.

(ii) Method of Offering

The method of offering shall be by way of a public offer for subscription in Hong Kong and an international offering.

(iii) Target Investors

Target investors include overseas institutional investors, enterprises and individuals, as well as qualified domestic institutional investors and other investors that comply with regulatory requirements.

(iv) Price Determination Basis

The issue price of the H Shares will be determined after due consideration of the interests of existing Shareholders, the acceptance of investors and issuance risks and in accordance with international practices through the demands for orders and book building process, subject to the domestic and overseas capital market conditions and by reference to the valuation level of comparable companies in domestic and overseas markets.

(v) Validity Period

The issue of H Shares and listing of H Shares on the Hong Kong Stock Exchange shall be completed within 24 months (or other extended period as agreed by the Shareholders) from the date when the Shareholders' meeting was held on April 22, 2025.

There is no other approved offering plan for any other Shares except for the Global Offering.

SHARE CAPITAL

EQUITY INCENTIVE PLANS AND EMPLOYEE STOCK OWNERSHIP PLAN OF THE COMPANY

As of the Latest Practicable Date, our Company has granted outstanding Share Awards under the 2024 Employee Stock Ownership Plan to 246 Grantees to subscribe for an aggregate of 3,240,729 A Shares, representing approximately 0.19% of the total number of Shares in issue immediately after completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised). See “Statutory and General Information — 2024 Employee Stock Ownership Plan” in Appendix IV for details of the 2024 Employee Stock Ownership Plan.

SHAREHOLDERS’ GENERAL MEETING

See “Appendix III — Summary of Articles of Association” for details of circumstances under which our general Shareholders’ meetings are required.

FINANCIAL INFORMATION

The following discussion and our analysis should be read in conjunction with our consolidated financial statements included in the Accountants' Report in Appendix I, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in this Prospectus, including but not limited to the sections headed "Risk Factors" and "Business."

For the purposes of this section, unless the context otherwise requires, references to the years of 2022, 2023 and 2024 refer to the years ended December 31 of such years.

OVERVIEW

We are a technology company focused on new energy vehicles. We are principally engaged in the research and development, manufacturing, sales and services of new energy vehicles as well as core NEV components.

Our AITO brand has developed a product matrix that includes four models: AITO M9, AITO M8, AITO M7 and AITO M5. This lineup covers the market through differentiated positioning, and effectively targets the high-end segment with a precise pricing strategy and a combination of scenario-based features.

During the Track Record Period, our "new luxury" intelligent NEVs received widespread recognition in the market, leading to growth in our operating performance:

- **Revenue:** increased from RMB35.8 billion in 2023 to RMB145.1 billion in 2024, representing a year-on-year increase of 305.5%;
- **Gross profit margin:** increased from 7.2% in 2023 to 23.8% in 2024, representing a year-on-year increase of 16.6 percentage points, and increased from 21.8% for the six months ended June 30, 2024 to 26.5% for the six months ended June 30, 2025, representing a year-on-year increase of 4.7 percentage points;
- **Net profit:** in 2024 and for the six months ended June 30, 2025, we achieved a net profit. We are the fourth profit-making NEV company in the world according to the Frost & Sullivan report. In 2023, we recorded a net loss attributable to owners of the Company of RMB2.4 billion, and in 2024 and for the six months ended June 30, 2025, we recorded a net profit attributable to owners of the Company of RMB5.9 billion and RMB2.9 billion, respectively.

FINANCIAL INFORMATION

BASIS OF PRESENTATION

Our financial information during the Track Record Period has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board. Our financial information during the Track Record Period has been prepared under the historical cost convention, except for certain financial assets which have been measured at fair value. See Note 2 to the Accountants' Report included in Appendix I to this Prospectus.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business and financial performance are influenced by a variety of macroeconomic and industry-specific factors that affect China's automotive sector. These include overall economic growth, rising per capita disposable income, expanding consumer spending, evolving consumption patterns, fluctuations in raw material costs, and the competitive landscape. In addition, our operations are affected by developments within China's NEV industry, including regulatory policies, vehicle intelligence, advancements in new energy technologies, and increasing environmental awareness. Any adverse changes in these factors could dampen demand for our vehicles and materially impact our business and results of operations.

In addition to these general factors, the following specific factors have a more direct impact on our results of operations:

Our ability to meet customer needs and source orders

Our business depends to a great extent on our ability to meet customer needs and source orders, which will directly affect our sales volume. We are committed to focusing on the premium brand new energy passenger vehicle market to improve our market share in the high-end market. According to the Frost & Sullivan report, the high-end segment market in China remains as one of the most promising segments. It is expected that the premium brand new energy passenger vehicle market in China will continue to expand at a CAGR of 14.0% from 2024 to 2030, and sales volume will reach 5.7 million vehicles by 2030. We believe that our proven vehicle models will meet the demands of customers in addition to attracting more customers and achieving revenue growth.

By developing products featuring high intelligence, quality and safety for our users, we have recorded impressive sales performance. Going forward, we will enhance comprehensive competitiveness of our products, such as improving our technological capabilities, and building digital and intelligent mechanisms for quality management and smart security systems. With increasing competitiveness of our products in terms of technology, quality and security, we accommodate to consumers' demand for premium brand new energy vehicles and effectively source orders.

With advanced intelligent manufacturing system and improved quality control, we ensure to deliver high-quality products. We are also strengthening our manufacturing capacities for timely fulfillment of customer orders. Meanwhile, we are dedicated to providing excellent service to customers, building a better service system with enhancing digital services to achieve precise targeting and service for users throughout the lifecycle. User satisfaction and loyalty also are elevated to promote results of operations.

FINANCIAL INFORMATION

Our ability to expand and upgrade the product portfolio of intelligent NEVs

Our business growth will be achieved via expansion and upgrading of our product portfolio of intelligent NEVs. During the Track Record Period, our product portfolio of intelligent NEVs was enriched to launch various vehicle models with different positioning, such as the *AITO M9*, a flagship all-scenario intelligent SUV, the *AITO M8*, a family intelligent flagship SUV, the *AITO M7*, an intelligent luxury family SUV and the *AITO M5*, a stylish urban intelligent SUV, thus constituting a luxury SUV product line to meet diverse market demands. All series of vehicles have achieved market coverage through differentiated positioning, to seize a share of the high-end market and lay a solid foundation for the growth of business performance.

Our ability to continuously launch and upgrade new intelligent NEVs turns out to be a driving force for our future growth. We launched the *AITO M9* 2025 model in March 2025, and intend to launch the *AITO M8* model, our intelligent flagship family SUV, in April 2025. Therefore, our product portfolio has been further diversified to adapt to market trends as well as changing user tastes and preferences. We expect the continued expansion of our product portfolio to drive our revenue growth to some extent.

Our ability to control costs and improve operational efficiency

Our cost control and operational efficiency will affect our results of operations and profitability. Our costs are reduced through intelligent manufacturing and platform-based vehicle manufacturing. Driven by digital technology, our factories deeply integrate artificial intelligence, big data, IoT and digital twins for full automation of critical processes, which will reduce costs and achieve high-quality, efficient and flexible delivery. The MF Platform and its platform-based vehicle manufacturing model are utilized to reduce the development cost and shorten production cycle, in swift response to changes in market demand. Intelligent manufacturing and platform-based vehicle manufacturing have improved our production efficiency and further reduced production costs.

We have built a top-tier integrated and agglomerated supply chain ecosystem in the industry. We combine components orderly to improve production efficiency and reduce costs; optimize the management chain to gather supply chain enterprises; and shorten transportation radius to reduce logistics costs. In addition, we achieve dynamic management of the inventory along the whole supply chain with the assistance of digital and AI technologies, ensuring efficient supply of components to lower inventory costs. These measures have effectively improved our supply chain efficiency and cost control.

We will manage operating expenses more prudently. During the Track Record Period, the percentage of our administrative expenses in revenue decreased from 6.1% in 2022 to 5.5% in 2023, and further decreased to 3.1% in 2024. We expect to further improve our operational efficiency as we achieve economies of scale through the expansion of our product portfolio and the growth of our revenue, which is crucial to maintain our profitability.

FINANCIAL INFORMATION

Our ability to improve technical strengths

As of June 30, 2025, the total number of our R&D personnel amounted to 8,005. In addition, our R&D expenses reached RMB5.6 billion in 2024, representing an increase of 229.2% compared to the year of 2023, and increased from RMB2,827.4 million for the six months ended June 30, 2024 to RMB2,929.5 million for the six months ended June 30, 2025. We continue to invest in research and development of intelligent NEV technologies, develop new technologies and improve existing product performance, thereby enhancing market competitiveness and driving growth of results of operations.

We upgrade our core technologies in all aspects as driven by continuous innovation. In terms of powertrain, we have developed an efficient extended-range system and high-performance electric drive assembly to improve energy efficiency and mileage. In terms of vehicle platform technology, we have upgraded the MF Platform to incorporate various forms of power and iterate the vehicle process architecture capability. In terms of security technology, we have built a full-scenario security system by adopting high-strength vehicle structure and advanced data security technology to ensure user safety. The breakthroughs in these core technologies have enhanced product competitiveness, driven sales growth and steadily improved results of operations.

Our ability to execute effective sales and marketing strategies

Our vast sales and service network achieves extensive market coverage in various regions, thereby promoting our sales in China and overseas regions. At the same time, we are actively expanding into international markets, targeting those regions where the demand for NEVs grows rapidly. Launch of locally-adapted vehicle models and improvement of sales and service networks are expected to rapidly expand the customer base and increase revenue. We continuously evaluate the effectiveness of various marketing channels and accordingly allocate marketing expenses. Effective marketing can increase vehicle sales economically and efficiently, which in turn drives our revenue to grow and improve our profitability. With the expansion of our business, we expect to continue improving our marketing efficiency.

MAJOR ACCOUNTING POLICY INFORMATION AND ESTIMATES

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and results of operations. Our management continually evaluates such estimates, assumptions and judgments based on past experiences and other factors, including industry practices and expectations of future events that are believed to be reasonable under the circumstances. During the Track Record Period, there was no material deviation between our management's estimates or assumptions and actual results, and we did not make any material changes to these estimates or assumptions. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

FINANCIAL INFORMATION

Note 4 to the Accountants' Report included in Appendix I to this Prospectus sets forth certain material accounting policies, which are important for understanding our financial condition and results of operations.

Revenue Recognition

Revenue from Contract with Customers

We recognize revenue when (or as) a performance obligation is satisfied, namely when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by our performance as we perform;
- our performance creates or enhances an asset that the customer controls as we perform; or
- our performance does not create an asset with an alternative use to us and we have an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognized at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents our right to consideration in exchange for goods or services that we have transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents our unconditional right to consideration, namely only the passage of time is required before payment of that consideration is due.

A contract liability represents our obligation to transfer services to a customer for which we have received consideration (or an amount of consideration is due) from the customers.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

FINANCIAL INFORMATION

Variable consideration

For contracts that contain variable consideration, we estimate the amount of consideration to which we will be entitled using the expected value method, which better predicts the amount of consideration to which we will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

During the Track Record Period, we updated the estimated transaction price (including updating our assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of each reporting period and the changes in circumstances during the reporting period.

Government Grants

Government grants are not recognized until there is reasonable assurance that we will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which we recognize as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that we should purchase, construct or otherwise acquire non-current assets are recognized as deferred income/a deduction from the carrying amount of the relevant asset in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to us with no future related costs are recognized in profit or loss in the period in which they become receivable.

Property, Plant and Equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognized so as to write off the assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a first-in, first-out method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit (loss) before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Our liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the historical financial information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where we are able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

FINANCIAL INFORMATION

Impairment Testing

Impairment testing on non-financial assets

At the end of each reporting period, we review the carrying amounts of our property, plant and equipment and right-of-use assets and to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). During the Track Record Period, we recognized impairment amounting RMB9.2 million, RMB1.5 million and RMB80.6 million for the year ended December 31, 2022, 2023 and 2024, respectively, on moulds and machinery for those obsolescent product models. Although we were loss making for the years ended December 31, 2022 and 2023, no further impairment loss was recognized for non-financial assets for the same year. Our Directors considered that: (i) for the internal combustion engine vehicles business, the components made profits for the years ended December 31, 2022 and 2023, no impairment indicator for the non-financial assets under internal combustion engine vehicles business; and (ii) for the new energy vehicles business, the losses incurred by the components for the years ended December 31, 2022 and 2023 was temporary, as we were in the phase of focusing on research and developing, transitioning into new energy vehicles business with foreseeable loss for the years ended December 31, 2022 and 2023. Therefore, such losses are not considered as an impairment indication. As such, there was no objective evidence that the non-financial assets (e.g. property, plant and equipment, right-of-use assets, etc.) as of December 31, 2022 and 2023 may be impaired and no impairment assessment was carried out.

Impairment testing on goodwill and intangible assets

Goodwill

For the purposes of impairment testing, goodwill set out in Note 20 to the Accountants' Report included in Appendix I to this Prospectus is allocated to two individual cash generating units ("CGUs"), comprising two subsidiaries, Luzhou Rongda and Longsheng New Energy. In addition to goodwill above, property, plant and equipment, intangible assets and right-of-use assets (including allocation of corporate assets) that generate cash flows together with the related goodwill is also included in these CGUs for the purpose of impairment assessment.

The recoverable amount of the units has been determined based on a value in use calculation. For Luzhou Rongda CGU, that calculation uses cash flow projections based on financial budgets approved by the management covering a five-year period, and pre-tax discount rate of 13.71% and 15.60%, as of December 31, 2022 and 2023. The CGU's cash flows beyond the five-year period are extrapolated using a steady nil growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include salary costs of staff, growth rate of sales, such estimation is based on the unit's past performance and the management's expectations for the market development.

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Based on the impairment assessment performed, we have recognized impairment losses amounting to RMB10.7 million and RMB18.1 million for the years ended December 31, 2022 and 2023, respectively. Our management believes that any reasonably possible change in any of these assumptions would not cause material impairment losses on the goodwill as of December 31, 2022 and 2023.

During the year ended December 31, 2024, the financial performance of Luzhou Rongda did not meet the expectation set by our management. Our management had consequently determined impairment of goodwill directly related to Luzhou Rongda amounting to RMB46.9 million. No other write-down of the assets of Luzhou Rongda is considered necessary.

As of June 30, 2025, our management was not aware of any negative change that may affect the assets' value. As a result, no impairment assessment as of June 30, 2025 was performed.

Intangible assets

(1) Development costs

The recoverable amount of development costs with carrying amount of RMB1,352.4 million, RMB1,001.0 million, RMB781.1 million and RMB724.0 million, respectively, as of December 31, 2022, 2023, 2024 and June 30, 2025 is estimated individually. The recoverable amount has been determined based on a value in use calculation.

Our management estimated that the value in use to be close to its fair value less costs of disposal. The fair value less cost of disposal is estimated using the Relief-from-Royalty method which assumes that, in lieu of ownership, a third party would be willing to pay a royalty in order to obtain the rights to use the intangible assets. Key assumptions used in the valuation included projected future sales of product models related to each development costs, royalty rate and pre-tax discount rate. The projected future sales of related products covers a four to five years period, three to five years period and three to five years period as of December 31, 2022, 2023 and 2024, respectively. The fair value measurement is categorized into Level 3 fair value hierarchy.

The following table sets out the information of other key assumptions for the value in use calculation:

	As of December 31,		
	2022	2023	2024
Pre-tax discount rate . . .	19.57% to 24.85%	14.01% to 22.10%	16.45% to 19.47%
Royalty rate	0.14% to 4.92%	0.29% to 7.95%	0.10% to 2.84%

We have not recognized any impairment losses during the Track Record Period based on the impairment assessment performed.

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We performed sensitivity test for the development costs as of December 31, 2022, 2023 and 2024, respectively, by decreasing 1%-5% of projected future sales or decreasing by 1%-5% of royalty rate or increasing by 1%-5% of pre-tax discount rate, with all other variables held constant. Based on the sensitivity test performed:

- (i) for assets in aggregated carrying amount of RMB1,073.2 million, RMB842.8 million and RMB704.6 million as of December 31, 2022, 2023 and 2024, respectively, the headroom is no less than 5%.

Our management believes that any reasonably possible change in any of above assumptions would not cause the carrying amount of the development costs to exceed their recoverable amount determined as of December 31, 2022, 2023 and 2024; and

- (ii) for assets in aggregated carrying amount of RMB279.2 million, RMB158.2 million and RMB76.5 million as of December 31, 2022, 2023 and 2024, respectively, in the opinion of our management, any reasonable possible change in the assumption used in impairment assessment of assets in this category may cause immaterial impairment losses in aggregation.

As of June 30, 2025, our management was not aware of any negative change that may affect the assets' value. As a result, no impairment assessment as of June 30, 2025 was performed.

(2) Non-patented technology

At the end of each reporting period, our management assess the sales and production of product models and application on relevant non-patented technology. For those discontinued production, we provide impairment allowance on the relevant non-patented technology. During the year ended December 31, 2024, our management made the decision to discontinue production of certain product models due to accelerated product upgrades. Impairment amounting to RMB1,054.1 million is recognized to the non-patented technology related to these product models as the management are of the opinion that the value in use of the related technology is neglectable.

For the remaining balance of non-patent technology as of December 31, 2022, 2023 and 2024, respectively, we performed impairment testing for the non-patent technology. The recoverable amount of non-patented technology with carrying amount of RMB5,424.7 million, RMB8,182.9 million, RMB5,493.2 million, respectively, as of December 31, 2022, 2023 and 2024 is estimated individually. The recoverable amount has been determined based on a value in use calculation.

Our management estimated that the value in use to be close to its fair value less costs of disposal. The fair value less cost of disposal is estimated using the Relief-from-Royalty method which assumes that, in lieu of ownership, a third party would be willing to pay a royalty in

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order to obtain the rights to use the non-patent technology. Key assumptions used in the valuation included projected future sales of product models related to each non-patented technology, royalty rate and pre-tax discount rate. The projected future sales of related products covers a three to five years period, two to five years period and three to five years period as of December 31, 2022, 2023 and 2024, respectively. The fair value measurement is categorized into Level 3 fair value hierarchy.

The following table sets out the information of other key assumptions for the value in use calculation:

	As of December 31,		
	2022	2023	2024
Pre-tax discount rate . . .	18.07% to 22.85%	18.00% to 22.10%	16.45% to 19.47%
Royalty rate	0.10% to 7.30%	0.14% to 8.05%	0.01% to 7.41%

We have recognized impairment losses amounting to nil, RMB76.2 million and RMB572.6 million for the years ended December 31, 2022, 2023 and 2024, respectively, based on the impairment assessment performed.

Sensitivity analysis – non-patented technology with no impairment losses recognized for the year ended December 31, 2022 (“Non-impaired Non-patented Technology”)

We performed sensitivity test by decreasing 1%-5% of projected future sales or decreasing by 1%-5% of royalty rate or increasing by 1%-5% of pre-tax discount rate, with all other variables held constant. Based on the sensitivity test performed:

- (i) for assets in aggregated carrying amount of RMB4,684.1 million, the headroom of non-patented technology is not less than 5%.

Our management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the Non-impaired Non-patented Technology to exceed their recoverable amount determined as of December 31, 2022.

- (ii) for assets in aggregated carrying amount of RMB740.7 million, in the opinion of our management, any reasonable possible change in the assumption used in impairment assessment of assets in this category may cause immaterial impairment losses in aggregation.

As of June 30, 2025, our management was not aware of any negative change that may affect the assets’ value. As a result, no impairment assessment as of June 30, 2025 was performed.

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue
	<i>(unaudited)</i>									
Revenue	34,056,074	100.0	35,788,885	100.0	145,113,623	100.0	65,014,314	100.0	62,358,825	100.0
Cost of sales.	(31,328,448)	(92.0)	(33,217,792)	(92.8)	(110,563,078)	(76.2)	(50,853,429)	(78.2)	(45,828,067)	(73.5)
Gross profit.	2,727,626	8.0	2,571,093	7.2	34,550,545	23.8	14,160,885	21.8	16,530,758	26.5
Government grants and subsidies	523,474	1.5	549,466	1.5	1,068,213	0.7	659,200	1.0	690,109	1.1
Other income	261,751	0.8	407,803	1.1	672,305	0.5	237,942	0.4	548,886	0.9
Other gains and losses	14,203	0.0	1,749,261	4.9	(1,615,140)	(1.1)	(80,805)	(0.1)	(32,589)	(0.1)
Impairment losses under expected credit loss model, net of reversal.	(76,887)	(0.2)	(108,785)	(0.3)	(131,107)	(0.1)	(39,734)	(0.1)	13,632	0.0
Research and development expenses	(1,313,661)	(3.9)	(1,696,476)	(4.7)	(5,585,504)	(3.8)	(2,827,443)	(4.3)	(2,929,532)	(4.7)
Selling and distribution expenses	(4,656,748)	(13.7)	(5,276,145)	(14.7)	(19,184,251)	(13.2)	(8,699,122)	(13.4)	(8,940,726)	(14.3)
Administrative expenses	(2,081,359)	(6.1)	(1,969,389)	(5.5)	(4,509,309)	(3.1)	(1,625,462)	(2.5)	(1,966,811)	(3.2)
Share of results of associates	512	0.0	578	0.0	(76,055)	(0.1)	31,518	0.0	(69,069)	(0.1)
Share of results of a joint venture	850	0.0	481	0.0	2,032	0.0	1,758	0.0	2,007	0.0
Finance costs	(330,171)	(1.0)	(308,746)	(0.9)	(240,382)	(0.2)	(119,628)	(0.2)	(121,874)	(0.2)
(Loss) profit before taxation	(4,930,410)	(14.6)	(4,080,859)	(11.4)	4,951,347	3.4	1,699,109	2.6	3,724,791	6.0
Income tax expenses.	(290,147)	(0.7)	(75,857)	(0.2)	(211,231)	(0.1)	(339,988)	(0.5)	(647,428)	(1.0)
(Loss) profit for the year/period	(5,220,557)	(15.3)	(4,156,716)	(11.6)	4,740,116	3.3	1,359,121	2.1	3,077,363	4.9

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	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue
							(unaudited)			
Other comprehensive income										
<i>Item that may be reclassified subsequently to profit or loss:</i>										
Exchange differences arising on translation of foreign operations	47,205	0.1	6,752	0.0	13,557	0.0	19,903	0.0	186	0.0
Non-controlling interests	<u>1,713</u>	<u>0.0</u>	<u>1,271</u>	<u>0.0</u>	<u>578</u>	<u>0.0</u>	<u>553</u>	<u>0.0</u>	<u>65</u>	<u>0.0</u>
Other comprehensive income for the year/period, net of income tax.	48,918	0.1	8,023	0.0	14,135	0.0	20,456	0.0	251	0.0
Total comprehensive (expense) income for the year/period	<u>(5,171,639)</u>	<u>(15.2)</u>	<u>(4,148,693)</u>	<u>(11.6)</u>	<u>4,754,251</u>	<u>3.3</u>	<u>1,379,577</u>	<u>2.1</u>	<u>3,077,614</u>	<u>4.9</u>
(Loss) Profit for the year/period attributable to:										
Owners of the Company	(3,831,866)	(11.3)	(2,449,687)	(6.8)	5,945,945	4.1	1,624,558	2.5	2,940,890	4.7
Non-controlling interests	<u>(1,388,691)</u>	<u>(4.1)</u>	<u>(1,707,029)</u>	<u>(4.8)</u>	<u>(1,205,829)</u>	<u>(0.8)</u>	<u>(265,437)</u>	<u>(0.4)</u>	<u>136,473</u>	<u>0.2</u>
	<u><u>(5,220,557)</u></u>	<u><u>(15.4)</u></u>	<u><u>(4,156,716)</u></u>	<u><u>(11.6)</u></u>	<u><u>4,740,116</u></u>	<u><u>3.3</u></u>	<u><u>1,359,121</u></u>	<u><u>2.1</u></u>	<u><u>3,077,363</u></u>	<u><u>4.9</u></u>

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DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

We generate substantially all of our revenue from vehicle sales, primarily from our NEVs, with a small portion from ICE vehicles. Our other revenue mainly derives from sales of parts and materials, primarily including range extender, electric drive motor, powertrain and other automotive parts.

The following table sets forth a breakdown of our revenue by product category, in absolute amounts and as a percentage of our total revenue, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Vehicle sales										
NEVs	24,934,089	73.2	28,947,606	80.9	135,490,526	93.4	60,198,727	92.6	57,951,847	92.9
ICE vehicles	6,346,800	18.6	4,608,886	12.9	3,447,702	2.4	1,538,234	2.4	1,156,319	1.9
Others ⁽¹⁾	2,775,185	8.2	2,232,393	6.2	6,175,395	4.2	3,277,353	5.0	3,250,659	5.2
Total	34,056,074	100.0	35,788,885	100.0	145,113,623	100.0	65,014,314	100.0	62,358,825	100.0

Note:

- (1) Others consist of sales of parts and materials, primarily including range extender, electric drive motor, powertrain and other automotive parts.

Cost of Sales

The following table sets forth a breakdown of our cost of sales by product category, in absolute amounts and as a percentage of our total cost of sales, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Vehicle sales										
NEVs	22,374,459	71.4	26,943,258	81.1	103,198,708	93.3	46,476,407	91.4	42,609,349	93.0
ICE vehicles	6,350,470	20.3	4,424,941	13.3	3,020,754	2.7	1,417,667	2.8	1,123,345	2.5
Others	2,603,519	8.3	1,849,593	5.6	4,343,616	4.0	2,959,355	5.8	2,095,373	4.5
Total	31,328,448	100.0	33,217,792	100.0	110,563,078	100.0	50,853,429	100.0	45,828,067	100.0

Cost of vehicle sales primarily includes direct parts, material, processing fee, labor cost and manufacturing overhead, including depreciation of assets associated with production. Other cost primarily includes costs associated with the sales of range extender, electric drive motor, powertrain, other automotive parts and other revenue.

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Gross Profit and Gross Margin

We recorded gross profit of RMB2.7 billion, RMB2.6 billion, RMB34.6 billion, RMB14.2 billion and RMB16.5 billion, respectively, in 2022, 2023 and 2024 and for the six months ended June 30, 2024 and 2025. During the same periods, our gross margin was 8.0%, 7.2%, 23.8%, 21.8% and 26.5%, respectively, generally showing an upward trend.

The following table sets forth a breakdown of our gross profit and gross margin by product category for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
Vehicle sales										
NEVs	2,559,630	10.3	2,004,348	6.9	32,291,818	23.8	13,722,320	22.8	15,342,498	26.5
ICE vehicles	(3,670)	(0.1)	183,946	4.0	426,948	12.4	120,567	7.8	32,974	2.9
Subtotal	<u>2,555,960</u>	<u>8.2</u>	<u>2,188,293</u>	<u>6.5</u>	<u>32,718,766</u>	<u>23.5</u>	<u>13,842,887</u>	<u>22.4</u>	<u>15,375,472</u>	<u>26.0</u>
Others	<u>171,666</u>	<u>6.2</u>	<u>382,799</u>	<u>17.1</u>	<u>1,831,779</u>	<u>29.7</u>	<u>317,998</u>	<u>9.7</u>	<u>1,155,286</u>	<u>35.5</u>
Total	<u><u>2,727,626</u></u>	<u><u>8.0</u></u>	<u><u>2,571,093</u></u>	<u><u>7.2</u></u>	<u><u>34,550,545</u></u>	<u><u>23.8</u></u>	<u><u>14,160,885</u></u>	<u><u>21.8</u></u>	<u><u>16,530,758</u></u>	<u><u>26.5</u></u>

Government Grants and Subsidies

Our government grants and subsidies are primarily awarded by local governments in China. Specifically, our government grants and subsidies consist of subsidies on research and development, amortization of government grants related to assets, subsidies on stability of employee, subsidies on industry development, additional deduction on value added tax and others. The government grants and subsidies are primarily non-recurring in nature in 2022 and 2023, and are primarily recurring in nature in 2024, mainly representing subsidies granted by certain local governments to encourage local business development, give financial support to the Group's operations and support advanced manufacturing enterprises. There were no unfulfilled conditions or contingencies attached to these government subsidies during the Track Record Period. The additional deduction on value added tax represents subsidies obtained from the General Office of the Ministry of Industry and Information Technology Regarding the Compilation of the List of Advanced Manufacturing Enterprises Eligible for Additional Deduction Policy under Value-Added Tax for 2023 Annual Implementation. According to Frost & Sullivan, it is a normal industry practice for governments to provide similar grants to other companies within the same industry as us, and the government grants and subsidies we received are based on policies, tax regulations and reporting conditions that are consistent with those in the same industry. We recorded government grants and subsidies of RMB523.5 million, RMB549.5 million, RMB1,068.2 million, RMB659.2 million and RMB690.1 million in 2022, 2023 and 2024 and for the six months ended June 30, 2024 and 2025, respectively. See Note 8 to the Accountants' Report included in Appendix I to this Prospectus for details.

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Other Income

Our other income consists primarily of interest income from bank deposits and rental income. We recorded other income of RMB261.8 million, RMB407.8 million, RMB672.3 million, RMB237.9 million and RMB548.9 million in 2022, 2023 and 2024 and for the six months ended June 30, 2024 and 2025, respectively.

Other Gains and Losses

Our other gains and losses consist of (i) impairment loss recognized in respect of goodwill, intangible assets, property, plant and equipment, (ii) gain or loss on disposal of subsidiaries and other equity investments, (iii) net foreign exchange losses or gains, (iv) gain or loss on disposal of property, plant and equipment and intangible assets, (v) change in fair value of financial assets measured at fair value through profit or loss, which representing our investment in structured deposits and securities of certain listed companies in China, and (vi) others.

The following table sets forth a breakdown of our other gains and losses for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Impairment loss recognized					
in respect of:					
– goodwill	(10,693)	(18,097)	(46,915)	–	–
– intangible assets	–	(76,203)	(1,626,684)	(123,338)	–
– property, plant and equipment	(9,248)	(1,482)	(82,535)	–	(977)
– interests in associates	–	–	–	–	(37,889)
(Loss)/gain on disposal of					
subsidiaries and other equity					
investments	(24,587)	1,757,000	–	–	–
Net foreign exchange					
(loss)/gain	(9,949)	50,104	26,843	(7,780)	(1,837)
Gain/(loss) on disposal of					
property, plant and equipment					
and intangible assets	266,951	42,016	(10,929)	5,626	2,394
Change in fair value of financial					
assets measured at FVTPL	(169,612)	22,293	100,507	43,439	43,180
Others	(28,659)	(26,370)	24,573	1,248	(37,460)
Total	<u>14,203</u>	<u>1,749,261</u>	<u>(1,615,140)</u>	<u>(80,805)</u>	<u>(32,589)</u>

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Research and Development Expenses

Our research and development expenses consist of (i) depreciation, amortization and material costs, (ii) employee compensation, (iii) external R&D and design fees, (iv) trial production and testing costs and (v) others.

The following table sets forth a breakdown of our research and development expenses, in absolute amounts and as a percentage of our total research and development expenses, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
							<i>(unaudited)</i>			
Depreciation, amortization and material costs . . .	963,771	73.4	1,209,454	71.3	2,026,873	36.3	983,629	34.8	1,061,788	36.2
Employee compensation . . .	168,941	12.9	257,269	15.2	1,109,169	19.9	640,853	22.7	665,651	22.7
External R&D and design fees.	66,863	5.1	82,482	4.9	2,084,017	37.3	1,022,737	36.2	948,365	32.4
Trial production and testing costs	44,361	3.4	53,242	3.1	103,414	1.9	35,546	1.3	57,757	2.0
Others	69,725	5.2	94,029	5.5	262,031	4.6	144,678	5.1	195,971	6.7
Total	<u>1,313,661</u>	<u>100.0</u>	<u>1,696,476</u>	<u>100.0</u>	<u>5,585,504</u>	<u>100.0</u>	<u>2,827,443</u>	<u>100.0</u>	<u>2,929,532</u>	<u>100.0</u>

Selling and Distribution Expenses

Our selling and distribution expenses consist of (i) advertising, brand image store construction and service fees, (ii) employee compensation, and (iii) others.

The following table sets forth a breakdown of our selling and distribution expenses, in absolute amounts and as a percentage of our total selling and distribution expenses, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
							<i>(unaudited)</i>			
Advertising, brand image store construction and service fees	4,036,183	86.7	4,544,964	86.1	18,111,887	94.4	8,249,344	94.8	8,430,510	94.3
Employee compensation . . .	340,561	7.3	360,188	6.8	562,384	2.9	230,723	2.7	272,651	3.0
Others	280,004	6.0	370,993	7.1	509,980	2.7	219,055	2.5	237,565	2.7
Total	<u>4,656,748</u>	<u>100.0</u>	<u>5,276,145</u>	<u>100.0</u>	<u>19,184,251</u>	<u>100.0</u>	<u>8,699,122</u>	<u>100.0</u>	<u>8,940,726</u>	<u>100.0</u>

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Administrative Expenses

Our administrative expenses consist of (i) employee compensation, (ii) office expenses and travel costs, (iii) maintenance, depreciation, amortization and consumable costs, (iv) consulting service fees, (v) other taxes and (vi) others.

The following table sets forth a breakdown of our administrative expenses, in absolute amounts and as a percentage of our total administrative expenses, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Employee compensation . . .	900,149	43.2	947,900	48.1	1,695,889	37.6	691,722	42.6	606,529	30.8
Office expenses and travel costs	505,066	24.3	379,253	19.3	486,376	10.8	213,288	13.1	226,760	11.5
Maintenance, depreciation, amortization and consumable costs .	229,135	11.0	217,345	11.0	710,353	15.8	198,516	12.2	273,205	13.9
Consulting service fees.	39,358	1.9	74,200	3.8	480,536	10.7	21,571	1.3	318,066	16.2
Other taxes	259,273	12.5	267,548	13.6	917,431	20.3	419,470	25.8	413,987	21.0
Others	148,378	7.1	83,143	4.2	218,724	4.8	80,895	5.0	128,264	6.5
Total	<u>2,081,359</u>	<u>100.0</u>	<u>1,969,389</u>	<u>100.0</u>	<u>4,509,309</u>	<u>100.0</u>	<u>1,625,462</u>	<u>100.0</u>	<u>1,966,811</u>	<u>100.0</u>

Share of Results of Associates

Our share of results of associates reflects our proportionate share of the net results of our associate companies, accounted for using the equity method. We recorded gains from our share of results of associates of RMB0.5 million in 2022, RMB0.6 million in 2023 and RMB31.5 million in the six months ended June 30, 2024, and a loss of RMB76.1 million in 2024 and RMB69.1 million in the six months ended June 30, 2025. In 2023, one of our subsidiaries changed from a wholly-owned entity to an associate subsequent to an external capital injection. For details, see Note 23 to the Accountants' Report included in Appendix I.

Share of Result of a Joint Venture

Our share of result of a joint venture reflects our proportionate share of the net results of a joint venture, accounted for using the equity method. For details, see Note 24 to the Accountants' Report included in Appendix I. We recorded a gain in share of results of the joint venture of RMB0.9 million, RMB0.5 million, RMB2.0 million, RMB1.8 million and RMB2.0 million in 2022, 2023 and 2024 and for the six months ended June 30, 2024 and 2025, respectively.

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Finance Costs

Our finance costs consist of interest expenses on (i) bank borrowings, (ii) convertible notes that our Group issued on November 6, 2017, as detailed in Note 36 to the Accountants' Report included in Appendix I to this Prospectus, and (iii) lease liabilities. We recorded finance costs of RMB330.2 million, RMB308.7 million, RMB240.4 million, RMB119.6 million and RMB121.9 million in 2022, 2023 and 2024 and for the six months ended June 30, 2024 and 2025, respectively.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

Our impairment losses under expected credit loss model, net of reversal represent the expected credit losses or reversal of the expected credit losses on our (i) trade receivables, (ii) finance lease receivables, (iii) other receivables, (iv) amounts due from related parties, and (v) contract asset. For details, see Note 11 to the Accountants' Report included in Appendix I to this Prospectus. We recorded impairment losses under expected credit loss model, net of reversal, of RMB76.9 million, RMB108.8 million, RMB131.1 million and RMB39.7 million in 2022, 2023 and 2024 and for the six months ended June 30, 2024, respectively. We recorded reversal of impairment losses under expected credit loss model of RMB13.6 million for the six months ended June 30, 2025.

Share-based Payment

Our share-based payment reflects the cost of compensation given to our management, employees, or other stakeholders in the form of company shares or stock options to reward and incentivize these individuals while aligning their interests with our Group's long-term growth. We recorded the recognized of share-based payment expense of RMB31.7 million, RMB67.4 million, RMB10.5 million and RMB54.6 million in 2022, 2024 and the six months ended June 30, 2024 and 2025, respectively, and the reversal of share-based payment expense of RMB30.8 million in 2023.

Income Tax Expense

Income tax expense primarily represents income tax payable by us in accordance with the Enterprise Income Tax (EIT) Law and its corresponding implementation regulations. This income tax expense comprises both current income tax and deferred income tax.

Entities in the PRC are generally subject to a statutory corporate income tax rate of 25.0%. During the Track Record Period, certain PRC subsidiaries of our Group qualified as High and New Technology Enterprises (“HNTe”) and were eligible for a reduced corporate income tax rate of 15% in accordance with applicable tax regulations. HNTe status is subject to reassessment and renewal every three years. Additionally, some of our PRC subsidiaries benefited from a 15% corporate income tax rate under preferential policies for enterprises engaged in encouraged industries in China's western region.

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We recorded income tax expense of RMB290.1 million, RMB75.9 million, RMB211.2 million, RMB340.0 million and RMB647.4 million in 2022, 2023 and 2024 and for the six months ended June 30, 2024 and 2025, respectively.

During the Track Record Period and as of the Latest Practicable Date, we did not have any disputes or unresolved tax issues with the relevant tax authorities.

(Loss) Profit for the Year/Period

In 2022 and 2023, we recorded losses for the year of RMB5.2 billion and RMB4.2 billion, respectively, primarily due to the significant amounts of cost of sales incurred, generally in line with the increased vehicle deliveries. In 2024, we recorded profit for the year of RMB4.7 billion, primarily due to the significant increase in our revenues. Such growth was mainly attributable to our commitment to the technology-driven approach, which promoted technology innovation and increased sales volume. In 2024, our total sales volume of NEV amounted to 426.9 thousand vehicles, representing an increase of 182.84% from 2023, leading to a significant increase in revenues. In the six months ended June 30, 2024 and 2025, we recorded profit for the period of RMB1,359.1 million and RMB3,077.4 million, respectively, primarily due to the optimization of our product mix. In 2022 and 2023, we recorded a net loss attributable to owners of the Company of RMB3.8 billion and RMB2.4 billion respectively, and in 2024 and for the six months ended June 30, 2024 and 2025, we recorded a net profit attributable to owners of the Company of RMB5.9 billion, RMB1.6 billion and RMB2.9 billion, respectively.

Going forward, we will achieve continuous profitability through the following measures: (i) commitment to the technology-driven approach to strengthen our technological edges in terms of intelligent REEV, intelligent driving assistance and intelligent green manufacturing; (ii) further penetration of end-to-end IPD system to standardize our operation system; (iii) co-development with users by applying insights from users in our R&D, and continue to develop products that meet users' needs; and (iv) continuous improvement of operation management capabilities to further optimize efficiency and enhance cost control.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2025 Compared with Six Months Ended June 30, 2024

Revenue

Our revenue slightly decreased by 4.1% from RMB65.0 billion in the six months ended June 30, 2024 to RMB62.4 billion in the six months ended June 30, 2025, primarily due to the slightly decreased vehicle sales. Revenue from vehicle sales slightly decreased by 4.3% from RMB61.7 billion in the six months ended June 30, 2024 to RMB59.1 billion in the six months ended June 30, 2025, mainly due to the decreased NEV sales.

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Our revenue from NEV sales slightly decreased from RMB60.2 billion in the six months ended June 30, 2024 to RMB58.0 billion in the six months ended June 30, 2025, due to the change in sales volume of our NEVs, as a result of the launch of the *AITO M8* in April 2025. The expectation for launch of new models may affect the timing of placing orders by potential consumers. Our revenue from ICE vehicle sales decreased from RMB1.5 billion in the six months ended June 30, 2024 to RMB1.2 billion in the six months ended June 30, 2025, mainly due to the adjustment of our vehicle product strategy.

Cost of sales

Our cost of sales decreased by 9.9% from RMB50.9 billion in the six months ended June 30, 2024 to RMB45.8 billion in the six months ended June 30, 2025, generally in line with the change in sales volume. Specifically, our cost of vehicle sales decreased by 8.7% from RMB47.9 billion in the six months ended June 30, 2024 to RMB43.7 billion in the six months ended June 30, 2025, and other costs decreased from RMB3.0 billion in the six months ended June 30, 2024 to RMB2.1 billion in the six months ended June 30, 2025.

Gross profit and gross margin

As a result of the foregoing, we recorded gross profit of RMB14.2 billion in the six months ended June 30, 2024 and RMB16.5 billion in the six months ended June 30, 2025. Our gross profit margins were 21.8% and 26.5% in the six months ended June 30, 2024 and 2025, respectively. In particular, our vehicle sales business recorded gross profit of RMB13.8 billion in the six months ended June 30, 2024 and RMB15.4 billion in the six months ended June 30, 2025, achieving gross profit margins of 22.4% and 26.0% for the same periods, respectively, primarily due to our adherence to promoting technological innovation and optimizing product mix based on our technology-driven approach. Our gross profit margin for sales of NEVs increased from 22.8% in the six months ended June 30, 2024 to 26.5% in the six months ended June 30, 2025, primarily due to the optimization of our product mix, with an increased sales of high-end models, which typically have higher gross profit margin. We recorded gross profit from others of RMB0.3 billion in the six months ended June 30, 2024 and RMB1.2 billion in the six months ended June 30, 2025, achieving gross profit margins of 9.7% and 35.5% for the same periods, respectively.

Government grants and subsidies

Our government grants and subsidies increased from RMB659.2 million in the six months ended June 30, 2024 to RMB690.1 million in the six months ended June 30, 2025, primarily due to the increase in subsidies on industry development from RMB33.2 million in the six months ended June 30, 2024 to RMB285.6 million in the six months ended June 30, 2025.

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Other income

Our other income increased from RMB237.9 million in the six months ended June 30, 2024 to RMB548.9 million in the six months ended June 30, 2025, primarily driven by higher interest income from bank deposits, which rose from RMB163.9 million in the six months ended June 30, 2024 to RMB404.9 million in the six months ended June 30, 2025. This growth mainly reflects higher cash generated from operations and improved cash management. For details, see “— Liquidity and Capital Resources — Cash Flow Analysis.”

Other gains and losses

Our net other losses decreased from RMB80.8 million in the six months ended June 30, 2024 to RMB32.6 million in the six months ended June 30, 2025, primarily because we recorded an impairment loss recognized in respect of other intangible assets of RMB123.3 million in the six months ended June 30, 2024, as compared to nil in the six months ended June 30, 2025.

Research and development expenses

Our research and development expenses increased from RMB2,827.4 million in the six months ended June 30, 2024 to RMB2,929.5 million in the six months ended June 30, 2025, primarily due to (i) an increase in depreciation, amortization and material costs of RMB78.2 million, primarily due to an increase in costs arising from increased research and development investments for the period, and (ii) an increase in employee compensation of RMB24.8 million as a result of expanded research and development staff.

Selling and distribution expenses

Our selling and distribution expenses increased from RMB8,699.1 million in the six months ended June 30, 2024 to RMB8,940.7 million in the six months ended June 30, 2025, primarily due to an increase in advertising, brand image store construction and service fees of RMB181.2 million, as a result of increased marketing and promotional activities to support our NEVs sales.

Administrative expenses

Our administrative expenses increased from RMB1,625.5 million in the six months ended June 30, 2024 to RMB1,966.8 million in the six months ended June 30, 2025, primarily due to (i) an increase in consulting service fees of RMB296.5 million, mainly as a result of an increase in consulting service fees to support our business growth, (ii) an increase in maintenance, depreciation and material costs of RMB74.7 million, as a result of an increase in depreciation of office buildings and amortization of intangible assets.

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Share of results of associates

In the six months ended June 30, 2025, we recorded a RMB69.1 million loss in our share of results of associates, compared to a profit of RMB31.5 million in the six months ended June 30, 2024, primarily reflecting the decline of our associate's operational performance.

Share of result of a joint venture

Our share of gain of a joint venture remained relatively stable at RMB1.8 million in the six months ended June 30, 2024 and RMB2.0 million in the six months ended June 30, 2025.

Finance costs

Our finance costs remained relatively stable at RMB119.6 million in the six months ended June 30, 2024 and RMB121.9 million in the six months ended June 30, 2025.

Income tax expenses

Our income tax expenses increased from RMB340.0 million in the six months ended June 30, 2024 to RMB647.4 million in the six months ended June 30, 2025, mainly in line with our business growth.

Profit for the period

As a result of the foregoing, our net profit increased from RMB1.4 billion in the six months ended June 30, 2024 to RMB3.1 billion in the six months ended June 30, 2025.

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

Revenue

Our revenue grew by 305.5% from RMB35.8 billion in 2023 to RMB145.1 billion in 2024, primarily driven by higher vehicle sales, mainly due to the significant increase in our sales volume as we continued to strengthen our brand awareness, refine our product portfolio, and enhance our customer experience. Revenue from vehicle sales increased by 314.0% from RMB33.6 billion in 2023 to RMB138.9 billion in 2024, mainly due to increased revenue from sales of our NEVs, which increased by 368.1% from RMB28.9 billion in 2023 to RMB135.5 billion in 2024, primarily due to the increased sales volume of NEVs as a result of the commencement of deliveries and instant ramp-up production for our flagship model, *AITO M9* in 2024. We have taken several strategies to support this growth: (i) we continued to invest in research and development to enhance our technological capabilities and product quality, (ii) we scaled up production and improved production efficiency to ensure timely product supply; (iii) we optimized our product mix by launching vehicle models across different price segments to

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meet diverse customer needs; and (iv) we made efforts to increase brand visibility and market recognition. In addition, our revenue from ICE vehicle sales declined from RMB4.6 billion in 2023 to RMB3.4 billion in 2024, mainly due to the adjustment of our vehicle product strategy.

Cost of sales

Our cost of sales grew by 232.8% from RMB33.2 billion in 2023 to RMB110.6 billion in 2024, generally in line with the increased vehicle deliveries, particularly the commencement of deliveries and the large-scale sales of our *AITO M9*. Specifically, our cost of vehicle sales grew from RMB31.4 billion in 2023 to RMB106.2 billion in 2024, and other costs increased from RMB1.8 billion in 2023 to RMB4.3 billion in 2024.

Gross profit and gross margin

As a result of the foregoing, we recorded gross profit of RMB2.6 billion in 2023 and RMB34.6 billion in 2024. Our gross profit margins were 7.2% and 23.8% in 2023 and 2024, respectively. In particular, our vehicle sales business recorded gross profit of RMB2.2 billion in 2023 and RMB32.7 billion in 2024, achieving gross profit margins of 6.5% and 23.5% for the same periods, respectively, primarily due to our adherence to promoting technological innovation, increasing product sales and optimizing product mix based on our technology-driven approach. Our gross profit margin for sales of NEVs increased from 6.9% in 2023 to 23.8% in 2024, primarily due to the optimization of our product mix, with increased sales of high-end models, which typically have higher gross profit margin. Our gross profit margin for sales of ICE vehicles increased from 4.0% in 2023 to 12.4% in 2024, primarily due to the optimization of our product mix, with an increased proportion of revenue from export ICE vehicles in total revenue from ICE vehicles, which typically have higher gross profit margin. We recorded gross profit from others of RMB0.4 billion in 2023 and RMB1.8 billion in 2024, achieving gross profit margins of 17.1% and 29.7% for the same periods, respectively.

Government grants and subsidies

Our government grants and subsidies grew from RMB549.5 million in 2023 to RMB1,068.2 million in 2024, mainly attributable to introduction of favorable government policies supporting advanced manufacturing enterprises.

Other income

Our other income increased from RMB407.8 million in 2023 to RMB672.3 million in 2024, primarily driven by higher interest income from bank deposits, which rose from RMB294.6 million in 2023 to RMB527.3 million in 2024. This growth mainly reflects higher cash generated from operations and improved cash management. For details, see “— Liquidity and Capital Resources — Cash Flow Analysis.”

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Other gains and losses

In 2024, we recorded net other losses of RMB1,615.1 million, compared to net other gains of RMB1,749.3 million in 2023, primarily due to an increase in impairment loss recognized in respect of other intangible assets of RMB1,626.7 million in 2024 and a one-off gain of the disposal of investments in a subsidiary in 2023, which amounted to RMB1,757.0 million. For details, see Note 44(c) to the Accountants' Report included in Appendix I to this Prospectus.

In addition, the decrease in other losses was partially offset by an increase in gain from changes in fair value of financial assets mandatorily measured at fair value through profit or loss of RMB78.2 million, primarily due to the changes in valuation of the securities we hold in certain listed companies in China.

Research and development expenses

Our research and development expenses increased from RMB1,696.5 million in 2023 to RMB5,585.5 million in 2024, primarily due to (i) an increase in external R&D and design fees of RMB2,001.5 million, mainly due to increased quantity of new vehicle models to be developed, (ii) an increase in employee compensation of RMB851.9 million as a result of expanded research and development staff, and (iii) an increase in depreciation, amortization and material costs of RMB817.4 million, primarily due to an increase in costs arising from increased research and development investments for the year.

Selling and distribution expenses

Our selling and distribution expenses increased from RMB5,276.1 million in 2023 to RMB19,184.3 million in 2024, primarily due to an increase in advertising, brand image store construction and service fees of RMB13,566.9 million, as a result of increased marketing service fees and promotion activities of our NEVs sales.

Administrative expenses

Our administrative expenses increased from RMB1,969.4 million in 2023 to RMB4,509.3 million in 2024, primarily due to (i) an increase in employee compensation of RMB748.0 million, as a result of the expansion of administrative staff in line with business growth, (ii) an increase in maintenance, depreciation and material costs of RMB493.0 million as a result of an increase in depreciation of office buildings and amortization of intangible assets, and (iii) an increase in consulting service fees of RMB406.3 million mainly as a result of an increase in consulting service fees as the Company grows rapidly.

Share of results of associates

In 2024, we recorded a loss of RMB76.1 million in our share of results of associates, compared to a profit of RMB0.6 million in 2023, primarily because one of our subsidiaries changed from a wholly-owned entity to an associate in December 2023.

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Share of result of a joint venture

Our share of gain of a joint venture increased from RMB0.5 million in 2023 to RMB2.0 million in 2024, primarily reflecting the improvement of the joint venture's operational performance.

Finance costs

Our finance costs decreased from RMB308.7 million in 2023 to RMB240.4 million in 2024, primarily due to the decrease in the interest expenses on bank borrowings of RMB186.4 million, partially offset by the increase in the interest expenses on lease liabilities of RMB123.2 million, as a result of the new leases of our Super Factory (Longxing).

Income tax expenses

Our income tax expenses increased from RMB75.9 million in 2023 to RMB211.2 million in 2024, mainly in line with our business growth.

(Loss) Profit for the year

As a result of the foregoing, we recorded a profit for 2024 of RMB4,740.1 million, compared to a loss of RMB4,156.7 million in 2023. In 2023, we recorded a net loss attributable to owners of the Company of RMB2.4 billion, and in 2024, we recorded a net profit attributable to owners of the Company of RMB5.9 billion.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenue

Our revenue grew by 5.1% from RMB34.1 billion in 2022 to RMB35.8 billion in 2023, primarily driven by higher vehicle sales. Revenue from vehicle sales increased by 7.3% from RMB31.3 billion in 2022 to RMB33.6 billion in 2023, mainly due to higher sales of NEVs, partially offset by decreased revenue from sales of ICE vehicles and parts and materials.

Revenue from NEV sales grew from RMB24.9 billion in 2022 to RMB28.9 billion in 2023, driven primarily by increased sales volume as we continued to strengthen brand awareness, refine product portfolio, and enhance customer experience. Specifically, we delivered over 150,900 NEVs in 2023, representing an 11.8% increase from approximately 135,100 units in 2022.

Revenue from ICE vehicle sales decreased from RMB6.3 billion in 2022 to RMB4.6 billion in 2023, primarily due to our strategic shift toward NEVs, in line with industry trends in China and globally.

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Cost of sales

Our cost of sales grew by 6.0% from RMB31.3 billion in 2022 to RMB33.2 billion in 2023, generally in line with the increased vehicle deliveries. Specifically, our cost of vehicle sales grew from RMB28.7 billion in 2022 to RMB31.4 billion in 2023.

Gross profit and gross margin

As a result of the foregoing, we recorded gross profit of RMB2.7 billion in 2022 and RMB2.6 billion in 2023. Our gross profit margins were 8.0% and 7.2% in 2022 and 2023, respectively. In particular, our vehicle sales business recorded gross profit of RMB2.6 billion in 2022 and RMB2.2 billion in 2023, with gross profit margins of 8.2% and 6.9% for the same periods, respectively. We recorded gross profit from others of RMB0.2 billion in 2022 and RMB0.4 billion in 2023, with gross profit margins of 6.2% and 17.1% for the same periods, respectively.

Government grants and subsidies

Our government grants and subsidies remained relatively stable at RMB523.5 million in 2022 and RMB549.5 million in 2023.

Other income

Our other income increased from RMB261.8 million in 2022 to RMB407.8 million in 2023, primarily driven by the increase in interest income from bank deposits, which rose from RMB189.5 million in 2022 to RMB294.6 million in 2023. This growth mainly reflects higher cash generated from operations and improved cash management. For details, see “— Liquidity and Capital Resources — Cash Flow Analysis.”

Other gains

Our other gains increased from RMB14.2 million in 2022 to RMB1,749.3 million in 2023, primarily due to the gain on the disposal of investments in a subsidiary, which amounted to RMB1,757.0 million in 2023. For details, see Note 44(c) to the Accountants’ Report included in Appendix I to this Prospectus.

Research and development expenses

Our research and development expenses increased from RMB1,313.7 million in 2022 to RMB1,696.5 million in 2023, primarily due to (i) the increase in depreciation, amortization and material costs of RMB245.7 million, mainly because of the increase in costs associated with the increased research and development investments for the year, and (ii) the increase in employee compensation of RMB88.3 million as a result of expanded research and development staff.

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Selling and distribution expenses

Our selling and distribution expenses increased from RMB4,656.7 million in 2022 to RMB5,276.1 million in 2023, primarily due to the increase in the advertising, brand image store construction and service fees of RMB508.8 million, as a result of increased marketing and promotional activities to support our NEVs sales.

Administrative expenses

Our administrative expenses decreased from RMB2,081.4 million in 2022 to RMB1,969.4 million in 2023, primarily due to the decrease in office expenses and travel costs of RMB125.8 million, mainly due to our efforts to enhance cost management and operational efficiency. The decrease in our administrative expenses was partially offset by the increase in employee compensation of RMB47.8 million as a result of the expansion of administrative staff in line with business growth.

Share of results of associates

Our share of gain of associates remained relatively stable at RMB0.5 million in 2022 and RMB0.6 million in 2023.

Share of results of a joint venture

We recorded share of gain of a joint venture of RMB0.9 million in 2022 and RMB0.5 million in 2023.

Finance costs

Our finance costs remained relatively stable at RMB330.2 million in 2022 and RMB308.7 million in 2023.

Income tax expenses

Our income tax expenses decreased from RMB290.1 million in 2022 to RMB75.9 million in 2023, mainly due to operational loss.

Loss for the year

As a result of the foregoing, our loss decreased from RMB5,220.6 million in 2022 to RMB4,156.7 million in 2023. In 2022 and 2023, we recorded a net loss attributable to owners of the Company of RMB3.8 billion and RMB2.4 billion, respectively.

We recorded accumulated losses as of January 1, 2022 of RMB1,713.0 million, mainly due to our strategic transition to the NEV vehicles, which incurred significant depreciation and amortization expenses associated with fixed and intangible assets, increasing research and development expenses and sales and marketing expenses in 2021.

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DISCUSSION OF CERTAIN KEY ITEMS FROM OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets forth the selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from our audited consolidated financial statements included in Appendix I to this Prospectus.

	As of December 31,			As of
	2022	2023	2024	June 30,
	RMB'000	RMB'000	RMB'000	2025
Total non-current assets	20,184,156	25,127,599	28,366,106	44,068,238
Total current assets	26,975,971	26,117,072	65,997,852	68,843,572
Total assets	47,160,127	51,244,671	94,363,958	112,911,810
Total non-current liabilities . .	5,026,211	6,468,545	6,193,607	8,896,813
Total current liabilities	32,331,483	37,576,179	76,264,794	77,005,263
Total liabilities	37,357,694	44,044,724	82,458,401	85,902,076
Net assets	9,802,433	7,199,947	11,905,557	27,009,734
Equity attributable to owners of the Company	11,419,629	11,405,827	12,264,245	26,761,103
Non-controlling interests	(1,617,196)	(4,205,880)	(358,688)	248,631
Total equity	9,802,433	7,199,947	11,905,557	27,009,734

The following table sets forth our current assets and current liabilities as of the dates indicated.

	As of December 31,			As of	As of
	2022	2023	2024	June 30,	August 31,
	RMB'000	RMB'000	RMB'000	2025	2025
Current assets					
Inventories	3,992,865	3,529,172	2,552,449	3,270,842	3,330,336
Trade and other receivables . .	3,273,244	5,659,400	5,230,545	5,422,251	4,675,611
Notes receivable	242,279	201,317	214,159	460,138	188,913
Contract assets	938,248	320,380	52,476	7,887	7,264
Financial assets at fair value through profit or loss	1,751,529	1,133,644	4,048,748	282,074	248,473
Amounts due from related companies	190,543	137,486	40,183	31,548	32,430
Amount due from immediate holding company	222,460	1,374,169	–	–	–

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	As of December 31,			As of June 30,	As of August 31,
	2022	2023	2024	2025	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current assets					
Pledged and restricted					
bank deposits	14,037,409	8,681,408	39,621,756	26,266,146	28,213,997
Time deposits	–	600,377	7,903,854	11,437,800	10,140,011
Bank balances and cash	2,327,394	4,479,719	6,333,682	21,664,886	23,916,402
Total current assets	26,975,971	26,117,072	65,997,852	68,843,572	70,753,437
Current liabilities					
Trade and other payables	28,163,249	32,328,953	72,274,335	66,256,022	67,883,870
Borrowings	2,970,641	1,604,120	10,187	989,050	594,194
Contract liabilities	962,942	3,270,307	2,991,532	5,196,056	5,328,395
Amounts due to related					
companies	12,774	25,054	47,343	3,937,530	4,382,285
Amount due to immediate					
holding company	–	–	–	1,372	921
Lease liabilities	137,069	326,857	510,084	250,369	255,385
Income tax payable	84,808	20,888	431,313	374,864	429,045
Total current liabilities	32,331,483	37,576,179	76,264,794	77,005,263	78,874,095
Net current liabilities	(5,355,512)	(11,459,107)	(10,266,942)	(8,161,691)	(8,120,658)

Our net current liabilities remained relatively stable at RMB8,161.7 million as of June 30, 2025 and RMB8,120.7 million as of August 31, 2025.

Our net current liabilities decreased from RMB10,266.9 million as of December 31, 2024 to RMB8,161.7 million as of June 30, 2025, primarily due to (i) an increase in bank balances and cash of RMB15,331.2 million, and (ii) a decrease in trade and other payables of RMB6,018.3 million.

Our net current liabilities decreased from RMB11,459.1 million as of December 31, 2023 to RMB10,266.9 million as of December 31, 2024, primarily due to (i) an increase in pledged and restricted bank deposits of RMB30,940.3 million, (ii) an increase in time deposits of RMB7,303.5 million, and (iii) an increase in financial assets at fair value through profit or loss of RMB2,915.1 million, partially offset by (i) an increase in trade and other payables of RMB39,945.4 million and (ii) a decrease in amount due from immediate holding companies of RMB1,374.2 million.

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Our net current liabilities increased from RMB5,355.5 million as of December 31, 2022 to RMB11,459.1 million as of December 31, 2023, primarily due to (i) a decrease in pledged and restricted bank deposits of RMB5,356.0 million, (ii) an increase in trade and other payables of RMB4,165.7 million, and (iii) an increase in contract liabilities of RMB2,307.4 million, partially offset by (i) the increases in trade and other receivables of RMB2,386.2 million and (ii) the increase in bank balances and cash of RMB2,152.3 million.

We plan to improve our net current liabilities position and ensure that we have sufficient working capital by (i) optimizing our financing structure, (ii) enhancing the collection of our accounts receivable by improving our business model and customer credit management, (iii) strengthening inventory management through the disposal of obsolete inventories and improving inventory turnover, (iv) enhancing supply chain management to optimize supplier payment cycles, and (v) other initiatives such as cost control, enhancing operating efficiency, and enhancing capital utilization efficiency.

Property, Plant and Equipment

Our property, plant and equipment consist of moulds and machinery, buildings and plants, furniture, fixture and office equipment, construction in progress and motor vehicles.

The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Moulds and machinery	5,621,351	5,524,849	6,030,640	6,704,519
Buildings and plants	3,206,109	2,950,796	2,888,339	6,757,428
Furniture, fixture and office equipment	608,352	636,922	796,666	952,662
Construction in progress	345,662	195,039	212,904	1,006,662
Motor vehicles	136,175	106,972	134,867	183,273
Total	9,917,649	9,414,578	10,063,416	15,604,544

The carrying amount of our property, plant and equipment decreased from RMB9,917.6 million as of December 31, 2022 to RMB9,414.6 million as of December 31, 2023, primarily due to the decrease in buildings and plants of RMB255.3 million as of December 31, 2023 as we disposed of certain unused factories in 2023 as part of our ongoing efforts to optimize our production capacity. Additionally, the decline was also attributed to the decrease in construction in progress of RMB150.6 million resulting from the completion of our construction projects.

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The carrying amount of our property, plant and equipment increased from RMB9,414.6 million as of December 31, 2023 to RMB10,063.4 million as of December 31, 2024, and further increased to RMB15,604.5 million as of June 30, 2025, primarily due to the addition of production equipment and the purchase of Super Factory (Longxing) to support our business growth.

Right-of-Use Assets

Our right-of-use assets consist of leased properties, leased lands and equipment and machinery. The carrying amount of our right-of-use assets increased from RMB1,680.2 million as of December 31, 2022 to RMB3,013.3 million as of December 31, 2023, and further to RMB3,639.3 million as of December 31, 2024. The increase was primarily due to the expansion of our leased manufacturing facilities and equipment to support our business growth. The carrying amount of our right-of-use assets decreased from RMB3,639.3 million as of December 31, 2024 to RMB3,246.9 million as of June 30, 2025, primarily due to the decrease in equipment and machinery, as a result of the purchase of Super Factory (Longxing).

Intangible Assets

Our intangible assets consist of (i) non-patented technology accumulated through our research and development that are expected to generate future economic benefits, (ii) trademarks, and (iii) development costs, representing expenses incurred in developing new products, such as new vehicle models, that are expected to generate future economic benefits.

The following table sets forth a breakdown of our intangible assets as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-patented technology	5,424,712	8,182,914	5,493,172	6,889,525
Trademarks	—	—	2,377,299	2,252,182
Development costs.	<u>1,352,356</u>	<u>1,000,984</u>	<u>781,081</u>	<u>724,047</u>
Total	<u>6,777,068</u>	<u>9,183,898</u>	<u>8,651,552</u>	<u>9,865,754</u>

Our intangible assets increased from RMB6,777.1 million as of December 31, 2022 to RMB9,183.9 million as of December 31, 2023, primarily due to the increase in non-patented technology of RMB2,758.2 million resulting from continuous investment in new products and technologies. The increase in our intangible assets was partially offset by the decline in development costs of RMB351.4 million, primarily due to the decrease in development expenses that can be included in intangible assets.

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Our intangible assets decreased from RMB9,183.9 million as of December 31, 2023 to RMB8,651.6 million as of December 31, 2024, primarily due to the decrease in non-patented technology of RMB2,689.7 million resulting from amortization and impairment of intangible assets, and the decrease in development costs of RMB219.9 million. The decrease in our intangible assets was partially offset by an increase in trademarks of RMB2,377.3 million, mainly due to acquisition of the trademarks of AITO in 2024 to better provide high-quality vehicles and services to our users..

Our intangible assets increased from RMB8,651.6 million as of December 31, 2024 to RMB9,865.8 million as of June 30, 2025, primarily due to the increase in non-patented technology of RMB1,396.4 million, resulting from continuous investment in new products and technologies.

Interests in Associates

Our investment in associates refers to our equity interests in three unlisted companies, namely New Energy Automobiles Industrial Development (Chongqing) Co., Ltd. (新能源汽車產業發展(重慶)有限公司), Chongqing Ruichi Automobile Industrial (重慶瑞馳汽車實業有限公司) and Shenzhen Yinwang Intelligent Technology Co., Ltd. (深圳引望智能技術有限公司), amounted to RMB37.3 million, RMB2,037.9 million, RMB1,972.3 million and RMB13,404.6 million as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. Our interests in associates increased significantly from RMB37.3 million in 2022 to RMB2,037.9 million in 2023, primarily due to Chongqing Ruichi Automobile Industrial was changed from a consolidated subsidiary to an associate of our Group in 2023. Pursuant to the agreement entered into among our Group, Chongqing Ruichi and the eight new shareholders of Chongqing Ruichi, we did not have any anti-dilution rights in relation to Chongqing Ruichi's issuance of new shares to the eight new shareholders. In 2023 and 2024, the revenue of Chongqing Ruichi accounted for approximately 6.0% and 1.4% of our total revenue, respectively. As the revenue share of Chongqing Ruichi is immaterial to our Group, the loss of control over Chongqing Ruichi did not have any material operational or financial impact on our Group. Upon the loss of control over Chongqing Ruichi as of December 31, 2023, we recognized an investment in associates of RMB2.0 billion and a gain on disposal of subsidiaries of RMB1.5 billion. Our interests in associates remained relatively stable at RMB2,037.9 million and RMB1,972.3 million as of December 31, 2023 and 2024, respectively. Our interests in associates increased from RMB1,972.3 million as of December 31, 2024 to RMB13,404.6 million as of June 30, 2025, primarily due to our investment of 10% equity interest in Shenzhen Yinwang in the first quarter of 2025.

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Inventories

Our inventories consist of (i) raw materials and consumables, (ii) finished goods, (iii) work in progress and (iv) others. The following table sets out a breakdown of our inventories as of the dates indicated:

	As of December 31,			As of
	2022	2023	2024	June 30,
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Raw materials and consumables	2,573,878	1,942,354	1,345,329	1,371,895
Finished goods	1,037,913	1,133,941	672,218	1,415,822
Work in progress	147,757	124,880	125,930	135,888
Others	233,317	327,997	408,972	347,237
Total	3,992,865	3,529,172	2,552,449	3,270,842

Our inventories decreased from RMB3,992.9 million as of December 31, 2022, to RMB3,529.2 million as of December 31, 2023. This was primarily due to the decrease in raw materials and consumables of RMB631.5 million as a result of our continued efforts to optimize inventory levels. Our inventories further decreased to RMB2,552.4 million as of December 31, 2024, primarily due to the decreases in (i) raw materials and consumables of RMB597.0 million, and (ii) finished goods of RMB461.7 million. Our inventories increased from RMB2,552.4 million as of December 31, 2024 to RMB3,270.8 million as of June 30, 2025, primarily due to the increase in raw materials and consumables of RMB26.6 million and the increase in finished goods of RMB743.6 million.

We believe that by maintaining optimal inventory levels, we can meet the growing market demand without compromising our liquidity. To this end, we have put in place a set of policies and procedures to manage our inventories. For details, see “Business — Warehousing, Logistics and Inventory Management.”

The following table sets out the aging analysis of our inventories as of the dates indicated.

	As of December 31,			As of
	2022	2023	2024	June 30,
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Within one year	3,631,415	3,079,340	2,153,704	2,978,523
One to two years	194,792	268,440	216,132	89,968
Over two years	166,658	181,392	182,613	202,351
Total	3,992,865	3,529,172	2,552,449	3,270,842

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

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
Inventories turnover days ⁽¹⁾	39	41	10	13	11

Note:

- (1) Inventories turnover days are based on the average balance of inventories divided by cost of sales for the relevant period and multiplied by the number of days in the relevant period. Average balance is calculated as the average of the beginning balance and ending balance of a given period. The number of days for the year ended December 31 is 360 days and for the six months ended June 30 is 180 days.

Our inventory turnover days increased from 39 days in 2022 to 41 days in 2023. Our inventory turnover days decreased from 41 days in 2023 to 10 days in 2024, primarily because we produce by orders, aimed at reducing stock levels, enhancing production efficiency, and lowering inventory turnover days. Our order-based production model was supported by Just-in-Time (JIT) delivery, Just-in-Sequence (JIS) synchronization, and Vendor-Managed Inventory (VMI) systems, which enabled efficient procurement of raw materials and delivery of finished products, these measures allowed us to maintain a stable inventory level. In 2024, we expanded the application of these systems to a broader range of materials, therefore, despite the significant increase in sales volume of NEVs in 2024, the inventory balance still remained at a similar scale to the previous year, and with the increased revenue and cost of sales, the inventory turnover days improved in 2024 compared to 2023. Our inventory turnover days remained relatively stable at 13 days and 11 days in the six months ended June 30, 2024 and 2025, respectively.

As of August 31, 2025, RMB2,267.0 million, or 69.3% of inventories outstanding as of June 30, 2025 had been subsequently utilized or sold.

Trade and Other Receivables

Our trade and other receivables consist of (i) trade receivables, primarily representing outstanding amounts due from customers for vehicles and other products, the control of which has been transferred, (ii) other receivables, primarily representing deposits we paid for parts used to manufacture our vehicles, (iii) VAT and other tax recoverable, representing the deductible difference between output VAT payable and input VAT payable under applicable PRC tax laws and other recoverable tax, (iv) prepayments to suppliers for certain key parts used to manufacture our vehicles, and (v) prepaid consideration for an equity investment.

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The following table sets forth the details of our trade and other receivables as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	1,637,977	2,379,565	2,485,090	2,263,309
– contracts with customers .	1,351,602	2,278,500	2,373,958	2,122,422
– subsidies from governments	286,375	101,065	111,132	140,887
Less: allowance for credit losses	(47,289)	(71,056)	(161,419)	(174,937)
Other receivables, net of allowance	803,763	883,729	686,391	812,243
Value added tax and other tax recoverable	452,826	610,209	1,217,492	1,142,878
Prepayments	441,601	1,868,222	1,016,018	1,365,796
Prepaid consideration for an equity investment	–	–	2,300,000	–
Deferred issue costs	–	–	–	26,100
Total	3,288,878	5,670,669	7,543,572	5,435,389

Our trade and other receivables increased from RMB3,288.9 million as of December 31, 2022 to RMB5,670.7 million as of December 31, 2023, primarily due to the increases in (i) prepayments related to key parts of RMB1,426.6 million, which was in line with our business growth, and (ii) the gross carrying amount of trade receivables of RMB741.6 million mainly attributed to the increase in sales volume of products.

Our trade and other receivables further increased to RMB7,543.6 million as of December 31, 2024, primarily due to the increases in (i) prepaid consideration for an equity investment of RMB2.3 billion in 2024, and (ii) value added tax and other tax recoverable of RMB607.3 million mainly attributable to the increase in the amount of VAT to be deducted and certified.

Our trade and other receivables decreased to RMB5,435.4 million as of June 30, 2025, primarily due to the decreases in (i) prepaid consideration for an equity investment of RMB2.3 billion, and (ii) the gross carrying amount of trade receivable from contracts with customers of RMB251.5 million.

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We believe there are not any recoverability issue for trade and other receivables, primarily due to the subsequent settlements of trade and other receivables are still increasing and there have been no significant changes in the credit risk of our major customers. We also purchased export credit insurance for trade receivables from overseas customers. In addition, sufficient provision has been made in view of the subsequent settlement amount.

Financial Assets at Fair Value through Profit or Loss

Our financial assets measured at fair value through profit or loss primarily represent listed equity securities and structured deposits. Our financial assets measured at fair value through profit or loss decreased from RMB1,751.5 million as of December 31, 2022 to RMB1,133.6 million as of December 31, 2023, mainly attributable to the decrease in structured deposits. Our financial assets measured at fair value through profit or loss increased from RMB1,133.6 million as of December 31, 2023 to RMB4,048.7 million as of December 31, 2024, primarily due to the increase in structure deposits. Our financial assets measured at fair value through profit or loss then decreased to RMB282.1 million as of June 30, 2025, primarily due to the decrease in structured deposits. See Note 26 of the Accountants' Report in Appendix I to the Prospectus.

Our investment strategy prioritizes liquidity, safety and returns to ensure the availability of funds while maintaining a conservative risk profile. From the perspective of cash management and risk control, we mainly invested in low risk products from reputable financial institutions and prefer those products with high liquidity. We have established a robust set of internal risk management policies and guidelines, with clear approval processes and reporting procedures to ensure that investments align with our liquidity and risk requirements. The Strategy Committee of our Board is responsible for, among others, conducting research and making recommendations on our major strategic investments. We will also obtain applicable approval from our Board or shareholders pursuant to relevant laws, regulations, and our Articles of Association. Under the guidance of our Chief Financial Officer, Ms. Liu Lian, our finance department oversees our investment portfolio. Ms. Liu is responsible for managing and supervising our investment activities. Her qualifications, professional expertise, and extensive experience ensure that investment decisions are made prudently with full consideration of potential risks. Please see “Directors and Senior Management” for details of Ms. Liu’s background and past experience.

Our investments classified as financial assets measured at fair value through profit or loss will comply with Chapter 14 of the Listing Rules after the Listing.

Pledged Bank Deposits

Our pledged bank deposits primarily represent deposits pledged to banks held in designated bank accounts for issuance of bank acceptance bill, bank borrowings or other commercial arrangements. Our pledged bank deposits decreased from RMB14,031.8 million as of December 31, 2022 to RMB8,673.2 million as of December 31, 2023, primarily due to the release of funds that had been pledged during business operations. Our pledged bank deposits

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subsequently increased to RMB39,598.7 million as of December 31, 2024, which was primarily due to the increase in the amount of our bank acceptance bills. Our pledged bank deposits decreased from RMB39,598.7 million as of December 31, 2024 to RMB26,248.9 million as of June 30, 2025, primarily due to the release of funds that had been restricted during business operations.

Bank Balances and Cash

As of December 31, 2022, 2023, 2024 and June 30, 2025, our bank balances and cash amounted to RMB2,327.4 million, RMB4,479.7 million and RMB6,333.7 million and RMB21,664.9 million, respectively. See “— Liquidity and Capital Resources — Cash Flow Analysis.”

Trade and Other Payables

Our trade and other payables consist of (i) notes payables, mainly bank acceptance bills issued to suppliers, (ii) trade payables, primarily outstanding amounts due to third-party suppliers for raw materials, equipment and construction services, (iii) payroll and employee benefits payable relating to employee compensation, (iv) other payables and provisions, (v) other accrued payables, primarily provisions for product quality guarantees, (vi) other tax payables, and (vii) receipt in advance representing customer prepayments for vehicle sales orders.

The following table sets forth a breakdown of our trade and other payables as of the dates indicated.

	As of December 31,			As of
	2022	2023	2024	June 30,
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Notes payables	16,111,655	10,184,008	41,144,620	27,251,072
Trade payables	9,553,652	19,947,124	27,265,766	31,591,085
Payroll and employee benefits payable	661,602	710,862	1,555,202	804,224
Other payables and provisions	1,332,134	684,945	2,412,811	3,278,726
Other tax payables	554,297	831,648	1,011,329	1,570,049
Receipt in advance	1,323	22,964	34,262	33,534
Accrued issue costs and listing expenses	—	—	—	6,182
Consideration payable for equity investment for Shenzhen Yinwang Intelligent Technology Co., Ltd.	—	—	—	3,450,000
Total	28,214,663	32,381,551	73,423,990	67,984,872

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Our trade and other payables increased from RMB28,214.7 million as of December 31, 2022 to RMB32,381.6 million as of December 31, 2023. This was primarily due to the increase in trade payables of RMB10,393.5 million, which was generally in line with our business growth. In addition, the increase in our trade and other payables was partially offset by the decrease in notes payables of RMB5,927.6 million mainly due to the payment of due obligations to our suppliers.

Our trade and other payables further increased to RMB73,424.0 million as of December 31, 2024, primarily due to the increase in notes payable of RMB30,960.6 million, and the increase in trade payables of RMB7,318.6 million, which was primarily attributable to the increase in procurement in line with our business growth.

Our trade and other payables decreased to RMB67,984.9 million as of June 30, 2025, primarily due to our settlements of payables to suppliers.

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

	As of December 31,			As of
	2022	2023	2024	June 30,
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
0-90 days	8,261,981	17,789,329	26,216,453	29,193,744
91-180 days	370,326	130,352	188,051	1,197,876
181-365 days	546,907	1,405,099	744,968	1,048,306
Over 365 days	374,438	622,344	116,294	151,159
Total	9,553,652	19,947,124	27,265,766	31,591,085

The following table sets forth our trade and other payables turnover days for the periods indicated.

	For the year ended December 31,			For the six months ended	
	2022	2023	2024	June 30,	2025
			(days)		
Trade and other payables turnover days ⁽¹⁾	255	328	172	168	278

Note:

- (1) Trade and other payables turnover days are based on the average balance of trade and other payables divided by cost of sales for the relevant period and multiplied by the number of days in the relevant period. Average balance is calculated as the average of the beginning balance and ending balance of a given period. The number of days for the year ended December 31 is 360 days and for the six months ended June 30 is 180 days.

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Our trade and other payables turnover days increased from 255 days in 2022 to 328 days in 2023, primarily due to an increase in payables for normal production and operations as a result of the increase in sales volume of NEVs. Our trade and other payables turnover days decreased to 172 days in 2024, primarily due to the Company's improved supply chain management with more strict inventory control, resulting in shorter procurement cycles. Our trade and other payables turnover days increased from 168 days in the six months ended June 30, 2024 to 278 days in the six months ended June 30, 2025, primarily due to an increase in consideration payable for equity investment in Shenzhen Yinwang Intelligent Technology Co., Ltd. Such consideration payable for equity investment was not a regular trade payable and will not always recur in our ordinary course of business, excluding this one-off item, our trade and other payables turnover days remained relatively stable. In addition, we have shortened credit terms with suppliers to approximately 60 days, and we would continue to maintain stable supplier relationships.

As of August 31, 2025, RMB43,674.9 million, or 64.2% of our trade and other payables outstanding as of June 30, 2025, had been subsequently settled.

Contract Liabilities

Our contract liabilities mainly comprise payments received in advance of revenue recognition from our customers for vehicle sales. Our contract liabilities increased from RMB962.9 million as of December 31, 2022 to RMB3,270.3 million as of December 31, 2023, which was generally in line with our business growth. Our contract liabilities subsequently decreased to RMB2,991.5 million as of December 31, 2024, which was mainly due to we received larger advance payment from customers in the end of 2023. Our contract liabilities increased to RMB5,196.1 million as of June 30, 2025, which was generally in line with our business growth.

As of August 31, 2025, RMB4,646.2 million, or 89.4% of our contract liabilities outstanding as of June 30, 2025, had been subsequently settled.

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our working capital mainly with cash generated from our business operations, capital contribution from Shareholders and proceeds from external debts and other fundraising activities. We do not anticipate any material changes to the availability of financing to fund our operations in the future.

We had bank balances and cash of RMB2,327.4 million, RMB4,479.7 million, RMB6,333.7 million and RMB21,664.9 million as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. Additionally, we had current time deposits of nil, RMB600.4 million, RMB7,903.9 million and RMB11,437.8 million as of the same dates, respectively.

Our Directors are of the view that, taking into account the financial resources available to us, including bank balances and cash, our available banking facilities, cash flows from operating activities and net proceeds from the Global Offering, we have sufficient working capital for at least 12 months from the date of this Prospectus.

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Cash Flow Analysis

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

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Net cash (used in)/from					
operating activities	(1,358,034)	6,103,005	21,988,014	16,273,566	14,034,486
Net cash (used in) investing					
activities	(3,964,511)	(2,678,201)	(15,982,083)	(4,975,304)	(6,564,298)
Net cash from/(used in)					
financing activities	6,325,284	(1,269,023)	(4,166,686)	(1,893,810)	7,861,634
Net increase in cash and cash					
equivalents	1,002,739	2,155,781	1,839,245	9,404,452	15,331,822
Cash and cash equivalents at					
beginning of the year/period .	1,318,961	2,327,394	4,479,719	4,479,719	6,333,682
Effect of foreign exchange rate					
changes	5,694	(3,456)	14,718	5,678	(618)
Cash and cash equivalents at					
end of the year/period	<u>2,327,394</u>	<u>4,479,719</u>	<u>6,333,682</u>	<u>13,889,849</u>	<u>21,664,886</u>

Net cash (used in)/from operating activities

During the Track Record Period, we had net operating cash outflow of RMB1,358.0 million in 2022. We expect to improve our net operating cash outflows position generally in line with the continued increase in our profit, by taking into consideration of our continuous revenue growth driven by (i) the launch of *AITO M8* in April 2025, (ii) estimated orders of our existing NEV models, including *AITO M9*, *AITO M7* and *AITO M5*, remain at a high level, and (iii) revenue from others including components sales which will increase due to our increased customer demand, and accessory sales which will increase in line with our growing vehicle sales and total vehicles in operation.

Net cash generated from operating activities in the six months ended June 30, 2025 was RMB14,034.5 million, which primarily consists of profit before taxation of RMB3,724.8 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include amortization of intangible assets of RMB1,087.7 million. The amount was further adjusted by changes in working capital, primarily including a decrease in pledged bank deposits of RMB14,172.9 million.

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Net cash generated from operating activities in 2024 was RMB21,988.0 million, which primarily consists of profit before taxation of RMB4,951.3 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) amortization of intangible assets of RMB2,573.9 million, (ii) impairment losses, net of reversal of RMB1,887.2 million, and (iii) depreciation of property, plant and equipment of RMB1,416.9 million. The amount was further adjusted by changes in working capital, primarily including (i) an increase in trade and other payables of RMB39,032.4 million, (ii) a decrease in trade and other receivables of RMB3,259.1 million, and (iii) a decrease in inventories of RMB976.7 million; partially offset by an increase in pledged bank deposits of RMB32,025.5 million.

Net cash generated from operating activities in 2023 was RMB6,103.0 million, which primarily consists of loss before taxation of RMB4,080.9 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) gain on disposal of a subsidiary of RMB1,757.0 million, (ii) depreciation of property, plant and equipment of RMB1,416.4 million, and (iii) amortization of intangible assets of RMB1,129.4 million. The amount was further adjusted by changes in working capital, primarily including (i) decrease in pledged bank deposits of RMB5,853.9 million, (ii) an increase in contract liabilities of RMB2,363.6 million and (iii) an increase in trade and other payables of RMB883.0 million, partially offset by an increase in trade and other receivables of RMB780.0 million.

Net cash used in operating activities in 2022 was RMB1,358.0 million, which primarily consists of loss before taxation of RMB4,930.4 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) depreciation of property, plant and equipment of RMB1,311.3 million, (ii) amortisation of intangible assets of RMB856.2 million, and (iii) finance costs of RMB330.2 million. The amount was further adjusted by changes in working capital, primarily including (i) an increase in pledged bank deposits of RMB9,008.9 million, (ii) an increase in inventories of RMB1,220.0 million, and (iii) an increase in trade and other receivables of RMB439.5 million, partially offset by (i) an increase in trade and other payables of RMB10,687.9 million and (ii) an increase in deferred income of RMB703.9 million.

Net cash used in investing activities

Net cash used in investing activities in the six months ended June 30, 2025 was RMB6,564.3 million, which primarily consists of (i) placement of time deposits and structured deposits of RMB21,616.5 million, (ii) consideration paid for acquisition of equity investments of RMB5,750.0 million, and (iii) purchase of property, plant, equipment and intangible assets of RMB2,001.5 million, partially offset by proceeds from disposal of time deposits and structured deposits upon maturity of RMB21,877.9 million.

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Net cash used in investing activities in 2024 was RMB15,982.1 million, which primarily consists of (i) placement of time deposits and structured deposits of RMB17,778.4 million, (ii) purchase of property, plant, equipment and intangible assets of RMB7,143.9 million, and (iii) purchase of equity investments of RMB2,300.0 million, partially offset by (i) proceeds from disposal of structured deposits upon maturity of RMB9,708.9 million, (ii) compensation received from immediate holding companies of RMB1,374.2 million, and (iii) interest income of RMB527.3 million.

Net cash used in investing activities in 2023 was RMB2,678.2 million, which primarily consists of (i) placement of time deposits and structure deposits of RMB5,597.1 million, (ii) purchase of property, plant, equipment and intangible assets of RMB3,464.8 million and (iii) placement of pledged bank deposits of RMB773.9 million, partially offset by (i) proceeds from disposal of structured deposits upon maturity of RMB6,201.0 million, (ii) proceeds from disposal of a subsidiary of RMB350.0 million, and (iii) proceeds from disposal of property, plant, equipment and other assets of RMB322.2 million.

Net cash used in investing activities in 2022 was RMB3,964.5 million, which primarily consists of (i) purchase of property, plant, equipment and intangible assets of RMB3,367.0 million, (ii) placement of time deposits and structure deposits of RMB2,900.0 million and (iii) placement of pledged bank deposits of RMB531.7 million, partially offset by (i) compensation received from immediate holding companies of RMB1,361.1 million, (ii) proceeds from disposal of property, plant, equipment and other assets of RMB749.8 million, and (iii) proceeds from disposal of structured deposits upon maturity of RMB300.0 million.

Net cash generated from/(used in) financing activities

Net cash generated from financing activities in the six months ended June 30, 2025 was RMB7,861.6 million, which primarily consists of (i) proceeds from bank borrowings of RMB8,456.0 million, (ii) capital injection from non-controlling shareholders of subsidiaries of RMB5,000.0 million; partially offset by repayments of bank borrowings of RMB3,804.5 million.

Net cash used in financing activities in 2024 was RMB4,166.7 million, which primarily consists of (i) repayment of bank borrowings of RMB2,346.1 million, (ii) repayment of other borrowings of RMB1,224.4 million, and (iii) consideration paid for the acquisition of non-controlling interest of subsidiaries of RMB1,340.9 million; partially offset by (i) proceeds from issuance of shares of RMB1,523.0 million, (ii) proceeds from bank borrowings of RMB72.0 million, and (iii) deposits received from bank borrowings of RMB94.5 million.

Net cash used in financing activities in 2023 was RMB1,269.0 million, which primarily consists of (i) repayment of bank borrowings of RMB4,881.9 million, (ii) interest paid of RMB243.5 million and (iii) repayment of obligation under lease of RMB158.5 million, partially offset by (i) proceeds from bank borrowings of RMB3,701.0 million, (ii) payment received of deposits for bank borrowings of RMB297.0 million and (iii) proceeds from issue of shares of RMB159.2 million.

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Net cash generated from financing activities in 2022 was RMB6,325.3 million, which primarily consists of (i) proceeds from issue of shares of RMB7,069.4 million, (ii) proceeds from bank borrowings of RMB4,283.5 million and (iii) proceeds from other borrowings RMB1,100 million, partially offset by (i) repayment of bank borrowings of RMB4,586.1 million, (ii) repayment of amount due to immediate holding companies of RMB1,560.0 million and (iii) interest paid of RMB274.2 million.

INDEBTEDNESS

During the Track Record Period, our indebtedness included borrowings and lease liabilities. Save as otherwise disclosed below in this sub-section, we did not have any outstanding capital issued or agreed to be issued, debt securities, mortgages, charges, debentures, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, hire purchase commitments or other contingent liabilities as of August 31, 2025, being the latest practicable date for our indebtedness statement.

The following table sets forth our indebtedness as of the dates indicated.

	As of December 31,			As of June 30,	As of August 31,
	2022	2023	2024	2025	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current:					
Lease liabilities	137,069	326,857	510,084	250,369	255,385
Borrowings	2,970,641	1,604,120	10,187	989,050	594,194
Non-current:					
Lease liabilities	424,900	1,706,681	2,217,782	837,556	818,554
Borrowings	2,350,236	2,599,272	687,000	4,362,893	3,883,832
Total	<u>5,882,846</u>	<u>6,236,930</u>	<u>3,425,053</u>	<u>6,439,868</u>	<u>5,551,965</u>

Borrowings

The following table sets forth the breakdown of our borrowings as of the dates indicated.

	As of December 31,			As of June 30,	As of August 31,
	2022	2023	2024	2025	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans	4,162,455	2,978,970	697,187	5,351,943	4,478,026
Financing arrangement with government platform	1,158,422	1,224,422	—	—	—
Total	<u>5,320,877</u>	<u>4,203,392</u>	<u>697,187</u>	<u>5,351,943</u>	<u>4,478,026</u>

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Our borrowings decreased from RMB5,320.9 million as of December 31, 2022 to RMB4,203.4 million as of December 31, 2023. This was primarily due to the decrease in bank loans of RMB1,183.5 million. Our borrowings further decreased to RMB697.2 million as of December 31, 2024, primarily due to the decrease in bank loans of RMB2,281.8 million and the decrease in financing arrangement with government platform of RMB1,224.4 million, reflecting continued progress in our capital optimization strategies. Our borrowings increased from RMB697.2 million as of December 31, 2024 to RMB5,351.9 million as of June 30, 2025, primarily due to the increase in bank loans of RMB4,654.8 million for our business expansion. Our borrowings decreased from RMB5,351.9 million as of June 30, 2025 to RMB4,478.0 million as of August 31, 2025, primarily due to the decrease in bank loans of RMB873.9 million.

Our Directors confirm that as of August 31, 2025, the agreements under our borrowings did not contain any covenant that would have a material adverse effect on our ability to make additional borrowings or issue debt or equity securities in the future. Our Directors further confirm that we had no defaults in bank and other borrowings, nor did we breach any covenants (that were not waived) during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that during the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in obtaining credit facilities, or withdrawal of facilities or requests for early repayment. As of August 31, 2025, being the most recent practicable date for determining our indebtedness, we had unutilized bank facilities of RMB18.1 billion. Our Directors confirm that there has not been any material change in our indebtedness since August 31, 2025 and up to the date of this Prospectus.

Lease liabilities

As required by IFRS 16, at the commencement of a lease, a lessee will recognize a liability to make lease payments, namely, the lease liabilities, and an asset representing the right to use the underlying asset during the lease term, namely, the right-of-use assets. During the Track Record Period, we entered into leases primarily for our manufacturing facilities, offices and warehouses. Our lease liabilities, including current and non-current portion, amounted to RMB562.0 million, RMB2,033.5 million, RMB2,727.9 million, RMB1,087.9 million and RMB1,073.9 million as of December 31, 2022, 2023, 2024, June 30, 2025 and August 31, 2025, respectively.

CAPITAL EXPENDITURES

Our capital expenditures during the Track Record Period mainly consisted of expenditures on purchase of intangible assets and fixed assets. Our capital expenditures amounted to RMB4,919.5 million, RMB5,299.7 million, RMB5,935.3 million and RMB3,164.7 million for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively.

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We will continue to make capital expenditures to meet the expected growth of our business and our expansion plan. See “Future Plans and Use of Proceeds — Use of Proceeds.” We intend to fund our future capital expenditures with financial resources available to us, including cash generated from our business operations, the net proceeds from the Global Offering, and bank borrowings available to us.

CAPITAL COMMITMENTS

Our capital commitments mainly represent purchases of equipment for which we have contracted for but not yet paid. Our capital commitments decreased from RMB1,160.6 million as of December 31, 2022 to RMB623.0 million as of December 31, 2023, primarily due to a significant reduction in commitments for property, plant, and equipment of RMB470.9 million. Our capital commitments then subsequently increased to RMB672.1 million as of December 31, 2024, primarily due to new contracts for intangible assets acquisitions of RMB110.9 million in line with our business growth. Our capital commitments increased from RMB672.1 million as of December 31, 2024 to RMB1,168.8 million as of June 30, 2025, primarily due to the increase in commitments for property, plant and equipment of RMB641.9 million.

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios for the periods indicated.

	As of/for the year ended December 31,			As of/For the six months ended June 30,	
	2022	2023	2024	2024	2025
	%	%	%	%	%
Gross profit margin ⁽¹⁾ . . .	8.0	7.2	23.8	21.8	26.5
Current ratio ⁽²⁾	83.4	69.5	86.5	84.6	89.4
Quick ratio ⁽³⁾	71.1	60.1	83.2	79.4	85.2

Notes:

- (1) Gross profit margin was calculated by dividing gross profit by revenue for the periods indicated.
- (2) Current ratio was calculated by dividing total current assets by total current liabilities as of the dates indicated.
- (3) Quick ratio was calculated based on total current assets less inventories divided by total current liabilities as of the dates indicated.

Our current ratio decreased from 83.4% in 2022 to 69.5% in 2023, primarily due to an increase in payables for normal production and operations as a result of a rapid surge in orders at the end of 2023. Our current ratio increased from 69.5% in 2023 to 86.5% in 2024, primarily due to a significant increase in operating cash flow and an increase in monetary capitals. Our current ratio increased from 84.6% in the six months ended June 30, 2024 to 89.4% in the six months ended June 30, 2025, primarily due to a significant increase in operating cash flow and an increase in monetary capitals.

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Our quick ratio decreased from 71.1% in 2022 to 60.1% in 2023, primarily due to an increase in payables for normal production and operations as a result of a rapid surge in orders at the end of 2023. Our quick ratio increased from 60.1% in 2023 to 83.2% in 2024, primarily due to a significant increase in operating cash flow, an increase in monetary capitals and the decrease in inventory balances as a result of the Company's efforts to strengthen inventory management. Our quick ratio increased from 79.4% in the six months ended June 30, 2024 to 85.2% in the six months ended June 30, 2025, primarily due to a significant increase in operating cash flow, an increase in monetary capitals.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. For details of our related party transactions, see Note 50 to the Accountants' Report included in Appendix I to this Prospectus.

Our Directors are of the view that each of the related party transactions set out in Note 50 to the Accountants' Report included in Appendix I to this Prospectus was conducted in the ordinary course of business on an arm's length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we did not have any outstanding off-balance sheet arrangements.

FINANCIAL RISKS DISCLOSURE

Our activities expose us to a variety of financial risks: market risk (currency risk and interest rate risk), credit risk and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. Risk management is carried out by our senior management.

Market Risk

Currency risk

We operate internationally and are exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective functional currency of our subsidiaries. During the Track Record Period, we incurred net foreign exchange loss of RMB9.9 million, RMB7.8 million and RMB1.8 million in 2022, the six months ended June 30, 2024 and 2025, respectively, and incurred net foreign exchange gain of RMB50.1 million in 2023 and RMB26.8 million in 2024.

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The carrying amounts of our Group's major foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follow:

	As of December 31,			As of
	2022	2023	2024	June 30,
	RMB'000	RMB'000	RMB'000	2025
Assets				
USD	1,104,549	1,714,340	1,382,134	1,170,109
Indonesian Rupiah ("IDR") ..	48,680	19,126	22,586	16,784
EUR	—	26,954	9,367	54,585
Liabilities				
USD	8,632	12,219	5,687	4,939
IDR	12,112	8,335	3,845	5,568
EUR	—	2,044	2,288	131

Our Group currently does not have a foreign exchange hedging policy. However, the management of our Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arises.

Sensitivity analysis

The following table details our Group's sensitivity to a 5% increase and decrease in RMB against the relevant foreign currencies as of December 31, 2022, 2023, 2024 and June 30, 2025. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rates. A negative number below indicates an increase in pre-tax loss or decrease in pre-tax profit where RMB strengthen 5% against the relevant currency. For a 5% weakening of RMB against the relevant currency, there would be an equal and opposite impact on the pre-tax loss or pre-tax profit and the amounts below would be positive.

	As of December 31,			As of
	2022	2023	2024	June 30,
	RMB'000	RMB'000	RMB'000	2025
USD	(54,796)	(85,106)	(68,822)	(58,259)
IDR	(1,828)	(540)	(937)	(561)
EUR	—	(1,246)	(354)	(2,723)

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Interest rate risk

We are exposed to cash flow interest rate risk in relation to variable-rate bank balances and variable-rate borrowings. We are also exposed to fair value interest rate risk in relation to pledged bank deposits, restricted bank balance, finance lease receivables, convertible bonds, lease liabilities and fixed-rate borrowings.

We currently do not enter into any hedging instrument for cash flow interest rate risk. However, we monitor interest rate risk exposure and will consider hedging significant interest rate risk should the need arise.

Credit Risk

As of December 31, 2022, 2023, 2024 and June 30, 2025, our maximum exposure to credit risk in the event of the counterparties' failure to perform its obligations is arising from the carrying amounts of the respective recognized financial assets, finance lease receivables and contract assets as stated in the consolidated statements of financial position. We do not hold any collateral or other credit enhancements to cover our credit risks associated with our financial assets, finance lease receivables and contract assets.

We assessed impairment to financial assets, finance lease receivables and contract assets under the expected credit loss model. As part of our credit risk management, we use debtors' aging to assess the impairment of trade receivables from customers because these customers consist of a large number of customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The estimated loss rates are estimated based on expected default rates over the expected life of the debtors with reference to published information from credit agencies and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by our management to ensure relevant information about specific debtors is updated.

Liquidity Risk

In the management of the liquidity risk, we monitor and maintain levels of cash and cash equivalents deemed adequate by the management to finance our operations and mitigate the effects of fluctuations in cash flows. We utilize internal generated fund as a significant source of liquidity.

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DIVIDENDS

We have adopted our dividend policy since our A-Share listing on the Shanghai Stock Exchange in 2016. In 2024, we adopted our Shareholder Return Plan for 2023-2025 in accordance with applicable PRC laws and regulations, including the PRC Company Law (《中華人民共和國公司法》) and the No. 3 Guideline for the Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies (2025 Revision) (《上市公司監管指引第3號—上市公司現金分紅(2025年修訂)》), and our Articles of Association. Pursuant to our Shareholder Return Plan for 2023-2025, subject to certain conditions, the annual cash dividends of the Company shall account for no less than 20% of the profits realized by the Company in that year (calculated in accordance with PRC GAAP) which are available for distribution and attributable to the shareholders. Under our Shareholder Return Plan for 2023-2025, we declared interim dividend for the first three quarters of 2024 of RMB499.7 million, which was paid in 2024, final dividend for the year of 2024 of RMB1,584.4 million, which was paid in the first half of 2025 and dividend for the six months ended June 30, 2025 of RMB506.3 million, which is expected to be paid in October 2025. We did not declare or pay any dividends in 2022 or 2023. We have strictly implemented this plan, which specifies the decision-making process for dividend standards, dividend ratios and profit distribution policies, aiming to ensure a consistent profit distribution policy and to protect the legitimate interests of minority Shareholders.

Future profit distributions may be carried out in the form of cash dividends or stock dividends or a combination of cash dividends and stock dividends. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC Law and approval or authorization of our Shareholders. Our PRC Legal Adviser is of the opinion that, we may pay dividends following approval or authorization by general meeting of shareholders, in accordance with applicable laws, regulations, normative documents, and our Articles of Association.

DISTRIBUTABLE RESERVES

As of June 30, 2025, our retained profits were RMB897.5 million, which represents our distributable reserve as of the same date.

LISTING EXPENSES

Our listing expenses mainly include (i) underwriting-related expenses, such as underwriting fees and commissions, and (ii) non-underwriting-related expenses, comprising professional fees paid to our legal advisers and Reporting Accountants for their services rendered in relation to the Listing and the Global Offering, and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total listing expenses (based on the Maximum Offer Price and assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised) for the Global Offering are approximately HK\$251.4 million, accounting for approximately of 1.9% of our gross proceeds. Among such estimated total listing expenses, we expect to pay underwriting-related expenses of HK\$184.5

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million, professional fees for our legal advisers and Reporting Accountants of HK\$39.3 million and other fees and expenses of HK\$27.6 million. An estimated amount of HK\$11.4 million for our listing expenses, accounting for approximately 0.1% of our gross proceeds, is expected to be expensed through the statement of profit or loss and the remaining amount of HK\$240.0 million is expected to be recognized directly as a deduction from equity upon the Listing.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this Prospectus, there has been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since June 30, 2025, being the end date of our latest audited financial statements, and there has been no event since June 30, 2025 that would materially affect the information shown in the Accountants' Report set out in Appendix I.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except for the amounts due from related parties as disclosed in this section, as of the Latest Practicable Date, there are no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets of our Group is prepared in accordance with Rule 4.29 of the Listing Rules and is set out below to illustrate the effect of the Global Offering on the consolidated net tangible liabilities attributable to equity Shareholders of the Company as of June 30, 2025 as if the Global Offering had taken place on June 30, 2025.

The unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Global Offering been completed as of June 30, 2025 or at any future date.

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as of June 30, 2025	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of June 30, 2025	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of June 30, 2025 per Share	
	<i>RMB'000</i> <i>Note 1</i>	<i>RMB'000</i> <i>Note 2</i>	<i>RMB'000</i>	<i>RMB</i> <i>Note 3</i>	<i>HK\$</i> <i>Note 4</i>
Based on an Offer					
Price of HK\$131.50					
per Offer Share	17,172,902	11,803,024	28,975,926	16.71	18.30

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Notes:

- (1) The amount of audited consolidated net tangible assets of the Group attributable to owners of the Company as of June 30, 2025 amounting to approximately RMB17,172,902,000 is based on the consolidated net assets of the Group attributable to the owners of the Company of RMB26,761,103,000 as of June 30, 2025 less intangible assets and goodwill of the Group attributable to the owners of the Company of RMB9,090,809,000 and RMB497,392,000, respectively, as of June 30, 2025 as extracted/derived from the Accountants' Report of the Group set out in Appendix I to this prospectus.
- (2) The estimated net proceeds from the Global Offering are based on 100,200,000 H Shares at the Offer Price of HK\$131.50 per Share, after deduction of the underwriting fees and commissions and other listing related expenses payable by the Company (excluding listing expenses charged to profit or loss up to June 30, 2025) and without taking into account of any shares which may be allotted and issued upon the exercise of the Offer Size Adjustment Option and the Over-allotment Option or any shares which may be issued or repurchased by the Company pursuant to the Company's general mandate. For the purpose of the estimated net proceeds from the Global Offering, the amount denominated in HK\$ has been converted into RMB at the rate of HK\$1 to RMB0.9132, which was the exchange rate prevailing on October 17, 2025 with reference to the rate published by the PBOC. No representation is made that the HK\$ denominated amounts have been, could have been or may be converted to RMB, or vice versa, at that rate or any other rates or at all.
- (3) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is arrived at on the basis of 1,733,566,086 Shares in total, assuming that the Global Offering of 100,200,000 H Shares had been completed on June 30, 2025. It does not take into account any shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option or any shares which may be issued or repurchased by the Company pursuant to the Company's general mandate.
- (4) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is converted from RMB to HK\$ at the rate of HK\$1 to RMB0.9132. No representation is made that the RMB denominated amounts have been, would have been or may be converted to HK\$, or vice versa, at that rate or at any other rates or at all.
- (5) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at June 30, 2025 to reflect any trading results or other transactions of the Group entered into subsequent to June 30, 2025.

In particular, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as shown on Page II-1 has not taken into account payment of dividends of RMB506,343,000 which was approved by the shareholders at the shareholders' meeting on October 15, 2025.

The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of June 30, 2025 per Share would have been RMB16.42 (equivalent to HK\$17.98) per Share based on the Offer Price of HK\$131.50, if the dividend had been taken into account as of June 30, 2025.

Please refer to "Appendix II — Unaudited Pro Forma Financial Information" for further details.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

See the section headed “Business — Our Strategies” for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$12,924.9 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised, and at an Offer Price of HK\$131.50 per Offer Share.

In line with our strategies, we intend to use the net proceeds for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

- approximately 70.0%, or HK\$9,047.4 million, will be used to invest in our research and development, including the following:
 - approximately 40.0%, or HK\$5,170.0 million, to increase our investment in technological research and development to enhance our core technology and innovation capabilities, including the following:
 - (i) approximately 20.0%, or HK\$2,585.0 million, to continuously upgrade our MF Platform, in particular:

We plan to enhance the performance of our MF Platform by improving its architecture capability, achieving more efficient software-hardware synergy through integrated system design. To significantly improve our research and development capabilities, in 2025, we plan to procure advanced and specialized hardware equipment, including various testing equipment and systems to increase the types, quality and efficiency of our testing capabilities, and software including analysis, simulation and collaboration and administrative software for deeper, more accurate design, testing and analysis, related to the research and development of our MF Platform. We also plan to recruit more research and development personnel to support our ongoing investment in and expansion of our R&D capabilities in platform technologies;

FUTURE PLANS AND USE OF PROCEEDS

- (ii) approximately 10.0%, or HK\$1,292.5 million, to continuously upgrade our intelligent cockpit and driving assistance technologies, in particular over the next two years:

We plan to increase our investment in AI technology applied in the field of intelligent cockpit and driving assistance, aiming to improve the intelligence and reliability of intelligent cockpit and driving assistance systems. In terms of intelligent cockpit, we will further improve the functions and user experience of our cockpit system by enhancing AI-driven proactive service capabilities based on large model technology, to fully perceive passenger and driver needs and deliver a more personalized intelligent service experience. For driving assistance, we will increase our research and development investment in AI technology. Large AI models will assist in continuous improvement in the functions of driving assistance systems. Through deep learning and multimodal perception, the systems will better recognize road conditions, obstacles, and driving environments, thereby delivering a safer and more intelligent driving experience;

- (iii) approximately 5.0%, or HK\$646.2 million, to continue strengthening our research and development efforts in key powertrain technologies, in particular, over the next two years:

Continuously upgrade our range extending technology. According to Frost & Sullivan, REEVs, which utilize range extending technologies and can effectively address range anxiety, are expected to become a significant driver of growth in China's NEPV market. REEV sales volume is projected to increase from 1.3 million units in 2024 to 3.1 million units by 2030, at a CAGR of 16.5%. Leveraging such favorable industry tailwinds, we plan to continuously improve the energy conversion rate by developing proprietary high-efficiency range extenders and advanced power control technologies, thereby improving the driving range and fuel economy of vehicles. Meanwhile, we seek to enable refined management of the powertrain system to improve vehicle performance and energy efficiency, offering users more excellent travel experience;

Continuously explore the research and development of our dual-electric drive platform technology. We intend to continuously explore and develop distributed dual-electric drive platform technology, which features an innovative electromagnetic and electronic control architecture and upgraded gear design to minimize energy waste while extending driving range, building a highly integrated, high-performance and high-efficiency electric drive platform;

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Our ongoing R&D in powertrains is developed in sync with our vehicle model development cycle, with new powertrains installed to be installed on our planned new models in the second half of 2025 and the first half of 2026, respectively.

- (iv) approximately 5.0%, or HK\$646.3 million, to continuously explore advanced technologies, in particular, over the next two years:

We intend to explore the comprehensive empowerment of the automotive industry through artificial intelligence, striving for full penetration from research and development, production, to service. We will continue to explore and research the integrated area of automobiles and artificial intelligence, to support the potential development of intelligent new energy vehicles toward emerging forms and industrial spillovers in the future. In addition, we plan to establish an expert R&D team by recruiting top talent in the fields of AI and software engineering. By exploring advanced technologies and leveraging our accumulated expertise in new energy vehicles, we aim to further strengthen our product and technical advantages and be well-positioned to develop new products and seize future commercialization opportunities.

- approximately 30.0%, or HK\$3,877.4 million, to increase our investment in product research and development, to further diversify our product portfolio and proactively expand our international market presence, including the following:
 - (i) approximately 20.0%, or HK\$2,585.0 million, to develop new NEV models. We plan to continuously diversify our product portfolio while closely monitoring market trends and various customer preferences, and we are committed to continuously iterating on products that meet diversified user needs, including two new models in the second half of 2025 and the first half of 2026 respectively, as well as launching facelifts for existing models every year. We also plan to recruit more research and development staff and continue to cooperate with suppliers on component customization and vehicle design, to further support the expansion of our product portfolio, employing up to 9,200 staff in total for product line R&D, vehicle technology platform R&D and other advanced technology R&D by 2026;
 - (ii) approximately 10.0%, or HK\$1,292.4 million, to enhance R&D adaptation of our overseas vehicle models. We plan to promote the localization of our premium brand models in overseas markets, and continuously develop globally-oriented NEV models that satisfy the needs of local users and meet technical standards and customer demands in different countries and regions. We expect to enter the global premium

FUTURE PLANS AND USE OF PROCEEDS

brand automotive market, and intend to continue to explore and deepen our presence in “lighthouse markets” of strategical significance, such as the UK, Australia and New Zealand, the EU, Mexico, and the UAE, thereby further enhancing our international brand recognition. In addition, we plan to conduct in-depth market research to identify pain points and key customer needs in local markets, enabling us to upgrade existing products with refreshed interior and exterior trims and enhanced in-vehicle infotainment systems that better align with local driving habits, improving our competitiveness and attractiveness;

- approximately 20.0%, or HK\$2,585.0 million, will be used to invest in diversified new marketing channels, overseas sales, and charging network services, to enhance our global brand recognition, including the following:
 - approximately 10.0%, or HK\$1,292.5 million, to increase investment in new online marketing channels, offline channels and improve our marketing efficiency by utilizing AI technology, in particular:

(i) approximately 2.0% will be invested in new online marketing channels. We aim to diversify our marketing channels by increasing investment in emerging marketing channels. Through partnerships with popular social media platforms such as Weibo and TikTok, as well as Autohome and other industry vertical platforms, we will leverage their massive user bases and high-traffic advantages to build an omni-channel marketing matrix to further promote our products and enhance our brand exposure among global consumers; (ii) approximately 7.0% will be invested in offline marketing channels to further enhance brand awareness. For example, we plan to increase our participation in auto shows to boost brand exposure. We will also organize more offline events, such as test drives and community activities, to promote our new features and improve user engagement; and (iii) approximately 1.0% will be invested in improving marketing efficiency by utilizing AI technologies. Meanwhile, we intend to actively explore the use of artificial intelligence to gain customer insights, conduct analysis, and automatically match marketing content based on user needs, to achieve precise targeting of potential customers. Empowered by AI technology, we will automate the entire marketing process from content creation to execution of marketing activities, thereby achieving comprehensive digital management to improve marketing efficiency;

FUTURE PLANS AND USE OF PROCEEDS

- approximately 5.0%, or HK\$646.2 million, to expand our overseas sales channels and delivery capabilities and enhance our influence in the international market, in particular, over the next three years:

We plan to accelerate our global market expansion by engaging in diverse and open collaborations with our global partners, including in markets in the Middle East, Europe, Australasia, and Middle and South America. We will actively explore diverse methods for building overseas networks, including, among others, self-construction, establishment of joint ventures with local partners, strategic cooperation, and mergers and acquisitions to achieve local manufacturing and operation. We will increase local production capacity and sales network in various countries and regions, to enhance our direct engagement with customers. Through such network, we plan to conduct various sales and marketing activities, offering local customers test drives and experience services. By leveraging the distributors' existing distribution networks and customer base, we expect to accelerate our market penetration, sell our products to overseas markets, achieving growth in our overseas business. Before entering into a new international market, we will conduct legal analysis to evaluate any regulatory restrictions on our products, and will make necessary alterations and modifications to ensure compliance;

- approximately 5.0%, or HK\$646.3 million, to expand our supercharging station network and enhance customer satisfaction with our brand, in particular, over the next three years:

We plan to increase the number of our supercharging stations across China, in particular in tier-1 and tier-2 cities, as well as famous tourist spots, to build an extensive charging network for our customers with over 1,000 stations by the end of 2027, which will not only provide a more convenient and efficient charging experience to our customers, but also enhance our brand recognition and boost our sales. To adequately meet our customers' charging needs, we plan to establish more supercharging stations in key regions across China; and

- the remaining approximately 10.0%, or HK\$1,292.5 million, will be used for working capital and general corporate purposes.

If the Offer Size Adjustment Option and the Over-allotment Option are not exercised, the net proceeds that we will receive will be approximately HK\$12,924.9 million, at an Offer Price of HK\$131.50 per Offer Share.

If the Offer Size Adjustment Option and the Over-allotment Option are exercised in full, the net proceeds that we will receive will be approximately HK\$17,114.4 million, at an Offer Price of HK\$131.50 per Offer Share. In the event that the Offer Size Adjustment Option and the Over-allotment Option are exercised in full, we intend to apply the additional net proceeds to the above purpose in the proportions stated above.

FUTURE PLANS AND USE OF PROCEEDS

To the extent that our net proceeds are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations, bank loans and other borrowings. To the extent that the net proceeds from the Global Offering are not immediately used for the purposes described above and to the extent permitted by the relevant laws and regulations, they will only be placed in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions). We will issue an appropriate announcement if there is any material change to the above proposed use of proceeds.

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HONG KONG UNDERWRITERS

China International Capital Corporation Hong Kong Securities Limited
China Galaxy International Securities (Hong Kong) Co., Limited
Huatai Financial Holdings (Hong Kong) Limited

UNDERWRITING ARRANGEMENTS

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, the Company is offering 10,020,000 Hong Kong Offer Shares (subject to reallocation) for subscription by the public in Hong Kong on and subject to the terms and conditions of this Prospectus at the Offer Price.

Subject to the Hong Kong Stock Exchange granting the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option), and certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed to severally (and not jointly or jointly and severally) to subscribe or procure subscribers for their respective applicable proportions of the Hong Kong Offer Shares now being offered which are not taken up under the Hong Kong Public Offering on and subject to the terms and conditions of this Prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on and subject to, amongst other things, the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

The Joint Sponsors and the Overall Coordinators (for itself and on behalf of the Hong Kong Underwriters) shall, in their sole and absolute discretion, be entitled by notice (in writing) to the Company to terminate the Hong Kong Underwriting Agreement with immediate effect if prior to 8:00 a.m. on the Listing Date:

(A) there shall develop, occur, exist or come into force:

- (a) any new law or regulation or any change or development involving a prospective change in existing laws or regulations or any change or development involving a prospective change in the interpretation or application thereof by any court or any competent authority in or affecting any of Hong Kong, the PRC, the United States, the United Kingdom, the European

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Union (or any member thereof) or any other jurisdiction relevant to any member of the Group or the Global Offering (each a “**Relevant Jurisdiction**” and collectively, the “**Relevant Jurisdictions**”); or

- (b) any change or development involving a prospective change or development, or any event or circumstances or series of events likely to result in or representing a change or development, or prospective change or development, in local, national, regional or international financial, political, military, industrial, economic, currency market, legal, fiscal, regulatory, credit or market matters or conditions, equity securities, exchange control or any monetary or trading settlement system (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets, a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States or a change of the Hong Kong dollars or of the Renminbi against any foreign currencies) in or affecting any Relevant Jurisdiction; or
- (c) any event or series of events, whether in continuation, or circumstances in the nature of force majeure (including, without limitation, acts of government, labor disputes, strikes, lock-outs, fire, explosion, earthquake, flooding, tsunami, volcanic eruption, civil commotion, riots, rebellion, public disorder, acts of war (whether declared or undeclared), acts of terrorism (whether or not responsibility has been claimed), acts of God, accident or interruption or delay in transportation, destruction of power plant, outbreak, escalation, mutation or aggravation of diseases, epidemics or pandemics including, but not limited to, COVID-19, SARS, swine or avian flu, H5N1, H1N1, H1N7, H7N9, Ebola virus, Middle East respiratory syndrome (MERS) and such related/mutated forms, economic or comprehensive sanction, any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or calamity or crisis in whatever form, political change, paralysis of government operations, other industrial action in or directly or indirectly affecting any Relevant Jurisdiction; or
- (d) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Tokyo Stock Exchange, the Singapore Exchange Limited, the Shanghai Stock Exchange or the Shenzhen Stock Exchange; or
- (e) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent Governmental Authority), New York (imposed at the U.S. Federal or New York State level or other competent Governmental Authority), London, the PRC, the European Union (or any member thereof), or any

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Relevant Jurisdiction or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in or affecting any Relevant Jurisdiction; or

- (f) the imposition of economic or comprehensive sanctions or export control under any sanctions Laws or regulations in, or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement, in whatever form, directly or indirectly, by, or for, the United States, the United Kingdom, the European Union (or any member thereof), the PRC or any other Relevant Jurisdiction on the Company or any member of the Group; or
- (g) any change or development involving a prospective change or amendment in or affecting taxation or exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a devaluation of the United States dollar, the Hong Kong dollars or RMB against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollars or RMB is linked to any foreign currency or currencies), or the implementation of any exchange control in any Relevant Jurisdictions or adversely affecting an investment in the Offer Shares; or
- (h) other than with the prior written consent of the Overall Coordinators, the issue or requirement to issue by the Company of a supplement or amendment to this prospectus, the preliminary offering circular or the offering circular or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange or the SFC; or
- (i) any change or development involving a prospective change which has the effect of materialization of any of the risks set out in the section headed “Risk Factors” in this prospectus; or
- (j) any litigation, dispute, arbitration, legal action, proceeding or claim or regulatory investigation or action being threatened, instigated or announced against the Company, any member of the Group, any Director, or member of the senior management of the Company or any of the Single Largest Group of Shareholders; or
- (k) any contravention of the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the PRC Company Law or the Listing Rules or any other applicable Laws by the Company, any member of the Group, any Director or member of the senior management of the Company; or

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- (l) any Director or member of the senior management of the Company vacating his/her office; or
- (m) any demand by creditors for repayment of indebtedness or a petition being presented for the winding-up or liquidation of any member of the Group, or any member of the Group making any composition or arrangement with its creditors or entering into a scheme of arrangement or any resolution being passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager being appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or
- (n) any order or petition for the winding up or liquidation of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding-up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group,

which, individually or in the aggregate, in the sole and absolute opinion of the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

- (a) is or will be or may be materially adverse to, or materially and prejudicially affects, the assets, liabilities, business, general affairs, management, shareholder's equity, profit, losses, earnings, results of operations, performance, position or condition (financial, operational or otherwise), or prospects of the Company or the Group as a whole or to any present or prospective shareholder of the Company in its capacity as such;
- (b) has or will have or may have a material adverse effect on the success or marketability of the Global Offering or the level of Offer Shares being applied for or accepted or subscribed for or purchased or the distribution of Offer Shares and/or has made or is likely to make or may make it impracticable or incapable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged;
- (c) makes or will make it or may make it inexpedient, impracticable or incapable to proceed with the Hong Kong Public Offering and/or the Global Offering or the delivery of the Offer Shares on the terms and in the manner contemplated by this prospectus, the formal notice, the preliminary offering circular or the offering circular; or

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- (d) has had or will have or may have the effect of making a part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or which prevents or delays the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or
- (B) there has come to the notice of the Joint Sponsors and/or the Overall Coordinators that:
 - (a) any statement contained in any of the Offering Documents (as defined in the Hong Kong Underwriting Agreement) and/or any notices, announcements, advertisements, communications or other documents (including any announcement, circular, document or other communication pursuant to the Hong Kong Underwriting Agreement) issued or used by or on behalf of the Company in connection with the Global Offering (including any supplement or amendment thereto) (collectively, the “**Offer Related Documents**”) was or has become untrue, incomplete, incorrect, inaccurate in any material respect or misleading or deceptive or any forecasts, estimate, expressions of opinion, intention or expectation contained in any of such documents are not fair and honest and made on reasonable grounds or, where appropriate, based on reasonable assumptions;
 - (b) the issue or requirement to issue by the Company of any supplement or amendment to this prospectus, the Preliminary Offering Circular or the Offering Circular or any other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or any requirement or request of the Stock Exchange and/or the SFC, unless consented by the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters); or
 - (c) any contravention by the Company, any member of the Group or any Director of any Law in any material respect; or
 - (d) non-compliance of this prospectus, the CSRC Filings or any aspect of the Global Offering with the Listing Rules or any other applicable Law in any material respect; or
 - (e) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, not having been disclosed in this prospectus, constitutes an omission from, or misstatement in, any of the Offer Related Documents; or

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- (f) either (i) there has been a breach of any of the representations, warranties, undertakings or provisions of either the Hong Kong Underwriting Agreement or the International Underwriting Agreement by the Company (except those already qualified by materiality); or (ii) any of the representations, warranties and undertakings given by the Company in the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable, is (or would when repeated be) untrue, incorrect, incomplete or misleading in any respect (except those already qualified by materiality); or
- (g) any event, act or omission which gives or is likely to give rise to any liability of the Company pursuant to the indemnities given by the Company under the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or any litigation or dispute or potential litigation or dispute, which would have a Material Adverse Effect (as defined in the Hong Kong Underwriting Agreement); or
- (h) any material breach of any of the obligations of the Company under the Hong Kong Underwriting Agreement or the International Underwriting Agreement (including any supplement or amendment thereto); or
- (i) any breach of, or any event or circumstance rendering any of the Warranties untrue or incorrect or incomplete or misleading in any respect (except those already qualified by materiality); or
- (j) a significant portion of the orders placed or confirmed in the book-building process at the time of the International Underwriting Agreement is entered into and the investment commitments by the cornerstone investors after signing of agreements with such cornerstone investors, have been withdrawn, terminated or cancelled; or
- (k) any expert, whose consent is required for the issue of this prospectus with the inclusion of its reports, letters or opinions and references to its name included in the form and context in which it respectively appears, has withdrawn its respective consent (other than the Joint Sponsors) prior to the issue of this prospectus; or
- (l) a Material Adverse Effect (as defined in the Hong Kong Underwriting Agreement); or
- (m) the grant or agreement to grant by the Listing Committee of the Stock Exchange of the listing on the Main Board of, and permission to deal on the Main Board in, the H Shares (including pursuant to any exercise of the Offer Size Adjustment Option and the Over-allotment Option) (the “**Admission**”) is

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refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the Admission is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or

- (n) the Company has withdrawn this prospectus (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering; or
- (o) a prohibition on the Company for whatever reason from offering, allotting, issuing or selling the Offer Shares (including pursuant to any exercise of the Offer Size Adjustment Option and the Over-allotment Option Shares) pursuant to the terms of the Global Offering; or
- (p) any Director or member of senior management of the Company is being charged with an indictable offence or is prohibited by operation of law or otherwise disqualified from taking part in the management of a company or there is the commencement by any governmental, political or regulatory body of any investigation or other action against any Director or member of senior management of the Company in his or her capacity as such or any member of the Group or an announcement by any governmental, political or regulatory body that it intends to commence any such investigation or take any such action; or
- (q) any order or petition for the winding-up of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding-up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group.

Undertaking to the Hong Kong Stock Exchange pursuant to the Listing Rules

Undertakings by the Company

Pursuant to Rule 10.08 of the Listing Rules, the Company has undertaken to the Hong Kong Stock Exchange that it will not issue any further Shares or securities convertible into equity securities of the Company (whether or not of a class already listed) or form the subject of any agreement to such issue within six months from the date on which our Shares first commence dealing on the Hong Kong Stock Exchange (whether or not such issue of Shares or securities will be completed within six months from the commencement of dealing), except pursuant to the Global Offering (including the exercise of the Offer Size Adjustment Option and the Over-allotment Option) or under any of the circumstances provided under Rule 10.08 of the Listing Rules.

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Undertakings pursuant to the Hong Kong Underwriting Agreement

Undertakings by the Company

The Company has undertaken to the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and each of them not to (save for the issue, offer, or sale of the Offer Shares pursuant to the Global Offering, including pursuant to the exercise of the Over-allotment Option), without the prior written consent of the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the Listing Rules, at any time during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date falling six months after the Listing Date (the “**First Six-Month Period**”):

- (i) offer, allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, transfer, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an Encumbrance (as defined in the Hong Kong Underwriting Agreement) over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, or repurchase, any legal or beneficial interest in the share capital or any other securities of the Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represents the right to receive, or any warrants or other rights to purchase any share capital or other securities of the Company, as applicable), or deposit any share capital or other securities of the Company, as applicable, with a depositary in connection with the issue of depositary receipts; or
- (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of the H Shares or any other securities of the Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares or any shares of the Company); or
- (iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above; or
- (iv) offer to or agree to or announce any intention to effect any transaction specified in (i), (ii) or (iii) above,

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in each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of H Shares or other securities of the Company in cash or otherwise (whether or not the issue of such H Shares or other shares or securities will be completed within the First Six-Month Period).

Indemnity

The Company has agreed to indemnify the Overall Coordinators, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters for certain losses which they may suffer, including, among other matters, losses incurred arising from the performance of their obligations under the Hong Kong Underwriting Agreement and any breach by us of the Hong Kong Underwriting Agreement.

Commissions and Expenses

The Hong Kong Underwriters will receive an underwriting commission of 0.9% of the aggregate Offer Price payable for the Hong Kong Offer Shares offered under the Hong Kong Public Offering (excluding any Hong Kong Offer Shares reallocated to the International Offering), and the International Underwriters are expected to receive an underwriting commission of 0.9% of the aggregate Offer Price payable for the International Offer Shares offered under the International Offering. For unsubscribed Hong Kong Offer Shares reallocated to the International Offering and International Offer Shares reallocated to the Hong Kong Public Offering, if any, the Company will pay an underwriting commission at the rate applicable to the International Offering as set out in the International Underwriting Agreement, and such commission will be paid to the Overall Coordinators (for themselves and on behalf of the International Underwriters), and no underwriting commission will be paid to the Hong Kong Underwriters for such reallocated Offer Shares. In addition, at the discretion of the Company, the Underwriters may also receive an incentive fee of not more than 0.5% of the aggregate Offer Price in respect of all the Offer Shares to be issued by the Company under the Global Offering (including any Offer Shares to be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option). The ratio of fixed fee and discretionary fee payable by the Company to all syndicate members participating in the Global Offering is expected to be approximately 25.72:74.28 (assuming the discretionary fee will be paid in full).

An amount of US\$500,000 is payable by the Company as sponsor fees to each Joint Sponsors.

Hong Kong Underwriters' Interests in the Company

Save for the obligations under the Hong Kong Underwriting Agreement and as disclosed in this prospectus, none of the Hong Kong Underwriters has any shareholding or beneficial interests in any member of the Group or has any right or option (whether legally enforceable or not) to subscribe for or purchase or to nominate persons to subscribe for or purchase securities in any member of the Group.

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Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the H Shares as a result of fulfilling their obligations under the Hong Kong Underwriting Agreement.

International Offering

In connection with the International Offering, it is expected that the Company will enter into the International Underwriting Agreement with, among others, the Overall Coordinators (for themselves and on behalf of the International Underwriters). Under the International Underwriting Agreement and subject to the Offer Size Adjustment Option and the Over-allotment Option, it is expected that the International Underwriters would, subject to certain conditions set out therein, severally but not jointly, agree to procure purchasers for, or to purchase, the International Offer Shares being offered pursuant to the International Offering or procure purchasers for their respective applicable proportions of International Offer Shares. Please refer to the section headed “Structure of the Global Offering — The International Offering” in this prospectus for details.

It is expected that the International Underwriting Agreement may be terminated on similar grounds as those in the Hong Kong Underwriting Agreement. Potential investors should note that if the International Underwriting Agreement is not entered into, or is terminated, the Global Offering will not proceed.

Over-allotment Option

The Company expects to grant to the International Underwriters, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters), the Over-allotment Option, which will be exercisable from the date of the International Underwriting Agreement until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, to issue up to 15,030,000 H Shares, representing not more than 15.0% of the number of Offer Shares initially available under the Global Offering (assuming the Offer Size Adjustment Option is not exercised at all) or up to an aggregate of 17,284,500 H Shares, representing not more than 15.0% of the number of Offer Shares available under the Global Offering (assuming the Offer Size Adjustment Option is exercised in full), at the same price per Offer Share under the International Offering, to, among other things, cover over-allocations in the International Offering, if any.

Offer Size Adjustment Option

The Company has an Offer Size Adjustment Option under the Hong Kong Underwriting Agreement, exercisable by the Company with the prior written agreement between the Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) on or before the time of execution of the Price Determination Agreement and will lapse immediately thereafter. Upon the exercise of the Offer Size Adjustment Option, the Company may issue up to 15,030,000 additional Offer Shares (being 15.0% of the Offer Shares initially

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available under the Global Offering) at the Offer Price. The Offer Size Adjustment Option provides flexibility to increase the number of Offer Shares available for purchase under the Global Offering to cover additional market demand.

The exercise of the Offer Size Adjustment Option is also subject to the reallocation arrangement as described in “Structure of the Global Offering — The Hong Kong Public Offering — Reallocation.”

RESTRICTIONS ON THE OFFER SHARES

No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, without limitation to the following, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering and sales of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Hong Kong Offer Shares have not been publicly offered or sold, directly or indirectly, in China or the United States.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the “**Syndicate Members**”) and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of the Company and/or persons and entities with relationships with the Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with the Group’s loans and other debt.

In relation to the H Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the H Shares (which financing may be secured by the H Shares) in the Global Offering,

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proprietary trading in the H Shares, and entering into over-the-counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the H Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares, which may have a negative impact on the trading price of the H Shares. All such activity could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by the Syndicate Members or their affiliates of any listed securities having the H Shares as their underlying securities, whether on the Hong Kong Stock Exchange or on any other stock exchange, the rules of the exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

Such activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of the price of the H Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

- (a) the Syndicate Members must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and
- (b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to the Company and its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

UNDERWRITING

JOINT SPONSORS' INDEPENDENCE

China International Capital Corporation Hong Kong Securities Limited satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

China Galaxy International Securities (Hong Kong) Co., Limited, one of the Joint Sponsors, is a wholly-owned subsidiary of China Galaxy Securities Co., Ltd. (中國銀河證券股份有限公司) (“**China Galaxy**”). Taking into account of the business relationship between China Galaxy and the Company, which might reasonably give rise to a perception that the sponsor's independence would be so affected, China Galaxy International Securities (Hong Kong) Co., Limited is not considered as an independent sponsor pursuant to the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering.

China International Capital Corporation Hong Kong Securities Limited and China Galaxy International Securities (Hong Kong) Co., Limited are the Overall Coordinators of the Global Offering, and the Joint Global Coordinators of the Global Offering.

The listing of the H Shares on the Hong Kong Stock Exchange is sponsored by the Joint Sponsors. The Joint Sponsors has made an application on behalf of our Company to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, the H Shares in issue and to be issued as mentioned in this prospectus.

100,200,000 Offer Shares will initially be made available under the Global Offering comprising:

- (a) the Hong Kong Public Offering of initially 10,020,000 H Shares (subject to reallocation and the Offer Size Adjustment Option) in Hong Kong as described in the sub-section “The Hong Kong Public Offering” in this section below; and
- (b) the International Offering of initially 90,180,000 H Shares (subject to reallocation, the Offer Size Adjustment Option and the Over-allotment Option) outside the United States in offshore transactions in reliance on Regulation S as described in the sub-section headed “The International Offering” this section below.

Investors may either:

- (i) apply for Hong Kong Offer Shares under the Hong Kong Public Offering; or
- (ii) apply for or indicate an interest for International Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 5.78% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering, assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 6.59% of the enlarged issued share capital of our Company (assuming the Offer Size Adjustment Option is not exercised at all) or approximately 7.50% of the enlarged issued share capital of our Company (assuming the Offer Size Adjustment option is exercised in full) immediately following the completion of the Global Offering.

References in this prospectus to applications, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

STRUCTURE OF THE GLOBAL OFFERING

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

Our Company is initially offering 10,020,000 H Shares (subject to reallocation) for subscription by the public in Hong Kong at the Offer Price, representing approximately 10.00% of the total number of Offer Shares initially available under the Global Offering. The number of Offer Shares initially offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 0.58% of the total Shares in issue immediately following the completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised).

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in the sub-section headed “Conditions of the Global Offering” in this section.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally into two pools (with any odd lots being allocated to pool A): pool A and pool B. The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK\$5 million (excluding the brokerage, the SFC transaction levy, the AFRC transaction levy and the Hong Kong Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK\$5 million (excluding the brokerage, the SFC transaction levy, the AFRC transaction levy and the Hong Kong Stock Exchange trading fee payable) and up to the total value in pool B.

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Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are unsubscribed, such unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of the immediately preceding paragraph only, the “price” for Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 5,010,000 Hong Kong Offer Shares (being 50% of the Hong Kong Offer Shares initially available under the Hong Kong Public Offering) is liable to be rejected.

Reallocation

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Overall Coordinators. Subject to the allocation cap described in the subsequent paragraph, the Overall Coordinators may in their discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed, the Overall Coordinators will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators deem appropriate.

In the event of reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering in the circumstances where (a) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times; or (b) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 5,010,000 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 15,030,000 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering (before exercise of the Offer Size Adjustment option and the Over-allotment Option) in accordance with Chapter 4.14 of the Guide for New Listing Applicants. In the circumstance where the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are undersubscribed, there will be no reallocation from the International Offering to the Hong Kong Public Offering, and no over-allocation of H Shares to the Hong Kong Public Offering.

STRUCTURE OF THE GLOBAL OFFERING

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows Mechanism B set out under paragraph 2 of Chapter 4.14 of the Guide and the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering.

Details of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering will be disclosed in the results announcement of the Global Offering, which is expected to be published on Tuesday, November 4, 2025.

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him/her/it that he/she/it and any person(s) for whose benefit he/her/it is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering. Such applicant's application is liable to be rejected if such undertaking and/or confirmation is/are breached and/or untrue (as the case may be) or if he/she/it has been or will be placed or allocated International Offer Shares under the International Offering.

Applicants under the Hong Kong Public Offering may be required to pay, on application, (subject to application channel) the maximum Offer Price of HK\$131.50 per Offer Share in addition to the brokerage, the SFC transaction levy, the AFRC transaction levy and the Hong Kong Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK\$13,282.62 for one board lot of 100 H Shares. If the Offer Price, as finally determined in the manner described in the sub-section headed "Pricing and Allocation" in this section below, is less than the maximum Offer Price of HK\$131.50 per H Share, appropriate refund payments (including the brokerage, the SFC transaction levy, the AFRC transaction levy and the Hong Kong Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants (subject to application channel), without interest. Further details are set out in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

THE INTERNATIONAL OFFERING

Number of Offer Shares initially offered

The International Offering will consist of an initial offering of 90,180,000 H Shares, representing approximately 90% of the total number of Offer Shares initially available under the Global Offering (subject to reallocation, the Offer Size Adjustment option and the Over-allotment Option). The number of Offer Shares initially offered under the International Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 5.20% of the total Shares in issue immediately following the completion of the Global Offering (assuming the Offer Size Adjustment option and the Over-allotment Option are not exercised).

STRUCTURE OF THE GLOBAL OFFERING

Allocation

The International Offering will include selective marketing of Offer Shares institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the “book-building” process described in sub-section headed “Pricing and Allocation” in this section and based on a number of factors, including the level and timing of demand, the total size of the relevant investor’s invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further H Shares and/or hold or sell its H Shares after the Listing. Such allocation is intended to result in a distribution of the H Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of the Group and the Shareholders as a whole.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Overall Coordinators so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of Offer Shares under the International Offering.

Reallocation

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of the clawback arrangement described in the subsection “The Hong Kong Public Offering — Reallocation” in this section above, the exercise of the Offer Size Adjustment option and the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

OFFER SIZE ADJUSTMENT OPTION

In order to provide the Company with the flexibility to increase the number of Offer Shares available under the Global Offering to cover additional demand, the Company has an Offer Size Adjustment Option which will allow the Company to issue up to 15,030,000 additional Offer Shares (representing approximately 15.0% of the Offer Shares initially being offered under the Global Offering) (the “**Offer Size Adjustment Option Shares**”) at the Offer Price. The Offer Size Adjustment Option may be exercised on or before the time of execution of the Price Determination Agreement and will lapse immediately thereafter.

STRUCTURE OF THE GLOBAL OFFERING

The Offer Size Adjustment Option is contained in the Hong Kong Underwriting Agreement and is exercisable by the Company with the prior written agreement between the Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) on or before the time of the execution of the Price Determination Agreement. If it is not exercised by such time, then the Offer Size Adjustment Option will lapse. In considering whether to exercise the Offer Size Adjustment Option, the Company and the Overall Coordinators will take into account a number of factors, including, among other things:

- (a) whether the level of interest expressed by prospective professional and institutional investors during the book-building process under the International Offering is sufficient to cover:
 - (i) the total number of Offer Shares, which represents the aggregate of the Offer Shares initially available under the Global Offering and the additional Offer Shares upon any exercise of the Offer Size Adjustment Option; and
 - (ii) the corresponding number of H Shares under the Over-allotment Option;
- (b) the prices at which prospective professional and institutional investors have indicated they would be prepared to acquire the Offer Shares in the course of the book-building process;
- (c) the quality of investors, with a view to establishing a solid professional institutional and investor shareholder base to the benefit of the Company and its Shareholders as a whole;
- (d) the level of subscriptions by the valid applications in the Hong Kong Public Offering; and
- (e) general market conditions.

These Offer Size Adjustment Option Shares, if any, will be allocated in such manner as closely as practicable to maintain the proportionality between the Hong Kong Public Offering and the International Offering, and the Overall Coordinators shall allocate additional H Shares to be offered by our Company pursuant to the International Offering to the Hong Kong Public Offering in order to maintain such proportionality and the relevant number of Offer Size Adjustment Option Shares shall be allocated to the International Offering to maintain such proportionality, i.e., the initial proportion of 10.0%:90.0% between the Hong Kong Public Offering and the International Offering, except for the scenario where excess additional Offer Shares are not taken up by retail investors under the Hong Kong Public Offering and will then be reallocated to International Offering to satisfy excess demand in the International Offering as described in details below, in which case the final allocation of Offer Shares to the Hong Kong Public Offering will be less than 10.0% of the total number of Offer Shares in the Global Offering after the exercise of the Offer Size Adjustment Option.

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Furthermore, the Company and the Overall Coordinators will only exercise the Offer Size Adjustment Option to the extent that the Offer Size Adjustment Option Shares to be allocated to the International Offering in order to maintain the initial proportionality between the Hong Kong Public Offering and the International Offering will be fully subscribed to ensure no Offer Size Adjustment Option Shares allocated to the International Offering will be reallocated to the Hong Kong Public Offering.

In the event that the Offer Size Adjustment Option is exercised in full:

- (a) if the Hong Kong Public Offering is oversubscribed by at least 0.15 time (being the percentage which the additional Offer Shares issued pursuant to the Offer Size Adjustment Option represent as a percentage to the number of the initial Offer Shares), the additional Offer Shares will be allocated so as to maintain the initial proportionality between the Hong Kong Public Offering and the International Offering;
- (b) if the Hong Kong Public Offering is oversubscribed by less than 0.15 time, the additional Offer Shares will first be allocated to maintain, to the extent possible, the initial proportion of 10.0%:90.0% between the Hong Kong Public Offering and the International Offering. Any excess additional Offer Shares not taken up by retail investors under the Hong Kong Public Offering will then be reallocated to International Offering to satisfy excess demand in the International Offering. In such a case, the final allocation of Offer Shares to the Hong Kong Public Offering will be less than 10.0% of the total number of Offer Shares in the Global Offering after the exercise of the Offer Size Adjustment Option.

In the event that the Offer Size Adjustment Option is exercised in part:

- (a) if the Hong Kong Public Offering is oversubscribed by at least the relevant multiple (being the percentage which the additional Offer Shares issued pursuant to the Offer Size Adjustment Option represent as a percentage to the number of the initial Offer Shares), the additional Offer Shares will be allocated so as to maintain the initial proportionality between the Hong Kong Public Offering and the International Offering;
- (b) if the Hong Kong Public Offering is oversubscribed by less than the relevant multiple (being the percentage which the additional Offer Shares issued pursuant to the Offer Size Adjustment Option represent as a percentage to the number of the initial Offer Shares), the additional Offer Shares will first be allocated to maintain, to the extent possible, the initial proportion of 10.0%:90.0% between the Hong Kong Public Offering and the International Offering. Any excess additional Offer Shares not taken up by retail investors under the Hong Kong Public Offering will then be reallocated to International Offering to satisfy excess demand in the International Offering. In such a case, the final allocation of Offer Shares to the Hong Kong Public Offering will be less than 10.0% of the total number of Offer Shares in the Global Offering after the exercise of the Offer Size Adjustment Option.

STRUCTURE OF THE GLOBAL OFFERING

In the event that the Hong Kong Public Offering is undersubscribed, all the additional Offer Shares will be allocated to the International Offering. In such a case, the final allocation of Offer Shares to the Hong Kong Public Offering will be less than 10.0% of the total number of Offer Shares in the Global Offering after the exercise of the Offer Size Adjustment Option.

If the Offer Size Adjustment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 0.86% of our enlarged issued share capital immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised). The dilution effect of the Offer Size Adjustment Option (assuming the Over-allotment Option is not exercised) is set out below:

Number of H Shares issued under the Global Offering before the exercise of the Offer Size Adjustment Option (the “Original Subscribers”)	Approximate percentage of total issued share capital held by the Original Subscribers before the exercise of the Offer Size Adjustment Option	Number of H Shares issued under the Global Offering after the exercise of the Offer Size Adjustment Option in full	Approximate percentage of total issued share capital held by the Original Subscribers after the exercise of the Offer Size Adjustment Option in full
100,200,000	5.8%	115,230,000	6.6%

The Offer Size Adjustment Option will not be used for price stabilization purposes and will not be subject to the provisions of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong). The Offer Size Adjustment Option will be in addition to the Over-allotment Option.

The Company will disclose in its allotment results announcement if and to what extent the Offer Size Adjustment Option has been exercised, the final allocation of Offer Shares between the Hong Kong Public Offering and the International Offering and the use of the additional proceeds received, or will confirm that if the Offer Size Adjustment Option has not been exercised by the Price Determination Date, it will lapse and cannot be exercised at any future date.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, our Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require our Company to issue up to an aggregate of 15,030,000 H Shares, representing not more than 15.0% of the number of Offer Shares initially available under the Global Offering (assuming the Offer Size Adjustment

STRUCTURE OF THE GLOBAL OFFERING

Option is not exercised at all) or up to an aggregate of 17,284,500 H Shares, representing not more than 15.0% of the number of Offer Shares available under the Global Offering (assuming the Offer Size Adjustment Option is exercised in full), at the Offer Price under the International Offering to, cover over-allocations (if any) in the International Offering.

If the Offer Size Adjustment Option is not exercised and the Over-allotment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 0.86% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering. If the Offer Size Adjustment Option and the Over-allotment Option are exercised in full, the additional Offer Shares to be issued pursuant to the Over-allotment Option will represent approximately 0.98% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering. If the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager (or its affiliates or any person acting for it), on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of the H Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilizing Manager (or its affiliates or any person acting for it) to conduct any such stabilizing action. Such stabilizing action, if taken, (a) will be conducted at the absolute discretion of the Stabilizing Manager (or its affiliates or any person acting for it) and in what the Stabilizing Manager reasonably regards as the best interest of our Company, (b) may be discontinued at any time and (c) is required to be brought to an end within 30 days of the last day for lodging applications under the Hong Kong Public Offering.

Stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules of the SFO includes (a) over-allocation for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (b) selling or agreeing to sell the H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (c) purchasing, or agreeing to purchase, the H Shares pursuant to the Over-allotment Option in order to close out any position established under paragraph (a) or (b) above, (d) purchasing, or agreeing to purchase, any of the H Shares for the sole purpose of preventing or minimizing any reduction in the market price

STRUCTURE OF THE GLOBAL OFFERING

of the H Shares, (e) selling or agreeing to sell any H Shares in order to liquidate any position established as a result of those purchases and (f) offering or attempting to do anything as described in paragraph (b), (c), (d) or (e) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- (a) the Stabilizing Manager (or its affiliates or any person acting for it) may, in connection with the stabilizing action, maintain a long position in the H Shares;
- (b) there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager (or its affiliates or any person acting for it) will maintain such a long position;
- (c) liquidation of any such long position by the Stabilizing Manager (or its affiliates or any person acting for it) and selling in the open market may have an adverse impact on the market price of the H Shares;
- (d) no stabilizing action can be taken to support the price of the H Shares for longer than the stabilization period, which will begin on the Listing Date, and is expected to expire on the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the H Shares, and therefore the price of the H Shares, could fall;
- (e) the price of the H Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and
- (f) stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

In order to effect stabilization actions, the Stabilizing Manager will arrange cover of up to an aggregate of 15,030,000 H Shares, representing not more than 15.0% of the number of Offer Shares initially available under the Global Offering (assuming the Offer Size Adjustment Option is not exercised at all) or up to an aggregate of 17,284,500 H Shares, representing not more than 15.0% of the number of Offer Shares available under the Global Offering (assuming the Offer Size Adjustment Option is exercised in full), through delayed delivery arrangements with investors who have been allocated Offer Shares in the International Offering. The delayed delivery arrangements (if specifically agreed by an investor) relate only to the delay in the delivery of the Offer Shares to such investor and the Offer Price for the Offer Shares allocated to such investor will be fully paid before the Listing Date. Both the size of such cover and the extent to which the Over-allotment Option can be exercised will depend on whether arrangements can be made with investors such that a sufficient number of H Shares can be delivered on a delayed basis. If no investor in the International Offering agrees to the delayed delivery arrangements, no stabilizing actions will be undertaken by the Stabilizing Manager and the Over-allotment Option will not be exercised.

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Our Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

Over-Allocation

Following any over-allocation of H Shares in connection with the Global Offering, the Stabilizing Manager (or its affiliates or any person acting for it) may cover such over-allocations by exercising the Over-allotment Option in full or in part, by using H Shares purchased by the Stabilizing Manager (or its affiliates or any person acting for it) in the secondary market at prices that do not exceed the Offer Price, or by a combination of these methods.

PRICING AND ALLOCATION

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be fixed on the Price Determination Date, which is expected to be on or about Monday, November 3, 2025 and, in any event, no later than 12:00 noon on Monday, November 3, 2025, by agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company, and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

We will determine the Offer Price by reference to, among other factors, the closing price of the A Shares on the Shanghai Stock Exchange on the last trading day on or before the Price Determination Date (which is accessible to the Shareholders and potential investors at https://english.sse.com.cn/markets/equities/list/overview/?COMPANY_CODE=601127&STOCKCODE=601127), and the Offer Price will not be more than HK\$131.50. The historical prices of our A Shares and trading volume on Shanghai Stock Exchange are set out below.

Period	High	Low	ADTV ⁽¹⁾
	(RMB)	(RMB)	(A Shares)
Year ended December 31, 2022	87.75	36.10	20,717,628
Year ended December 31, 2023	97.90	24.82	50,481,102
Year ended December 31, 2024	144.75	56.10	51,449,413
Year of 2025 (up to the Latest Practicable Date)	171.57	113.80	26,716,820

Note:

- (1) Average daily trading volume (“ADTV”) represents daily average number of the A Shares of the Company traded over the relevant period.

STRUCTURE OF THE GLOBAL OFFERING

The final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in “How to Apply for Hong Kong Offer Shares — B. Publication of Results.”

The Offer Price will not be more than HK\$131.50 per H Share unless otherwise announced, as further explained below. Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channel) the maximum Offer Price of HK\$131.50 per H Share plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565%, amounting to a total of HK\$13,282.62 for one board lot of 100 H Shares.

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building,” is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

The Overall Coordinators (on behalf of the Underwriters) may, where they deem appropriate, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Offering, and with the consent of our Company, reduce the number of Offer Shares offered and/or the Offer Price at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, our Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the websites of our Company and the Hong Kong Stock Exchange at www.seres.cn and www.hkexnews.hk, respectively, notices of the reduction. Upon the issue of such a notice, the revised number of Offer Shares and/or the Offer Price will be final and conclusive and the Offer Price, if agreed upon by the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company, will be fixed. Our Company will also, as soon as practicable following the decision to make such change, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the Offer Price may not be made until the last day for lodging applications under the Hong Kong Public Offering. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change as a result of any such reduction. In the absence of any such notice so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon by the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company, will not be reduced.

STRUCTURE OF THE GLOBAL OFFERING

The final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in the section headed “How to Apply for Hong Kong Offer Shares — B. Publication of Results”.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to, among other things, the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company agreeing on the Offer Price.

Our Company expects to enter into the International Underwriting Agreement relating to the International Offering on or around the Price Determination Date.

These underwriting arrangements, including the Underwriting Agreements, are summarized in the section headed “Underwriting” in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

- (a) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including any additional H Shares that may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option) on the Main Board of the Hong Kong Stock Exchange and such approval and permission not subsequently having been withdrawn or revoked prior to the Listing Date;
- (b) the Offer Price having been agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company;
- (c) the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date; and
- (d) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times).

STRUCTURE OF THE GLOBAL OFFERING

If, for any reason, the Offer Price is not agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company by 12:00 noon on Monday, November 3, 2025, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the dates and times specified, the Global Offering will lapse and the Hong Kong Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by our Company on the websites of our Company and the Hong Kong Stock Exchange at www.seres.cn and www.hkexnews.hk, respectively, on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out in the section headed “How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies” in this prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

H Share certificates for the Offer Shares will only become valid at 8:00 a.m. on Wednesday, November 5, 2025, provided that the Global Offering has become unconditional in all respects at or before that time.

DEALINGS IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Wednesday, November 5, 2025, it is expected that dealings in the H Shares on the Hong Kong Stock Exchange will commence at 9:00 a.m. on Wednesday, November 5, 2025.

The H Shares will be traded in board lots of 100 H Shares each and the stock code of the H Shares will be 9927.

HOW TO APPLY FOR HONG KONG OFFER SHARES

IMPORTANT NOTICE TO INVESTORS OF HONG KONG PUBLIC OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offer and below are the procedures for application.

This prospectus is available at the website of the Hong Kong Stock Exchange at www.hkexnews.hk under the “HKEXnews > New Listings > New Listing Information” section, and our website at www.seres.cn.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG PUBLIC OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Public Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older;
- have a Hong Kong address (*for the **HK eIPO White Form** service only*); and
- are outside the United States (within the meaning of Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S.

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Hong Kong Stock Exchange to us, you cannot apply for any Hong Kong Public Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder of our Company;
- are a Director, Supervisor or chief executive of our Company and/or a director, supervisor or chief executive of any of its subsidiaries;
- are a close associate (as defined in the Listing Rules) of any of the above persons;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- are a connected person (as defined in the Listing Rules) of our Company or will become a connected person of our Company immediately upon the completion of the Global Offering; or
- have been allocated or have applied for or indicated an interest in any International Offer Shares or otherwise participate in the International Offering.

2. Application Channels

The Hong Kong Public Offer period will begin at 9:00 a.m. on Monday, October 27, 2025 and end at 12:00 noon on Friday, October 31, 2025 (Hong Kong time).

To apply for Hong Kong Public Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
HK eIPO White Form service	www.hkeipo.hk	Investors who would like to receive a physical H Share certificate. Hong Kong Public Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Monday, October 27, 2025 to 11:30 a.m. on Friday, October 31, 2025, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Friday, October 31, 2025, Hong Kong time.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction	Investors who would <u>not</u> like to receive a physical H Share certificate. Hong Kong Public Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

HOW TO APPLY FOR HONG KONG OFFER SHARES

The **HK eIPO White Form** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Public Offer Shares.

For those applying through the **HK eIPO White Form** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Public Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the electronic application instructions are given, you shall be deemed to have declared that only one set of electronic application instructions has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of electronic application instructions for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **HK eIPO White Form** service more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **HK eIPO White Form** service, you are deemed to have authorized the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

By instructing your broker or custodian to apply for the Hong Kong Public Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Public Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through **HKSCC EIPO** channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offer.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Public Offer Shares or for any breach of the terms and conditions of this prospectus.

HOW TO APPLY FOR HONG KONG OFFER SHARES

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants	For Corporate Applicants
<ul style="list-style-type: none"> • Full name(s)² as shown on your identity document • Identity document's issuing country or jurisdiction • Identity document type, with order of priority: <ul style="list-style-type: none"> i. HKID card; or ii. National identification document; or iii. Passport; and • Identity document number 	<ul style="list-style-type: none"> • Full name(s)² as shown on your identity document • Identity document's issuing country or jurisdiction • Identity document type, with order of priority: <ul style="list-style-type: none"> i. LEI registration document; or ii. Certificate of incorporation; or iii. Business registration certificate; or iv. Other equivalent document; and • Identity document number

Notes:

1. If you are applying through the **HK eIPO White Form** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong Address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.
2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for shares in a public offer. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.
3. If the applicant is a trustee, the client identification data ("CID") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.
4. The maximum number of joint account holders on FINI is capped at 4 in accordance with market practice.
5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

HOW TO APPLY FOR HONG KONG OFFER SHARES

6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

“Unlisted company” means a company with no equity securities listed on the Hong Kong Stock Exchange or any other stock exchange.

“Statutory control” means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through **HKSCC EIPO** channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney’s authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Public Offer Shares for Application

Board lot size : 100 H Shares

Permitted number of Hong Kong Public Offer Shares for application and amount payable on application/successful allotment . . . : Hong Kong Public Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

The maximum Offer Price is HK\$131.50 per H Share.

If you are applying through the **HKSCC EIPO** channel, your broker or custodian may require you to pre-fund your application, in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such prefunding requirement imposed by your broker or custodian with respect to the Hong Kong Public Offer Shares you applied for.

¹ Subject to change, if the Company’s Articles of Incorporation and applicable company law prescribe a lower cap.

HOW TO APPLY FOR HONG KONG OFFER SHARES

By instructing your broker or custodian to apply for the Hong Kong Public Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Hong Kong Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your broker or custodian.

If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Public Offer Shares.

No. of Hong Kong Offer Shares applied for	Maximum Amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable ⁽²⁾ on application/ successful allotment
	HK\$		HK\$		HK\$		HK\$
100	13,282.62	2,500	332,065.44	30,000	3,984,785.33	600,000	79,695,706.50
200	26,565.24	3,000	398,478.53	40,000	5,313,047.10	700,000	92,978,324.26
300	39,847.86	3,500	464,891.62	50,000	6,641,308.88	800,000	106,260,942.00
400	53,130.47	4,000	531,304.71	60,000	7,969,570.66	900,000	119,543,559.76
500	66,413.09	4,500	597,717.80	70,000	9,297,832.43	1,000,000	132,826,177.50
600	79,695.71	5,000	664,130.89	80,000	10,626,094.20	2,000,000	265,652,355.00
700	92,978.33	6,000	796,957.06	90,000	11,954,355.98	3,000,000	398,478,532.50
800	106,260.94	7,000	929,783.24	100,000	13,282,617.76	4,000,000	531,304,710.00
900	119,543.57	8,000	1,062,609.42	200,000	26,565,235.50	5,010,000 ⁽¹⁾	665,459,149.28
1,000	132,826.18	9,000	1,195,435.60	300,000	39,847,853.26		
1,500	199,239.27	10,000	1,328,261.78	400,000	53,130,471.00		
2,000	265,652.35	20,000	2,656,523.56	500,000	66,413,088.76		

- (1) Maximum number of Hong Kong Offer Shares you may apply for and this is approximately 50% of the Hong Kong Offer Shares initially offered.
- (2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed “— *A. Application for Hong Kong Public Offer Shares — 3. Information Required to Apply*” in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **HK eIPO White Form** service, (ii) **HKSCC EIPO** channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **HK eIPO White Form** service or **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply for any Global Offer Shares.

The H Share Registrar would record all applications into its system and identify suspected multiple applications with identical names and identification document numbers according to the Best Practice Note on Treatment of Multiple/Suspected Multiple Applications (“**Best Practice Note**”) issued by the Federation of Share Registrars Limited.

Since applications are subject to personal information collection statements, identification document numbers displayed are redacted.

6. Terms and Conditions of An Application

By applying for Hong Kong Public Offer Shares through the **HK eIPO White Form** service or **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

- (i) undertake to execute all relevant documents and instruct and authorize us and/or the Overall Coordinators, as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Public Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the **HKSCC EIPO** channel) to deposit the allotted Hong Kong Public Offer Shares directly into CCASS for the credit of your designated HKSCC Participant’s stock account on your behalf;
- (ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **HK eIPO White Form** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (iii) (if you are applying through the **HKSCC EIPO** channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Public Offer Shares;
- (iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;
- (v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;
- (vi) agree that the Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering (the “**Relevant Persons**”), the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;
- (vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Hong Kong Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed “— G. Personal Data — 3. Purposes” and “4. Transfer of personal data” in this section;
- (viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees’ application) has been accepted) that you will not rescind it because of an innocent misrepresentation;
- (ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed “— B. Publication of Results” in this section;
- (x) confirm that you are aware of the situations specified in the paragraph headed “— C. Circumstances in Which You Will Not Be Allocated Hong Kong Public Offer Shares” in this section;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (xi) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;
- (xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;
- (xiii) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by the Company, any of the directors, supervisors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, supervisors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the H Shares registered in your name or otherwise held by you;
- (xiv) warrant that the information you have provided is true and accurate;
- (xv) confirm that you understand that we and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Public Offer Shares to you and that you may be prosecuted for making a false declaration;
- (xvi) agree to accept Hong Kong Public Offer Shares applied for or any lesser number allocated to you under the application;
- (xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC directly or indirectly or through the **HK eIPO White Form** service or by any one as your agent or by any other person; and
- (xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC and the **HK eIPO White Form** Service Provider and (2) you have due authority to give **electronic application instructions** on behalf of that other person as its agent.

HOW TO APPLY FOR HONG KONG OFFER SHARES

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Public Offer Shares through:

Platform	Date/Time
Applying through the HK eIPO White Form service or HKSCC EIPO channel :	
Website. From the “Allotment Results” page at www.hkeipo.hk/IPOResult (or www.tricor.com.hk/ipo/result) with a “search by ID” function.	24 hours, from 11:00 p.m. on Tuesday, November 4, 2025 to 12:00 midnight on Monday, November 10, 2025 (Hong Kong time)
The full list of (i) wholly or partially successful applicants using the HK eIPO White Form service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed at www.hkeipo.hk/IPOResult or www.tricor.com.hk/ipo/result .	
The Hong Kong Stock Exchange’s website at www.hkexnews.hk and our website at www.seres.cn which will provide links to the above mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Tuesday, November 4, 2025 (Hong Kong time).
Telephone +852 3691 8488 — the allocation results telephone enquiry line provided by the H Share Registrar	between 9:00 a.m. and 6:00 p.m., from Wednesday, November 5, 2025 to Monday, November 10, 2025 (Hong Kong time) on a business day

For those applying through **HKSCC EIPO** channel, you may also check with your broker or custodian from 6:00 p.m. on Monday, November 3, 2025 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Monday, November 3, 2025 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

HOW TO APPLY FOR HONG KONG OFFER SHARES

Allocation Announcement

We expect to announce the results of the final Offer Price, the level of indications of interest in the Global Offer, the level of applications in the Hong Kong Public Offer and the basis of allocations of Hong Kong Public Offer Shares on the Hong Kong Stock Exchange's website at www.hkexnews.hk and our website at www.seres.cn by no later than 11:00 p.m. on Tuesday, November 4, 2025 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG PUBLIC OFFER SHARES

You should note the following situations in which Hong Kong Public Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

The Company, the Overall Coordinators, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Public Offer Shares is void:

The allocation of Hong Kong Public Offer Shares will be void if the Hong Kong Stock Exchange does not grant permission to list the H Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Hong Kong Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed “— A. Application for Hong Kong Public Offer Shares — 5. Multiple Applications Prohibited” in this section on what constitutes multiple applications;
- your application instruction is incomplete;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Overall Coordinators believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted H Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Public Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Public Offer Share allotment from their Designated Bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted H Shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Public Offer Shares will be reallocated to the Global Offer. Hong Kong Public Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Public Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Public Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Public Offer Shares allotted to you under the Hong Kong Public Offer (except pursuant to applications made through the **HKSCC EIPO** channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the H Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid at 8:00 a.m. on Wednesday, November 5, 2025 (Hong Kong time), provided that the Global Offer has become unconditional and the right of termination described in the section headed "Underwriting" has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

HOW TO APPLY FOR HONG KONG OFFER SHARES

The following sets out the relevant procedures and time:

	<u>HK eIPO White Form service</u>	<u>HKSCC EIPO channel</u>
Despatch/collection of H Share certificate¹		
For application of 1,000,000 Hong Kong Public Offer Shares or more . . .	Collection in person from our H Share Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. Time: from 9:00 a.m. to 1:00 p.m. on Wednesday, November 5, 2025 (Hong Kong time)	H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account No action by you is required

If you are an individual, you must not authorize any other person to collect for you. If you are a corporate applicant, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop.

Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar.

Note: If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk

HOW TO APPLY FOR HONG KONG OFFER SHARES

	HK eIPO White Form service	HKSCC EIPO channel
For application of less than 1,000,000 Hong Kong Public Offer Shares	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk	
Date: Tuesday, November 4, 2025		
Refund mechanism for surplus application monies paid by you		
Date	Wednesday, November 5, 2025	Subject to the arrangement between you and your broker or custodian
Responsible party . . .	H Share Registrar	Your broker or custodian
Application monies paid through single bank account	HK eIPO White Form e-Auto Refund payment instructions to your designated bank account	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it
Application monies paid through multiple bank accounts	Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk	

Note:

- Except in the event of a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or an “extreme conditions” announcement issued after a super typhoon in force in Hong Kong in the morning on Tuesday, November 4, 2025 rendering it impossible for the relevant H Share certificates to be dispatched to HKSCC in a timely manner, the Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and H Share certificates in accordance with the contingency arrangements as agreed between them. You may refer to “— E. Severe Weather Arrangements” in this section.

HOW TO APPLY FOR HONG KONG OFFER SHARES

E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Friday, October 31, 2025 if, there is/are:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- Extreme conditions

(collectively, “**Severe Weather Signals**”),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, October 31, 2025.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have **Severe Weather Signals** in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed “Expected Timetable” in this prospectus, an announcement will be made and published on the Hong Kong Stock Exchange’s website at www.hkexnews.hk and our website at www.seres.cn of the revised timetable.

If a **Severe Weather Signal** is hoisted on Tuesday, November 4, 2025, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository’s service counter so that they would be available for trading on Wednesday, November 5, 2025.

If a **Severe Weather Signal** is hoisted on Tuesday, November 4, 2025, for application of less than 1,000,000 Hong Kong Offer Shares, the despatch of physical H Share certificate(s) will be made by ordinary post when the post office re-opens after the **Severe Weather Signal** is lowered or cancelled (e.g. in the afternoon of Tuesday, November 4, 2025 or on Wednesday, November 5, 2025).

If a **Severe Weather Signal** is hoisted on Wednesday, November 5, 2025, for application of 1,000,000 Hong Kong Offer Shares or more, physical H Share certificate(s) will be available for collection in person at the H Share Registrar’s office after the **Severe Weather Signal** is lowered or cancelled (e.g. in the afternoon of Wednesday, November 5, 2025 or on Thursday, November 6, 2025).

Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.

HOW TO APPLY FOR HONG KONG OFFER SHARES

F. ADMISSION OF THE H SHARES INTO CCASS

If the Hong Kong Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the H Share Registrar, the receiving banks and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Public Offer Shares, of the policies and practices of the Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Public Offer Shares to ensure that personal data supplied to the Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Public Offer Shares or transferring Hong Kong Public Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

HOW TO APPLY FOR HONG KONG OFFER SHARES

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Public Offer Shares being rejected, or in the delay or the inability of the Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Public Offer Shares which you have successfully applied for and/or the despatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Public Offer Shares inform the Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **HK eIPO White Form** e-Auto Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Public Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the H Shares;
- facilitating Hong Kong Public Offer Shares balloting;
- establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the H Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the H Share Registrar to discharge their obligations to applicants and holders of the H Shares and/or regulators and/or any other purposes to which applicants and holders of the H Shares may from time to time agree.

HOW TO APPLY FOR HONG KONG OFFER SHARES

4. Transfer of personal data

Personal data held by the Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Public Offer Shares will be kept confidential but the Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers, receiving banks and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Public Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the H Share Registrar in connection with their respective business operation;
- the Hong Kong Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Hong Kong Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Public Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

The Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Public Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Public Offer Shares have the right to ascertain whether the Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the H Share Registrar, at their registered address disclosed in the section headed "Corporate information" in this prospectus or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report set out on pages I-1 to I-103, received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SERES GROUP CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND CHINA GALAXY INTERNATIONAL SECURITIES (HONG KONG) CO., LIMITED

Introduction

We report on the historical financial information of Seres Group Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-103, which comprises the consolidated statements of financial position of the Group as at 31 December 2022, 2023 and 2024 and 30 June 2025, the statements of financial position of the Company as at 31 December 2022, 2023 and 2024 and 30 June 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended 31 December 2024 and the six months ended 30 June 2025 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-103 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 27 October 2025 (the "Prospectus") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

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

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's financial position as at 31 December 2022, 2023 and 2024 and 30 June 2025, of the Company's financial position as at 31 December 2022, 2023 and 2024 and 30 June 2025 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in note 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the six months ended 30 June 2024 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance***Adjustments***

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 16 to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the Track Record Period.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 October 2025

HISTORICAL FINANCIAL INFORMATION OF THE GROUP**Preparation of Historical Financial Information**

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

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by the International Accounting Standards Board (the "IASB") and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA ("Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	6	34,056,074	35,788,885	145,113,623	65,014,314	62,358,825
Cost of sales		(31,328,448)	(33,217,792)	(110,563,078)	(50,853,429)	(45,828,067)
Gross profit		2,727,626	2,571,093	34,550,545	14,160,885	16,530,758
Government grants and subsidies	8	523,474	549,466	1,068,213	659,200	690,109
Other income	9	261,751	407,803	672,305	237,942	548,886
Other gains and losses	10	14,203	1,749,261	(1,615,140)	(80,805)	(32,589)
Impairment losses under expected credit loss model, net of reversal	11	(76,887)	(108,785)	(131,107)	(39,734)	13,632
Research and development expenses		(1,313,661)	(1,696,476)	(5,585,504)	(2,827,443)	(2,929,532)
Selling and distribution expenses		(4,656,748)	(5,276,145)	(19,184,251)	(8,699,122)	(8,940,726)
Administrative expenses		(2,081,359)	(1,969,389)	(4,509,309)	(1,625,462)	(1,966,811)
Share of results of associates		512	578	(76,055)	31,518	(69,069)
Share of result of a joint venture		850	481	2,032	1,758	2,007
Finance costs	12	(330,171)	(308,746)	(240,382)	(119,628)	(121,874)
(Loss) profit before tax		(4,930,410)	(4,080,859)	4,951,347	1,699,109	3,724,791
Income tax expenses	13	(290,147)	(75,857)	(211,231)	(339,988)	(647,428)
(Loss) profit for the year/period	14	(5,220,557)	(4,156,716)	4,740,116	1,359,121	3,077,363
Other comprehensive income						
<i>Items that may reclassified subsequently to profit or loss:</i>						
Exchange differences arising on translation of foreign operations		47,205	6,752	13,557	19,903	186
Non-controlling interests		1,713	1,271	578	553	65
Other comprehensive income for the year/period, net of income tax		48,918	8,023	14,135	20,456	251
Total comprehensive (expense) income for the year/period		(5,171,639)	(4,148,693)	4,754,251	1,379,577	3,077,614
(Loss) profit for the year/period attributable to:						
Owners of the Company		(3,831,866)	(2,449,687)	5,945,945	1,624,558	2,940,890
Non-controlling interests		(1,388,691)	(1,707,029)	(1,205,829)	(265,437)	136,473
		(5,220,557)	(4,156,716)	4,740,116	1,359,121	3,077,363
Total comprehensive (expense) income for the year/period attributable to:						
Owners of the Company		(3,784,661)	(2,442,935)	5,959,502	1,644,461	2,941,076
Non-controlling interests		(1,386,978)	(1,705,758)	(1,205,251)	(264,884)	136,538
		(5,171,639)	(4,148,693)	4,754,251	1,379,577	3,077,614
(Loss) profit per share						
Basic (RMB)	17	(2.68)	(1.63)	3.94	1.08	1.87
Diluted (RMB)	17	(2.68)	(1.63)	3.94	1.08	1.87

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at 30 June
	NOTES	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	18	9,917,649	9,414,578	10,063,416	15,604,544
Right-of-use assets	19	1,680,225	3,013,320	3,639,336	3,246,939
Goodwill	20	65,012	46,915	–	497,392
Intangible assets	21	6,777,068	9,183,898	8,651,552	9,865,754
Interests in associates	23	37,315	2,037,892	1,972,303	13,404,630
Interest in a joint venture	24	4,032	4,513	6,545	8,552
Equity instruments at fair value through other comprehensive income ("FVTOCI")	25	100,203	99,546	78,260	70,908
Deferred tax assets	39	240,090	479,672	1,475,267	1,088,451
Finance lease receivables		70,007	44,921	35,249	29,662
Prepayment for investment and other receivables	28	15,634	11,269	2,313,027	13,138
Amounts due from related companies . . .	37	62	1,841	1,606	350
Amount due from immediate holding company	37	1,275	1,071	1,060	2,049
Time deposits	31	1,012,638	428,617	–	–
Deposits paid for property, plant and equipment and intangible assets		262,946	359,546	128,485	235,869
		20,184,156	25,127,599	28,366,106	44,068,238
CURRENT ASSETS					
Inventories	27	3,992,865	3,529,172	2,552,449	3,270,842
Trade and other receivables	28	3,273,244	5,659,400	5,230,545	5,422,251
Notes receivable	29	242,279	201,317	214,159	460,138
Contract assets	30	938,248	320,380	52,476	7,887
Financial assets at fair value through profit or loss ("FVTPL")	26	1,751,529	1,133,644	4,048,748	282,074
Amounts due from related companies . . .	37	190,543	137,486	40,183	31,548
Amount due from immediate holding company	37	222,460	1,374,169	–	–
Pledged and restricted bank deposits . . .	31	14,037,409	8,681,408	39,621,756	26,266,146
Time deposits	31	–	600,377	7,903,854	11,437,800
Bank balances and cash	31	2,327,394	4,479,719	6,333,682	21,664,886
		26,975,971	26,117,072	65,997,852	68,843,572
CURRENT LIABILITIES					
Trade and other payables	32	28,163,249	32,328,953	72,274,335	66,256,022
Borrowings	33	2,970,641	1,604,120	10,187	989,050
Contract liabilities	34	962,942	3,270,307	2,991,532	5,196,056
Amounts due to related companies	37	12,774	25,054	47,343	3,937,530
Amount due to immediate holding company	37	–	–	–	1,372
Lease liabilities	35	137,069	326,857	510,084	250,369
Income tax payable		84,808	20,888	431,313	374,864
		32,331,483	37,576,179	76,264,794	77,005,263
NET CURRENT LIABILITIES		(5,355,512)	(11,459,107)	(10,266,942)	(8,161,691)
TOTAL ASSETS LESS CURRENT LIABILITIES					
		14,828,644	13,668,492	18,099,164	35,906,547

APPENDIX I
ACCOUNTANTS' REPORT

		As at 31 December			As at 30 June
	NOTES	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT LIABILITIES					
Other payables	32	51,414	52,598	1,149,655	1,728,850
Borrowings	33	2,350,236	2,599,272	687,000	4,362,893
Convertible bonds	36	147,296	—	—	—
Lease liabilities	35	424,900	1,706,681	2,217,782	837,556
Deferred income	38	1,889,274	1,738,954	1,656,177	1,590,587
Deferred tax liabilities	39	163,091	371,040	482,993	376,927
		5,026,211	6,468,545	6,193,607	8,896,813
NET ASSETS		9,802,433	7,199,947	11,905,557	27,009,734
CAPITAL AND RESERVES					
Share capital	40	1,497,279	1,509,782	1,509,782	1,633,366
Reserves		9,922,350	9,896,045	10,754,463	25,127,737
Equity attributable to owners of the Company		11,419,629	11,405,827	12,264,245	26,761,103
Non-controlling interests		(1,617,196)	(4,205,880)	(358,688)	248,631
TOTAL EQUITY		9,802,433	7,199,947	11,905,557	27,009,734

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December			As at 30 June
	NOTES	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	18	277,224	264,565	312,389	375,089
Right-of-use assets	19	150,189	115,195	101,267	115,588
Intangible Assets		—	—	—	2,397
Investment in subsidiaries	52	8,781,479	8,760,189	15,143,441	23,740,261
Interests in associates	23	37,315	37,892	38,095	
Equity instruments at FVTOCI	25	84,000	83,343	62,057	54,705
Deferred tax assets	39	29,487	23,480	20,552	27,072
Amounts due from subsidiaries	37	90,088	80,728	104,757	82,158
Amounts due from related companies		63	56	1,606	—
Amount due from immediate holding company	37	1,275	1,071	1,060	2,049
Time deposits	31	1,012,638	428,617	—	—
Deposits paid for property, plant and equipment		1,840	2,132	4,899	6,315
		10,465,598	9,797,268	15,790,123	24,405,634
CURRENT ASSETS					
Trade and other receivables	28	14,862	6,158	33,922	63,546
Financial assets at FVTPL	26	1,751,295	1,133,481	1,043,835	281,959
Amounts due from subsidiaries	37	12,881,871	11,902,451	3,653,459	5,670,503
Amount due from immediate holding company	37	222,460	1,374,169	—	—
Pledged bank deposits	31	36,001	57,000	37,000	37,000
Time deposits	31	—	600,377	441,940	—
Bank balances and cash	31	699,339	804,211	2,258,739	2,096,260
		15,605,828	15,877,847	7,468,895	8,149,268
CURRENT LIABILITIES					
Trade and other payables	32	45,419	45,113	96,293	72,326
Borrowings	33	862,743	376,751	4,932	342,565
Contract liabilities		—	—	—	1,648
Amounts due to subsidiaries	37	3,567,653	2,231,986	304,872	363,306
Amount due to immediate holding company	37	—	—	—	294
Lease liabilities	35	42,890	47,936	75,732	94,046
Income tax payable		29,042	2,428	—	—
		4,547,747	2,704,214	481,829	874,185
NET CURRENT ASSETS		11,058,081	13,173,633	6,987,066	7,275,083
TOTAL ASSETS LESS CURRENT LIABILITIES					
		21,523,679	22,970,901	22,777,189	31,680,717
NON-CURRENT LIABILITIES					
Deferred tax liabilities	39	27,619	19,138	15,923	19,637
Borrowings	33	468,568	403,000	13,300	1,561,793
Convertible bonds	36	147,296	—	—	—
Lease liabilities	35	164,925	125,990	111,193	95,249
Deferred income		1,669	1,032	438	582
		810,077	549,160	140,854	1,677,261
NET ASSETS		20,713,602	22,421,741	22,636,335	30,003,456

	NOTES	As at 31 December			As at 30 June
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
CAPITAL AND RESERVES					
Share capital	40	1,497,279	1,509,782	1,509,782	1,633,366
Reserves	41A	19,216,323	20,911,959	21,126,553	28,370,090
TOTAL EQUITY		<u>20,713,602</u>	<u>22,421,741</u>	<u>22,636,335</u>	<u>30,003,456</u>

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company									Non-controlling interests	Total
	Share capital	Share premium	Convertible bonds equity reserve	Statutory surplus reserve	Translation reserve	Treasury shares	Other reserves	Accumulated losses	Sub-total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022	1,359,932	5,974,915	56,979	296,492	(128,143)	-	2,112,465	(1,713,042)	7,959,598	(230,253)	7,729,345
Loss for the year	-	-	-	-	-	-	-	(3,831,866)	(3,831,866)	(1,388,691)	(5,220,557)
Other comprehensive income for the year	-	-	-	-	47,205	-	-	-	47,205	1,713	48,918
Total comprehensive income (expense) for the year	-	-	-	-	47,205	-	-	(3,831,866)	(3,784,661)	(1,386,978)	(5,171,639)
Recognition of equity-settled share-based payments	-	-	-	-	-	-	31,661	-	31,661	-	31,661
Repurchase of shares	-	-	-	-	-	(99,991)	-	-	(99,991)	-	(99,991)
Proceeds from shares issued for share-based payments	146	9,636	-	-	-	-	(172)	-	9,610	-	9,610
Conversion of convertible bonds	33	696	(161)	-	-	-	-	-	568	-	568
Issue of shares of the Company (Note 40)	137,168	6,921,387	-	-	-	-	-	-	7,058,555	-	7,058,555
Transfer to statutory surplus reserve (Note i)	-	-	-	61,362	-	-	-	(61,362)	-	-	-
Profit guarantee compensation (Note ii)	-	-	-	-	-	-	222,460	-	222,460	-	222,460
Deemed contribution arising from interest-free advances provided by immediate holding company	-	-	-	-	-	-	21,871	-	21,871	-	21,871
Others	-	-	-	(5)	-	-	-	(37)	(42)	35	(7)
At 31 December 2022	1,497,279	12,906,634	56,818	357,849	(80,938)	(99,991)	2,388,285	(5,606,307)	11,419,629	(1,617,196)	9,802,433

Attributable to owners of the Company

	Share capital	Share premium	Convertible bonds equity reserve	Statutory surplus reserve	Translation reserve	Treasury shares	Other reserves	Accumulated losses	Sub-total	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Loss for the year	-	-	-	-	-	-	-	(2,449,687)	(2,449,687)	(1,707,029)	(4,156,716)
Other comprehensive income for the year	-	-	-	-	6,752	-	-	-	6,752	1,271	8,023
Total comprehensive income (expense) for the year	-	-	-	-	6,752	-	-	(2,449,687)	(2,442,935)	(1,705,758)	(4,148,693)
Recognition of equity-settled share-based payments	-	-	-	-	-	-	(30,811)	-	(30,811)	-	(30,811)
Repurchase of shares	-	-	-	-	-	(105,245)	-	-	(105,245)	-	(105,245)
Proceeds from shares issued for share-based payments	2,412	177,957	-	-	-	-	(21,140)	-	159,229	-	159,229
Conversion of convertible bonds	10,091	196,242	(56,818)	-	-	-	-	-	149,515	-	149,515
Transfer to retain profits from other comprehensive income	-	-	-	375	(3,750)	-	-	3,375	-	-	-
Transfer to statutory surplus reserve (Note i).	-	-	-	15,753	-	-	-	(15,753)	-	-	-
Profit guarantee compensation (Note ii).	-	-	-	-	-	-	1,374,169	-	1,374,169	-	1,374,169
Acquisition of non-controlling interest of a subsidiary	-	-	-	-	-	-	882,926	-	882,926	(882,926)	-
Change of reserves of an associate	-	-	-	-	-	-	(650)	-	(650)	-	(650)
At 31 December 2023	1,509,782	13,280,833	-	373,977	(77,936)	(205,236)	4,592,779	(8,068,372)	11,405,827	(4,205,880)	7,199,947

	Attributable to owners of the Company										
	Share capital	Share premium	Convertible bonds equity reserve	Statutory surplus reserve	Translation reserve	Treasury shares	Other reserve	Accumulated losses	Sub-total	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Profit (loss) for the year	-	-	-	-	-	-	-	5,945,945	5,945,945	(1,205,829)	4,740,116
Other comprehensive income for the year	-	-	-	-	13,557	-	-	-	13,557	578	14,135
Total comprehensive income (expense) for the year	-	-	-	-	13,557	-	-	5,945,945	5,959,502	(1,205,251)	4,754,251
Capital injection from non-controlling shareholders of subsidiaries	-	-	-	-	-	-	1,138,782	-	1,138,782	384,218	1,523,000
Recognition of equity-settled share-based payments	-	-	-	-	-	-	67,419	-	67,419	-	67,419
Share base payment granted to employees and repurchase of shares	-	(34,896)	-	-	-	205,236	-	-	170,340	-	170,340
Dividends recognised as distribution (Note 16)	-	-	-	-	-	-	-	(499,738)	(499,738)	-	(499,738)
Provision and utilisation of safety production reserve	-	-	-	-	-	-	22,039	-	22,039	82	22,121
Acquisition of non-controlling interests	-	(6,003,977)	-	-	-	-	1,845	-	(6,002,132)	4,668,143	(1,333,989)
Transfer to statutory surplus reserve (Note i)	-	-	-	47,657	-	-	-	(47,657)	-	-	-
Change of reserves of an associate	-	-	-	-	-	-	2,206	-	2,206	-	2,206
At 31 December 2024	1,509,782	7,241,960	-	421,634	(64,379)	-	5,825,070	(2,669,822)	12,264,245	(358,688)	11,905,557

	Attributable to owners of the Company										
	Share capital	Share premium	Convertible bonds equity reserve	Statutory surplus reserve	Translation reserve	Treasury shares	Other reserve	Accumulated losses	Sub-total	Non-controlling interests	Total
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
Profit for the period	-	-	-	-	-	-	-	-	2,940,890	136,473	3,077,363
Other comprehensive income for the period	-	-	-	-	186	-	-	-	186	65	251
Total comprehensive income for the period	-	-	-	-	186	-	-	2,940,890	2,941,076	136,538	3,077,614
Dividends recognised as distribution (<i>Note 16</i>)	-	-	-	-	-	-	-	(1,584,365)	(1,584,365)	-	(1,584,365)
Capital injection from non-controlling shareholders of subsidiaries	-	-	-	-	-	-	4,532,026	-	4,532,026	467,974	5,000,000
Recognition of equity-settled share-based payments	-	-	-	-	-	-	54,597	-	54,597	-	54,597
Issuance of shares for acquisition of a subsidiary (<i>Note 44A</i>)	123,584	8,382,932	-	-	-	-	-	-	8,506,516	-	8,506,516
Provision and utilisation of safety production reserve.	-	-	-	-	-	-	40,531	-	40,531	2,439	42,970
Change of reserves of an associate.	-	-	-	-	-	-	6,477	-	6,477	368	6,845
At 30 June 2025	1,633,366	15,624,892	-	421,634	(64,193)	-	10,458,701	(1,313,297)	26,761,103	248,631	27,009,734

	Attributable to owners of the Company									
	Share capital	Share premium	Statutory surplus reserve	Translation reserve	Treasury shares	Other reserve	Accumulated losses	Sub-total	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	1,509,782	13,280,833	373,977	(77,936)	(205,236)	4,592,779	(8,068,372)	11,405,827	(4,205,880)	7,199,947
Profit (loss) for the period	-	-	-	-	-	-	1,624,558	1,624,558	(265,437)	1,359,121
Other comprehensive income for the period	-	-	-	19,903	-	-	-	19,903	553	20,456
Total comprehensive income (expense) for the period	-	-	-	19,903	-	-	1,624,558	1,644,461	(264,884)	1,379,577
Capital injection from non-controlling shareholders of subsidiaries	-	-	-	-	-	12,618	-	12,618	290,382	303,000
Acquisition of non-controlling interests	-	-	-	-	-	1,844	-	1,844	(13,772)	(11,928)
Recognition of equity-settled share-based payments	-	-	-	-	-	10,453	-	10,453	-	10,453
Share base payment granted to employees and repurchase of shares	-	(31,032)	-	-	182,516	-	-	151,484	-	151,484
Provision and utilization of safety production reserve	-	-	-	-	-	13,235	-	13,235	1,595	14,830
Change of reserves of an associate	-	-	-	-	-	1,127	-	1,127	-	1,127
At 30 June 2024 (unaudited)	1,509,782	13,249,801	373,977	(58,033)	(22,720)	4,632,056	(6,443,814)	13,241,049	(4,192,559)	9,048,490

Notes:

- (i) Pursuant to the relevant laws in the People's Republic of China (the "PRC"), each of the subsidiaries established in the PRC is required to transfer 10% of its profit after tax as per statutory financial statements to the statutory reserve. The transfer is discretionary when the reserve balance reaches 50% of the registered capital of the respective company and the reserve can be used to make up for previous years' losses or expand the existing operations or can be converted into additional capital of the subsidiary.
- (ii) On 16 September 2019, the Company entered into an equity acquisition agreement with Dongfeng Motor Corporation ("Dongfeng Motor") to acquire the non-controlling equity interest of Seres Auto (Hubei) Co., Ltd. ("Seres Hubei"), a subsidiary of the Company. On the same date, the Company entered into a separate profit guarantee agreement with Chongqing Sokon Holding Company Limited ("Sokon Holding"), a substantial shareholder of the Company. According to the profit guarantee agreement, Sokon Holding guaranteed that Seres Hubei's audited consolidated net profit attributable to the parent company would meet committed amount for the fiscal years 2019, 2021, 2022, and 2023; once Seres Hubei's actual net profit for any fiscal year failed to reach the committed amount Sokon Holding shall compensate for the shortfall. As Sokon Holding was not a beneficiary of the equity acquisition between the Company and Dongfeng Motor, the voluntary profit guarantee is recognised as a deemed contribution from shareholder.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
OPERATING ACTIVITIES					
(Loss) profit before tax	(4,930,410)	(4,080,859)	4,951,347	1,699,109	3,724,791
Adjustments for:					
Bank interest income	(189,493)	(294,607)	(527,251)	(163,897)	(404,889)
Other interest income	(12,638)	(22,489)	(55,738)	(27,825)	(58,484)
Finance costs	330,171	308,746	240,382	119,628	121,874
Depreciation of property, plant and equipment	1,311,250	1,416,384	1,416,899	787,718	901,462
Depreciation of right-of-use assets	132,711	221,355	375,556	152,372	190,869
Amortisation of intangible assets	856,191	1,129,448	2,573,854	1,005,023	1,087,659
Loss (gain) from fair value changes and disposal of financial assets designated as at FVTPL	158,916	(59,928)	(27,118)	(59,505)	(65,801)
Impairment loss, net of reversal	96,828	204,567	1,887,241	163,072	25,234
Write-down of inventories	261,192	317,219	304,529	120,919	236,374
(Gain) loss on disposal of property, plant and equipment and intangible assets	(266,951)	(42,016)	10,929	(5,626)	(2,394)
Loss (gain) on disposal of subsidiaries and other equity investments	24,587	(1,757,000)	–	–	–
Interest expense on discounting notes receivable	37,501	29,064	(1,496)	(1,275)	(351)
Share of (profit) loss of associates and a joint venture	(1,362)	(1,059)	74,023	(33,276)	67,062
Unrealised foreign exchange loss (gain)	5,693	3,456	(14,718)	69,712	4,269
Operating cash flows before movements in working capital	(2,185,814)	(2,627,719)	11,208,439	3,826,149	5,827,675
(Increase) decrease in inventories	(1,219,980)	448,167	976,723	(135,220)	(969,215)
(Increase) decrease in pledged bank deposits	(9,008,916)	5,853,885	(32,025,493)	(19,517,566)	14,172,878
(Increase) decrease in trade and other receivables	(439,522)	(780,032)	3,259,060	(142,193)	631,225
Decrease (increase) in notes receivable	97,582	7,703	(11,346)	43,828	(245,628)
Decrease (increase) in finance lease receivables	40,313	32,406	9,672	(75)	(4,862)
Decrease in contract assets	12,854	161,231	255,236	152,385	44,501
(Increase) decrease in amount due from immediate holding company	(1,275)	204	11	230	(989)
Decrease (increase) in amounts due from related companies	25,838	55,643	95,780	71,612	9,891
Increase (decrease) in deferred income	703,874	(126,884)	(82,777)	(59,065)	(65,590)
Increase (decrease) in trade and other payables	10,687,927	883,038	39,032,412	31,268,075	(10,895,396)
Increase (decrease) in contract liabilities	206,470	2,363,625	(278,775)	998,204	2,204,524
Increase in amount due to immediate holding company	–	–	–	–	1,372
(Decrease) increase in amounts due to related companies	(65,743)	12,280	22,289	(10,579)	3,890,187
Cash (used in) generated from operations	(1,146,392)	6,283,547	22,461,231	16,495,785	14,600,573
Income tax paid	(211,642)	(180,542)	(473,217)	(222,219)	(566,087)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(1,358,034)	6,103,005	21,988,014	16,273,566	14,034,486

APPENDIX I

ACCOUNTANTS' REPORT

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
INVESTING ACTIVITIES					
Interest received	189,493	294,607	527,251	169,042	465,249
Purchase of property, plant, equipment and intangible assets	(3,367,027)	(3,464,751)	(7,143,934)	(2,633,911)	(2,001,502)
Consideration paid for acquisition of equity investments	(6,000)	(41,500)	(2,300,000)	–	(5,750,000)
Placement of pledged bank deposits	(531,652)	(773,924)	(621,586)	(555,458)	(814,982)
Placement of time deposits and structure deposits	(2,899,990)	(5,597,129)	(17,778,447)	(4,670,784)	(21,616,544)
Cash acquired from an acquisition of a subsidiary	–	–	–	–	1,203,548
Cash outflow generated from loss control of a subsidiary	–	(317,137)	–	–	–
Proceeds from disposal of time deposits and structured deposits upon maturity	300,000	6,200,990	9,708,913	2,570,000	21,877,871
Proceeds from disposal of equity investment at FVTOCI	–	45,907	21,286	–	7,352
Proceeds from disposal of property, plant, equipment and other assets	749,760	322,189	155,125	125,838	32,234
Proceeds from disposal of subsidiaries	229,116	350,000	–	–	–
Compensation received from the immediate holding company	1,361,093	222,461	1,374,169	–	–
Proceeds from other investing activities	10,696	80,086	75,140	19,969	32,476
NET CASH USED IN INVESTING ACTIVITIES	(3,964,511)	(2,678,201)	(15,982,083)	(4,975,304)	(6,564,298)
FINANCING ACTIVITIES					
Dividends paid	–	–	(499,738)	–	(1,584,365)
Consideration paid for the acquisition of non-controlling interest of subsidiaries	–	–	(1,340,917)	(11,928)	–
Proceeds from bank borrowings	4,283,500	3,701,000	72,000	–	8,456,000
Repayments of bank borrowings	(4,586,120)	(4,881,890)	(2,346,070)	(844,570)	(3,804,500)
Proceeds from other borrowings	1,100,000	–	–	–	–
Repayments of other borrowings	–	–	(1,224,422)	(1,224,422)	–
Proceeds from release of deposits for banking facilities	9,259	297,040	94,507	60,000	–
Interests paid	(274,172)	(243,536)	(110,112)	(68,928)	(66,467)
Deposits paid for issuance of letter of credit	–	(21,000)	–	–	–
Repayments of obligation under lease	(127,986)	(158,489)	(406,343)	(187,491)	(119,042)
Proceeds from issue of shares	7,069,357	159,240	–	–	–
Capital injection from non-controlling shareholders of subsidiaries	–	–	1,523,000	303,000	5,000,000
Payments for repurchase of shares	(100,107)	(105,257)	–	–	–
Proceeds from restricted shares granted to employees	–	–	85,170	75,742	–

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
Receipt of financial support from the immediate holding company	500,000	–	–	–	–
Repayments of amounts due to the immediate holding company	(1,560,000)	–	–	–	–
Proceeds from other financing activities	11,553	(16,131)	(13,761)	4,787	(19,992)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	<u>6,325,284</u>	<u>(1,269,023)</u>	<u>(4,166,686)</u>	<u>(1,893,810)</u>	<u>7,861,634</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>1,002,739</u>	<u>2,155,781</u>	<u>1,839,245</u>	<u>9,404,452</u>	<u>15,331,822</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD	1,318,961	2,327,394	4,479,719	4,479,719	6,333,682
Effect of foreign exchange rate changes	<u>5,694</u>	<u>(3,456)</u>	<u>14,718</u>	<u>5,678</u>	<u>(618)</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD, representing bank balances and cash	<u><u>2,327,394</u></u>	<u><u>4,479,719</u></u>	<u><u>6,333,682</u></u>	<u><u>13,889,849</u></u>	<u><u>21,664,886</u></u>

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Seres Group Co., Ltd., formerly named as Chongqing Sokon Industrial Group Co., Ltd., (the “Company”) is a joint stock company with limited liability established in the PRC on 11 May 2007. On 15 June 2016, the Company’s shares were officially listed on the Main Board of the Shanghai Stock Exchange.

The address of the registered office and the principal place of business of the Company are set out in the section headed “Corporate Information” of the Prospectus.

The company is a technology-driven automotive enterprise with new energy vehicles (NEVs) at the core of its business. The principal activities of its subsidiaries encompass research and development, manufacturing, sales and after-sales service of NEVs and key components.

The Historical Financial Information is presented in RMB, which is the same as the functional currency of the Company.

The statutory financial statements of the Company for each of the years ended 31 December 2022, 2023 and 2024 were prepared in accordance with Chinese Accounting Standards for Business Enterprises (“CASBE”) and were audited by WUYIGE Certified Public Accountants LLP, a certified public accountants registered in the PRC for years ended 31 December 2022, 2023 and 2024.

2. BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards issued by the IASB. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

As at 30 June 2025, the Group had net current liabilities of RMB8,161,691,000. The directors of the Company believe that the Group has sufficient cash flows in the foreseeable future from the operations to continue its operation and meet its liabilities as and when they fall due for at least the next 12 months from the end of the reporting period. The directors of the Company consider that the Group will have sufficient financial resources to continue as a going concern. Therefore, the Historical Financial Information has been prepared on a going concern basis.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purposes of preparing the Historical Financial Information for the Track Record Period, the Group has consistently applied IFRS Accounting Standards issued by the IASB, which are effective for the accounting periods beginning on 1 January 2025, throughout the Track Record Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early adopted the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 10 and IAS 28.	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³

1 Effective for annual periods beginning on or after a date to be determined

2 Effective for annual periods beginning on or after 1 January 2026

3 Effective for annual periods beginning on or after 1 January 2027

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new standard introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings Per Share* are also made.

IFRS 18, and amendments to other standard, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Material accounting policy information

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses, other than business combination under common control are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting* (the "Conceptual Framework") except for transactions and events within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC - Int 21 *Levies*, in which the Group applies IAS 37 or IFRIC -Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in the Historical Financial Information is using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statements of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's historical financial information only to the extent of interests in the associate or joint venture that are not related to the Group.

Investment in subsidiaries

Investment in subsidiaries are included in the Company's statements of financial position at cost less any identified impairment losses.

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year/period are included in the consolidated statements of profit or loss and other comprehensive income from the date of the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's interests in existing subsidiaries

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards).

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represent the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customers.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Variable consideration

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using the expected value method, which better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of each reporting period and the changes in circumstances during the reporting period.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Right-of-use assets

The cost of right-of-use assets includes the amount of the initial measurement of the lease liability and any lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the Historical Financial Information, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Borrowing costs

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Employee benefits***Retirement benefit costs***

Payments to defined contribution retirement benefit plan and state-managed retirement benefit scheme are recognised as an expense when employees have rendered services entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Share-based payments***Equity-settled share-based payments transactions******Shares/share options granted to employees***

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (other reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the other reserve.

When share options are exercised, the amount previously recognised in other reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in other reserves will continue to be held in other reserves.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from (loss) profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 Income Taxes requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences. Current and deferred tax are recognised in profit or loss.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Internally-generated intangible assets — research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Impairment on property, plant and equipment, right-of-use assets, and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives and to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible development assets not ready to use are not subject to amortisation and are tested annually for impairment and whenever there is an indication of impairment.

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of each reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and other receivables, notes receivable, pledged and restricted bank deposits, time deposits, amounts due from related companies, amount due from immediate holding company and bank balances), and other items (finance lease receivables and contract assets) which are subject to impairment assessment under IFRS 9 *Financial instruments*. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the end of reporting period as well as the forecast of future conditions.

At the end of each reporting period, the management has performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Accordingly, the loss allowance for financial guarantee contracts issued by the Group is measured at an amount equal to 12m ECL. No loss allowance was recognised in the profit or loss.

The Group always recognises lifetime ECL for trade receivables, amounts due from related companies-trade-related and amount due from immediate holding company — trade-related.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the end of each reporting period with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, The Group considers that default has occurred when a financial assets is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables, contract assets, amounts due from related companies-trade-related and amount due from immediate holding company — trade-related are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

*Financial liabilities and equity***Classification as debt or equity**

Debt and equity instruments are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities, including trade and other payables, borrowings, convertible bonds, and amounts due to related companies are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Deferred tax assets

As at 31 December 2022, 2023 and 2024 and 30 June 2025, a deferred tax asset of RMB27,509,000, RMB27,204,000, RMB617,469,000 and RMB337,003,000, respectively, in relation to unused tax losses for certain operating subsidiaries has been recognised in the consolidated statements of financial position. No deferred tax asset has been recognised on the tax losses of RMB11,131,052,000, RMB18,702,155,000, RMB8,838,696,000 and RMB9,202,662,000, respectively, for certain subsidiaries due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the future or taxable temporary differences are expected to reverse in the same period as the expected reversal of the deductible temporary differences, which is a key source of estimation uncertainty. The uncertainty would depend on how the ongoing uncertain macroeconomic and geopolitical environment. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

Provision of ECL for trade and other receivables and contract assets

Trade and other receivables and contract assets with significant balances and credit-impaired are assessed for ECL individually.

In addition, for trade and other receivables and contract assets which are individually insignificant or when the Group does not have reasonable and supportable information that is available without undue cost or effort to measure ECL on individual basis, collective assessment is performed by grouping debtors based on the Group's internal credit ratings.

Estimated impairment of property, plant and equipment, right-of-use assets and intangible assets

Property, plant and equipment, right-of-use assets and intangible assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount. Recoverable amount should be higher of fair value less costs of disposal and value in use. The net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

Provisions for warranty

Provision for warranty granted by the Group in respect of certain products are recognised based on the historic data and current conditions of warranty, taking into consideration all relevant information such as product improvements and market changes, among others. The estimate of the provision for warranty may not be equal to the actual warranty fee in the future. The Group reassesses the provision for warranty at least annually at least on each balance sheet date and determines its estimated liabilities based on the reassessed provision for warranty.

6. REVENUE

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue from contracts with customers					
Sales of goods	33,732,138	35,658,108	144,682,522	64,850,289	62,136,517
Provision of services and others . . .	323,936	130,777	431,101	164,025	222,308
Total.	<u>34,056,074</u>	<u>35,788,885</u>	<u>145,113,623</u>	<u>65,014,314</u>	<u>62,358,825</u>
Geographical markets					
The PRC	30,134,196	30,812,974	140,902,880	63,166,529	60,937,161
Overseas	3,921,878	4,975,911	4,210,743	1,847,785	1,421,664
Total.	<u>34,056,074</u>	<u>35,788,885</u>	<u>145,113,623</u>	<u>65,014,314</u>	<u>62,358,825</u>

(i) Disaggregation of revenue from contracts with customers

The Group's revenue from contracts with customers mainly represents sale of vehicles and parts and materials. The following is an analysis of the Group's revenue from contracts with customers:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Types of goods and services					
Sales of vehicles					
– NEVs	24,934,089	28,947,606	135,490,526	60,198,727	57,951,847
– Internal combustion engine vehicles	6,346,800	4,608,886	3,447,702	1,538,234	1,156,319
Sales of parts and materials	2,451,249	2,101,616	5,744,293	3,113,328	3,028,351
Others	323,936	130,777	431,102	164,025	222,308
Total.	<u>34,056,074</u>	<u>35,788,885</u>	<u>145,113,623</u>	<u>65,014,314</u>	<u>62,358,825</u>
Timing of revenue recognition					
A point in time	<u>34,056,074</u>	<u>35,788,885</u>	<u>145,113,623</u>	<u>65,014,314</u>	<u>62,358,825</u>

(ii) Performance obligations for contracts with customers

The Group mainly sells vehicles, and parts and materials, to external customers, according to the relevant sales agreements.

For sales of vehicles, and parts and materials, revenues are recognised when control of assets has been transferred, that is when goods were delivered to the customers' specific locations and accepted by the customers. No provisions for returns of vehicles, and parts and materials are set out in the relevant sales agreements, except for replacement due to quality problems. The Group cash advance from majority of its customers in the PRC upon the Group entered into the sales agreements with the customers. The transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the customers.

Vehicle buyers in the PRC were entitled to government subsidies when they purchase NEVs before 31 December 2022. For efficiency purpose and better customer service, the Group applies for and collect such government subsidies on behalf of the customers. Accordingly, customers only pay the amount after deducting government subsidies. The Group determined that the government subsidies should be considered as part of the transaction price because the subsidy is granted to the buyer of the electric vehicle and the buyer remains liable for such amount in the event the subsidies were not received by the Group due to the buyer's fault.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The Group applies the practical expedient of not disclosing the transaction price allocated to the remaining performance obligation as the original expected duration of all the contracts from customers of the Group are within one year or less.

7. SEGMENT INFORMATION

Revenue and operating result of the Group are reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and performance assessment. No other analysis of the Group's results nor assets and liabilities is regularly provided to the CODM for review and the CODM reviews the overall results and financial position of the Group as a whole. Accordingly, the CODM has identified one operating and reportable segment and only entity-wide disclosures, geographical information and major customers are presented in accordance with IFRS 8 *Operating Segments*.

(i) Geographical information

Information about the Group's revenue from external customers disclosed pursuant to the requirements of IFRS 8 *Operating Segment* is presented based on the geographical location of its customers as disclosed in note 6.

Information about the Group's non-current assets excluding deferred tax asset and financial instruments is presented based on the geographical location of the assets.

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
The PRC	18,361,581	23,707,792	26,497,339	42,683,365
Rest of the world	398,300	364,139	277,325	193,453
	<u>18,759,881</u>	<u>24,071,931</u>	<u>26,774,664</u>	<u>42,876,818</u>

(ii) Information about major customers

No single external customer contributed 10% or more of the Group's total revenue for the Track Record Period.

8. GOVERNMENT GRANTS AND SUBSIDIES

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Subsidies on research and development	26,826	16,530	11,674	2,561	10,083
Amortisation of government grants related to assets	121,811	148,100	144,657	71,565	75,740
Subsidies on stability of employee	9,380	11,851	7,361	1,171	6,771
Subsidies on industry development	349,057	355,615	51,408	33,195	285,556
Additional deduction on value added tax (note)	–	11,125	846,570	544,233	307,272
Others	16,400	6,245	6,543	6,475	4,687
	<u>523,474</u>	<u>549,466</u>	<u>1,068,213</u>	<u>659,200</u>	<u>690,109</u>

Note: The items represent subsidies obtained from the General Office of the Ministry of Industry and Information Technology Regarding the Compilation of the List of Advanced Manufacturing Enterprises Eligible for Additional Deduction Policy under Value-Added Tax for 2023 Annual Implementation.

9. OTHER INCOME

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Bank deposits and time deposit certificates Interest income	189,493	296,601	582,988	191,722	463,373
Rental income	48,923	53,073	62,199	30,154	42,897
Others	23,335	58,129	27,118	16,066	42,616
	<u>261,751</u>	<u>407,803</u>	<u>672,305</u>	<u>237,942</u>	<u>548,886</u>

10. OTHER GAINS AND LOSSES

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Impairment loss recognised in respect of					
– goodwill	(10,693)	(18,097)	(46,915)	–	–
– intangible assets	–	(76,203)	(1,626,684)	(123,338)	–
– property, plant and equipment	(9,248)	(1,482)	(82,535)	–	(977)
– interests in associates	–	–	–	–	(37,889)
(Loss)/gain on disposal of subsidiaries and other equity investments	(24,587)	1,757,000	–	–	–
Net foreign exchange (loss)/gain	(9,949)	50,104	26,843	(7,780)	(1,837)
Gain/(loss) on disposal of property, plant and equipment and intangible assets	266,951	42,016	(10,929)	5,626	2,394
Change in fair value of financial assets measured at FVTPL	(169,612)	22,293	100,507	43,439	43,180
Others	(28,659)	(26,370)	24,573	1,248	(37,460)
	<u>14,203</u>	<u>1,749,261</u>	<u>(1,615,140)</u>	<u>(80,805)</u>	<u>(32,589)</u>

11. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Impairment losses recognised (reversed) on:					
– trade receivables	24,879	23,767	90,364	76,881	16,130
– other receivables	44,916	74,128	27,066	(37,739)	(29,591)
– finance lease receivables	1,204	(7,320)	–	–	–
– amounts due from related companies	555	(7,929)	1,009	882	(259)
– contract assets	5,333	26,139	12,668	(290)	88
	<u>76,887</u>	<u>108,785</u>	<u>131,107</u>	<u>39,734</u>	<u>(13,632)</u>

Details of impairment assessment are set out in note 47(b).

12. FINANCE COSTS

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest expenses on borrowings . . .	276,127	277,634	91,210	66,071	69,723
Interest expenses on convertible bonds (note 36)	10,537	5,135	–	–	–
Interest expenses on lease liabilities	21,634	25,977	149,172	53,557	52,151
Imputed interest expenses on amount due to immediate holding company	21,873	–	–	–	–
	<u>330,171</u>	<u>308,746</u>	<u>240,382</u>	<u>119,628</u>	<u>121,874</u>

13. INCOME TAX EXPENSES

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
PRC Enterprise Income Tax:					
Current tax	273,407	112,657	1,032,751	406,511	465,575
(Over)/under provision in respect of prior years	(777)	3,965	62,125	62,125	44,017
Deferred tax (note 39)	17,517	(40,765)	(883,645)	(128,648)	137,836
	<u>290,147</u>	<u>75,857</u>	<u>211,231</u>	<u>339,988</u>	<u>647,428</u>

No provision for tax in Hong Kong has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

No provision for taxation in Indonesia and the United States have been made as subsidiaries of the Group in these jurisdictions did not arise any assessable profits during the Track Record Period.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the Track Record Period.

Certain subsidiaries operating in Mainland China were approved to be high and new technology enterprises ("HNTE") and were entitled to a reduced EIT rate of 15%. The HNTE certificates need to be renewed every three years so as to enable those subsidiaries to enjoy the reduced EIT rate of 15%.

Certain subsidiaries operating in Mainland China were entitled to a reduced EIT rate of 15% during the track record period pursuant to the Western Development Policy. These subsidiaries are required to retain records for inspection, if requested, pursuant to the policies by the State Taxation Administration so as to be entitled to the reduced EIT rate.

The income tax expenses for the Track Record Period can be reconciled to the (loss) profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
(Loss) profit before tax	(4,930,410)	(4,080,859)	4,951,347	1,699,109	3,724,791
Tax at PRC enterprise income tax rate of 25%	(1,232,603)	(1,020,215)	1,237,837	424,777	931,198
Effect of preferential tax rate and different tax rate of subsidiaries operating in other jurisdictions and	(191,674)	(143,567)	(584,240)	(221,907)	(277,927)
Tax effect of expenses not deductible for tax purpose	2,253	6,606	8,764	25,846	2,420
(Over)/under provision in respect of prior years	(777)	3,965	62,125	62,125	44,017
Tax effect of tax losses and temporary difference not recognised	1,798,385	1,335,978	331,551	480,767	215,641
Utilisation of tax losses and temporary difference previously not recognised	(40,570)	(64,720)	(734,382)	(427,014)	(252,256)
Tax effect of tax concession for research and development expenses	(44,867)	(42,190)	(110,424)	(4,606)	(15,665)
Income tax expenses for the years/periods	290,147	75,857	211,231	339,988	647,428

14. (LOSS) PROFIT FOR THE YEAR/PERIOD

(Loss) profit for the year/period has been arrived at after charging (crediting):

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Depreciation of property, plant and equipment	1,311,250	1,416,384	1,416,899	787,718	901,462
Depreciation of right-of-use assets	132,711	221,355	375,556	152,372	190,869
Amortisation of intangible assets	856,191	1,129,448	2,573,854	1,005,023	1,087,659
Total depreciation and amortization	2,300,152	2,767,187	4,366,309	1,945,113	2,179,990
Cost of inventories recognised as cost of sales	29,981,344	32,108,023	106,924,411	49,373,200	44,408,729
Auditors' remuneration	2,100	2,100	2,100	–	–
Employee benefit expenses, including directors' remunerations (note 15)					
– salaries and other allowances	2,952,954	3,106,283	5,220,690	2,314,641	2,449,246
– retirement benefit scheme contributions (note 43)	132,113	136,802	192,957	90,291	109,916
– equity-settled share-based payment expense	31,661	(30,811)	67,419	10,453	54,597
Total employee benefit expenses	3,116,728	3,212,274	5,481,066	2,415,385	2,613,759

15. DIRECTORS', CHIEF EXECUTIVE'S, SUPERVISORS' AND EMPLOYEES' EMOLUMENTS

Executive directors, non-executive directors and supervisors

Details of the emoluments paid or payable (including emoluments for services as directors of the group entities prior to becoming the directors of the Company) to the directors of the Company during the Track Record Period for their services rendered to the entities comprising the Group are as follows:

	Fee	Salaries and other allowances	Discretionary bonus	Retirement benefit scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
For the year ended					
31 December 2022:					
Executive directors and non-executive directors					
Mr. Zhang Zhengping					
(Note i)	–	1,424	484	10	1,918
Mr. Zhang Zhengyuan . . .	–	1,515	1,048	9	2,572
Mr. Ma Jianchang	–	1,754	2,475	10	4,239
Mr. Liu Changdong	–	1,869	1,559	10	3,438
Ms. Liu Lian	–	773	634	10	1,417
Mr. You Zheng (Note ii) . .	–	–	–	–	–
Mr. Li Wei (Note ii)	–	–	–	–	–
Mr. Zhou Changlin					
(Note ii)	–	–	–	–	–
	<u>–</u>	<u>7,335</u>	<u>6,200</u>	<u>49</u>	<u>13,584</u>
Independent non-executive directors					
Mr. Li Kaiguo (Note iv) . .	11	–	–	–	11
Mr. Liu Bin	100	–	–	–	100
Mr. Liu Kaixiang	100	–	–	–	100
Mr. Li Ming (Note iv) . . .	89	–	–	–	89
Mr. Zhao Wanyi (Note v) . .	13	–	–	–	13
Mr. Fu Yuwu (Note v) . . .	88	–	–	–	88
	<u>401</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>401</u>
Supervisors					
Mr. Zhang Zhengcheng . . .	–	805	800	8	1,613
Ms. Kuang Juan	–	339	176	6	521
Mr. Hu Weidong (Note ii) .	–	–	–	–	–
	<u>–</u>	<u>1,144</u>	<u>976</u>	<u>14</u>	<u>2,134</u>
	<u>401</u>	<u>8,479</u>	<u>7,176</u>	<u>63</u>	<u>16,119</u>

	Fee	Salaries and other allowances	Discretionary bonus	Retirement benefit scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
For the year ended 31 December 2023:					
Executive directors and non-executive directors					
Mr. Zhang Zhengping (Note i)	—	1,425	420	10	1,855
Mr. Zhang Zhengyuan . . .	—	1,523	860	9	2,392
Mr. Yin Xianzhi (Note vi) .	—	828	495	15	1,338
Ms. Shen Wei (Note vi) . .	—	907	620	8	1,535
Mr. Liu Changdong (Note vii)	—	795	1,329	4	2,128
Mr. Ma Jianchang (Note vii)	—	739	2,271	4	3,014
Ms. Liu Lian (Note vii) . .	—	772	595	—	1,367
Mr. Zhang Kebang (Note ii)	—	—	—	—	—
Mr. You Zheng (Note ii)	—	—	—	—	—
Mr. Li Wei (Note ii)	—	—	—	—	—
Mr. Zhou Changlin (Note ii)	—	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>—</u>	<u>6,989</u>	<u>6,590</u>	<u>50</u>	<u>13,629</u>
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Independent non-executive directors					
Mr. Li Kaiguo	161	—	—	—	161
Mr. Zhang Guolin (Note vi)	122	—	—	—	122
Mr. Jing Xufeng (Note vi) .	122	—	—	—	122
Mr. Li Ming	161	—	—	—	161
Mr. Liu Bin (Note vii) . . .	39	—	—	—	39
Mr. Liu Kaixiang (Note vii)	39	—	—	—	39
	<u>644</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>644</u>
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Supervisors					
Mr. Zhang Zhengcheng . . .	—	911	960	8	1,879
Mr. Song Yunxing (Note vi)	—	193	—	4	197
Mr. Hu Weidong (Notes ii & ix)	—	—	—	—	—
Ms. Kuang Juan (Note vii) .	—	180	144	3	327
	<u>—</u>	<u>1,284</u>	<u>1,104</u>	<u>15</u>	<u>2,403</u>
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>644</u>	<u>8,273</u>	<u>7,694</u>	<u>65</u>	<u>16,676</u>
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

	Fee	Salaries and other allowances	Discretionary bonus	Retirement benefit scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
For the year ended					
31 December 2024:					
Executive directors and non-executive directors					
Mr. Zhang Zhengping					
(Note i)	—	1,529	466	19	2,014
Mr. Zhang Zhengyuan . . .	—	1,570	889	19	2,478
Mr. Yin Xianzhi	—	1,145	568	20	1,733
Ms. Shen Wei	—	1,157	622	19	1,798
Mr. Zhang Kebang					
(Note ii)	—	—	—	—	—
Mr. You Zheng (Note ii) . .	—	—	—	—	—
Mr. Li Wei (Note ii)	—	—	—	—	—
Mr. Zhou Changlin					
(Note ii)	—	—	—	—	—
	<u>—</u>	<u>5,401</u>	<u>2,545</u>	<u>77</u>	<u>8,023</u>
Independent non-executive directors					
Mr. Li Kaiguo	200	—	—	—	200
Mr. Zhang Guolin	200	—	—	—	200
Mr. Jing Xufeng	200	—	—	—	200
Mr. Li Ming	200	—	—	—	200
	<u>800</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>800</u>
Supervisors					
Mr. Zhang Zhengcheng . . .	—	990	960	14	1,964
Mr. Song Yunxing	—	549	233	14	796
Mr. Hu Weidong					
(Notes ii & ix)	—	—	—	—	—
Mr. Deng Wenhui					
(Notes ii & viii)	—	—	—	—	—
	<u>—</u>	<u>1,539</u>	<u>1,193</u>	<u>28</u>	<u>2,760</u>
	<u>800</u>	<u>6,940</u>	<u>3,738</u>	<u>105</u>	<u>11,583</u>
For six months ended					
30 June 2024					
(unaudited):					
Executive directors and non-executive directors					
Mr. Zhang Zhengping					
(Note i)	—	745	466	9	1,220
Mr. Zhang Zhengyuan . . .	—	799	889	9	1,697
Mr. Yin Xianzhi	—	547	568	10	1,125
Ms. Shen Wei	—	558	622	9	1,189
Mr. Zhang Kebang					
(Note ii)	—	—	—	—	—
Mr. You Zheng (Note ii) . .	—	—	—	—	—
Mr. Li Wei (Note ii)	—	—	—	—	—
Mr. Zhou Changlin					
(Note ii)	—	—	—	—	—
	<u>—</u>	<u>2,649</u>	<u>2,545</u>	<u>37</u>	<u>5,231</u>

	Fee	Salaries and other allowances	Discretionary bonus	Retirement benefit scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Independent					
non-executive directors					
Mr. Li Kaiguo	83	—	—	—	83
Mr. Zhang Guolin	83	—	—	—	83
Mr. Jing Xufeng	83	—	—	—	83
Mr. Li Ming	83	—	—	—	83
	<u>332</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>332</u>
Supervisors					
Mr. Zhang Zhengcheng . . .	—	555	960	7	1,522
Mr. Song Yunxing	—	260	233	7	500
Mr. Hu Weidong					
(Notes ii & ix)	—	—	—	—	—
	<u>—</u>	<u>815</u>	<u>1,193</u>	<u>14</u>	<u>2,022</u>
	<u>332</u>	<u>3,464</u>	<u>3,738</u>	<u>51</u>	<u>7,585</u>
For six months ended					
30 June 2025:					
Executive directors and					
non-executive directors					
Mr. Zhang Zhengping					
(Note i)	—	730	530	10	1,270
Mr. Zhang Zhengyuan . . .	—	774	808	10	1,592
Mr. Yin Xianzhi	—	557	1,185	10	1,752
Ms. Shen Wei	—	557	1,173	10	1,740
Mr. Zhang Kebang					
(Note ii)	—	—	—	—	—
Mr. You Zheng (Note ii) . .	—	—	—	—	—
Mr. Li Wei (Note ii)	—	—	—	—	—
Mr. Zhou Changlin					
(Note ii)	—	—	—	—	—
	<u>—</u>	<u>2,618</u>	<u>3,696</u>	<u>40</u>	<u>6,354</u>
Independent					
non-executive directors					
Mr. Li Kaiguo	100	—	—	—	100
Mr. Zhang Guolin	100	—	—	—	100
Mr. Jing Xufeng	100	—	—	—	100
Mr. Li Ming	100	—	—	—	100
	<u>400</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>400</u>
Supervisors					
Mr. Zhang Zhengcheng . . .	—	406	1,233	7	1,646
Mr. Song Yunxing	—	269	250	7	526
Mr. Deng Wenhui					
(Note ii)	—	—	—	—	—
	<u>—</u>	<u>675</u>	<u>1,483</u>	<u>14</u>	<u>2,172</u>
	<u>400</u>	<u>3,293</u>	<u>5,179</u>	<u>54</u>	<u>8,926</u>

Notes:

- (i) Mr. Zhang Zhengping acts as chief executive of the Company throughout the Track Record Period and his emoluments disclosed above included those for services rendered by him as the chief executive in management of the affairs of the group entities.
- (ii) During the Track Record Period, no emoluments have been paid to Mr. You Zheng, Mr. Li Wei, Mr. Zhou Changlin, Mr. Hu Weidong, Mr. Zhang Kebang and Mr. Deng Wenhui by the Group.
- (iii) During the Track Record Period, no emoluments were paid by the Group to any of the directors or supervisors nor the chief executive officer of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.
- (iv) Mr. Li Ming and Mr. Li Kaiguo were appointed in February 2022 and November 2022, respectively.
- (v) Mr. Zhao Wanyi and Mr. Fu Yuwu resigned in February 2022 and November 2022, respectively.
- (vi) Mr. Zhang Guolin, Mr. Yin Xianzhi, Ms Shen Wei, Mr. Jing Xufeng and Mr. Song Yunxing were appointed in May 2023.
- (vii) Mr. Liu Changdong, Mr. Ma Jianchang, Mr. Liu Bin, Mr. Liu Kaixiang and Ms. Kuang Juan, Ms Liu Lian resigned in May 2023.
- (viii) Mr. Deng Wenhui was appointed in October 2024.
- (ix) Mr. Hu Weidong resigned in October 2024.
- (x) The share-based payment expense recognised in the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025 granted to the executive Director, non-executive director and supervisors above of the Group was RMB391,000, RMB288,000, RMB5,108,000, RMB828,000 and RMB3,729,000, respectively, which is not included in the above remuneration.
- (xi) Subsequent to the end of the Track Record Period, the Company dissolved its committee of supervisors, pursuant to a resolution approved by the shareholders at the shareholders' meeting on 15 October 2025.

Employees

The five highest paid individuals of the Group for the Track Record Period included two, two, nil, nil (unaudited) and nil directors for the years ended 31 December 2022, 2023 and 2024 and for the six months ended 30 June 2024 and 2025, respectively. The emoluments of the remaining three, three, five, five (unaudited) and five individuals of the Group for the years ended 31 December 2022, 2023 and 2024 and for the six months ended 30 June 2024 and 2025, respectively, are as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Salaries and other allowances.	7,132	9,273	17,526	7,335	7,274
Discretionary bonus.	3,436	2,104	5,528	7,937	13,795
Retirement benefit scheme contributions	28	29	89	40	48
	<u>10,596</u>	<u>11,406</u>	<u>23,143</u>	<u>15,312</u>	<u>21,117</u>

The number of the highest paid individuals, other than the directors of the Company, whose emoluments fell within the following bands is as follows (presented in Hong Kong dollars ("HK\$")):

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	<i>Number of employees</i>	<i>Number of employees</i>	<i>Number of employees</i>	<i>Number of employees (unaudited)</i>	<i>Number of employees</i>
HK\$2,000,001 to HK\$2,500,000 . .	–	–	–	1	–
HK\$2,500,001 to HK\$3,000,000 . .	–	–	–	2	1
HK\$3,000,001 to HK\$3,500,000 . .	–	–	–	–	1
HK\$3,500,001 to HK\$4,000,000 . . .	2	2	2	1	1
HK\$4,000,001 to HK\$4,500,000 . . .	–	–	1	–	–
HK\$4,500,001 to HK\$5,000,000 . . .	1	–	–	–	1
HK\$5,000,001 to HK\$5,500,000 . . .	–	1	1	1	–
HK\$7,500,001 to HK\$8,000,000 . . .	–	–	1	–	–
HK\$8,000,001 to HK\$8,500,000 . .	–	–	–	–	1

The share-based payment expense recognised in the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025 granted to the five employees above of the Group was RMB1,293,000, nil, RMB7,816,000, RMB1,232,000 (unaudited) and RMB7,405,000 which is not included in the above remuneration.

During the Track Record Period, no emoluments was paid by the Group to the directors of the Company or the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

16. DIVIDENDS

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000 (unaudited)</i>	<i>RMB'000</i>
Dividends for ordinary shareholders of the Company recognised as distribution during the year/period:					
Interim dividend – RMB0.331 per share (<i>note i</i>)	–	–	499,738	–	–
Final dividend – RMB0.97 per share (<i>note iii</i>)	–	–	–	–	1,584,365

Notes:

- (i) During the year ended 31 December 2024, the Company declared a cash dividend distribution for the first three quarters of 2024, amounting to RMB0.331 per ordinary share, in an aggregate amount of approximately RMB499,738,000, to the shareholders based on the total share number of 1,509,782,193 as at 12 December 2024.
- (ii) No dividend is declared by the Company during the years ended 31 December 2022 and 2023, and the six months ended 30 June 2024.
- (iii) During the six months ended 30 June 2025, the Company declared a cash dividend distribution for the year ended 31 December 2024, amounting to RMB0.97 per ordinary share, in an aggregate amount of approximately RMB1,584,365,000 to the shareholders based on the total share number of 1,633,366,086 as at 12 May 2025.

- (iv) Subsequent to the end of the reporting period, a cash dividend distribution for the six months ended 30 June 2025 of RMB0.31 per ordinary share, in an aggregate amount of RMB506,343,000 has been proposed by the directors of the Company and approved by the shareholders at the shareholders' meeting as at 15 October 2025.

17. (LOSS) PROFIT PER SHARE

The calculation of the basic (loss) profit per share attributable to owners of the Company is based on the following data:

(Loss) profit figures are calculated as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
(Loss) profit for the year/period attributable to owners of the Company	(3,831,866)	(2,449,687)	5,945,945	1,624,558	2,940,890

Number of shares

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	'000	'000	'000	'000	'000
				(unaudited)	
Weighted average number of ordinary shares for the purpose of basic (loss) profit per share	1,428,472	1,500,538	1,508,148	1,506,664	1,571,574
Effect of dilutive potential ordinary shares:					
Share-based payment	—	—	601	16	2,240
Weighted average number of ordinary shares for the purpose of diluted (loss) profit per share	1,428,472	1,500,538	1,508,749	1,506,680	1,573,814

Diluted (loss) profit per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all potential dilutive ordinary shares. The Group had potential dilutive shares during the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025. As the Group incurred losses during the years ended 31 December 2022 and 2023, the effect of these potential dilutive shares would be anti-dilutive.

18. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings and plants	Moulds and machinery	Motor vehicles	Furniture, fixture and office equipment	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST						
At 1 January 2022	3,291,208	8,456,781	82,101	736,843	1,532,735	14,099,668
Additions	31,634	147,001	112,379	295,039	1,724,305	2,310,358
Transfer from construction in progress	587,337	1,763,860	1,878	70,351	(2,423,426)	–
Disposal of a subsidiary	–	–	–	(2,632)	–	(2,632)
Exchange adjustments	(602)	3,834	19	973	–	4,224
Disposals	(29,524)	(467,612)	(9,285)	(17,130)	(487,952)	(1,011,503)
At 31 December 2022	3,880,053	9,903,864	187,092	1,083,444	345,662	15,400,115
Additions	31,848	321,012	65,905	231,933	832,987	1,483,685
Transfer from construction in progress	119,141	791,036	–	15,615	(925,792)	–
Exchange adjustments	2,056	14,583	119	264	–	17,022
Disposals	(374,223)	(424,167)	(99,325)	(15,756)	(57,818)	(971,289)
At 31 December 2023	3,658,875	10,606,328	153,791	1,315,500	195,039	15,929,533
Additions	16,260	1,211,316	107,637	366,591	565,347	2,267,151
Transfer from construction in progress	52,023	445,437	–	21,866	(519,326)	–
Exchange adjustments	(2,498)	(6,431)	(41)	(69)	(6)	(9,045)
Disposals	(450)	(200,312)	(76,753)	(21,177)	(28,150)	(326,842)
At 31 December 2024	3,724,210	12,056,338	184,634	1,682,711	212,904	17,860,797
Additions	92,868	1,427	62,669	184,890	521,009	862,863
Acquired on acquisition of a subsidiary	3,869,877	975,842	21,599	104,260	657,162	5,628,740
Transfer from construction in progress	9,329	362,605	–	12,422	(384,356)	–
Exchange adjustments	(3,060)	(8,961)	(683)	(257)	(57)	(13,018)
Disposals	(246)	(89,248)	(36,131)	(10,392)	–	(136,017)
At 30 June 2025	7,692,978	13,298,003	232,088	1,973,634	1,006,662	24,203,365

	Buildings and plants	Moulds and machinery	Motor vehicles	Furniture, fixture and office equipment	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
DEPRECIATION						
At 1 January 2022	561,154	3,494,724	37,859	350,415	–	4,444,152
Depreciation provided for the year . .	123,613	1,029,424	17,388	140,825	–	1,311,250
Disposal of a subsidiary	–	–	–	(1,899)	–	(1,899)
Depreciation eliminated on disposals .	(10,656)	(267,083)	(4,350)	(15,178)	–	(297,267)
Exchange adjustments.	(167)	2,105	20	929	–	2,887
At 31 December 2022.	673,944	4,259,170	50,917	475,092	–	5,459,123
Depreciation provided for the year . .	132,978	1,047,098	21,678	214,630	–	1,416,384
Depreciation eliminated on disposals .	(97,131)	(251,418)	(25,926)	(11,362)	–	(385,837)
Exchange adjustments.	(1,712)	8,823	150	218	–	7,479
At 31 December 2023.	708,079	5,063,673	46,819	678,578	–	6,497,149
Depreciation provided for the year . .	128,579	1,043,548	23,364	221,408	–	1,416,899
Depreciation eliminated on disposals .	(79)	(175,499)	(20,398)	(15,888)	–	(211,864)
Exchange adjustments.	(708)	(4,394)	(18)	(24)	–	(5,144)
At 31 December 2024.	835,871	5,927,328	49,767	884,074	–	7,697,040
Depreciation provided for the period .	100,669	648,308	8,667	143,818	–	901,462
Depreciation eliminated on disposals .	(27)	(68,054)	(9,584)	(8,639)	–	(86,304)
Exchange adjustments.	(963)	(7,348)	(35)	(252)	–	(8,598)
At 30 June 2025	935,550	6,500,234	48,815	1,019,001	–	8,503,600
IMPAIRMENT						
At 1 January 2022	–	22,370	–	–	–	22,370
Impairment provided for the year . .	–	9,248	–	–	–	9,248
Impairment eliminated on disposals .	–	(8,275)	–	–	–	(8,275)
At 31 December 2022.	–	23,343	–	–	–	23,343
Impairment provided for the year . .	–	1,482	–	–	–	1,482
Impairment eliminated on disposals .	–	(7,019)	–	–	–	(7,019)
At 31 December 2023.	–	17,806	–	–	–	17,806
Impairment provided for the year . .	–	80,564	–	1,971	–	82,535
At 31 December 2024.	–	98,370	–	1,971	–	100,341
Impairment provided for the period . .	–	977	–	–	–	977
Impairment eliminated on disposals .	–	(6,097)	–	–	–	(6,097)
At 30 June 2025	–	93,250	–	1,971	–	95,221
CARRYING VALUES						
At 31 December 2022	3,206,109	5,621,351	136,175	608,352	345,662	9,917,649
At 31 December 2023	2,950,796	5,524,849	106,972	636,922	195,039	9,414,578
At 31 December 2024	2,888,339	6,030,640	134,867	796,666	212,904	10,063,416
At 30 June 2025	6,757,428	6,704,519	183,273	952,662	1,006,662	15,604,544

The Company

	Buildings and plants	Motor vehicles	Furniture, fixture and office equipment	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
COST				
At 1 January 2022	383,307	8,930	100,785	493,022
Additions	233	629	6,737	7,599
Disposals	(29,513)	–	(3,634)	(33,147)
At 31 December 2022	354,027	9,559	103,888	467,474
Additions	–	585	9,940	10,525
Disposals	(635)	(366)	(2,885)	(3,886)
At 31 December 2023	353,392	9,778	110,943	474,113
Additions	–	3,350	70,045	73,395
Disposals	–	(393)	(353)	(746)
At 31 December 2024	353,392	12,735	180,635	546,762
Additions	–	1,396	86,294	87,690
Disposals	–	(919)	(311)	(1,230)
At 30 June 2025	353,392	13,212	266,618	633,222
DEPRECIATION				
At 1 January 2022	100,302	6,974	75,426	182,702
Depreciation provided for the year . .	11,766	518	9,431	21,715
Depreciation eliminated on disposals	(10,646)	–	(3,521)	(14,167)
At 31 December 2022	101,422	7,492	81,336	190,250
Depreciation provided for the year . .	11,042	435	10,822	22,299
Depreciation eliminated on disposals	–	(279)	(2,722)	(3,001)
At 31 December 2023	112,464	7,648	89,436	209,548
Depreciation provided for the year . .	11,040	636	13,733	25,409
Depreciation eliminated on disposals	–	(247)	(337)	(584)
At 31 December 2024	123,504	8,037	102,832	234,373
Depreciation provided for the period	5,520	551	18,757	24,828
Depreciation eliminated on disposals	–	(892)	(175)	(1,067)
At 30 June 2025	129,024	7,696	121,414	258,134
CARRYING VALUES				
At 31 December 2022	252,605	2,067	22,552	277,224
At 31 December 2023	240,928	2,130	21,507	264,565
At 31 December 2024	229,888	4,698	77,803	312,389
At 30 June 2025	224,368	5,516	145,204	375,088

The above items of property, plant and equipment, except for construction in progress, after taking into account their estimated residual value, are depreciated on a straight-line basis at the following estimated useful lives:

Buildings and plants	10-35 years
Moulds and machinery	5-10 years
Motor vehicles	3-8 years
Furniture, fixture and office equipment	3-5 years

19. RIGHT-OF-USE ASSETS

The Group

	Leasehold lands	Leased properties	Equipment and machinery	Total	
	RMB'000	RMB'000	RMB'000	RMB'000	
At 31 December 2022					
Carrying amount.	1,200,514	475,504	4,207	1,680,225	
At 31 December 2023					
Carrying amount.	1,031,330	1,488,646	493,344	3,013,320	
At 31 December 2024					
Carrying amount.	980,043	822,382	1,836,911	3,639,336	
At 30 June 2025					
Carrying amount.	2,239,167	1,006,972	800	3,246,939	
For the year ended 31 December 2022					
Depreciation charge.	30,168	98,051	4,492	132,711	
For the year ended 31 December 2023					
Depreciation charge.	26,591	174,349	20,415	221,355	
For the year ended 31 December 2024					
Depreciation charge.	26,755	224,324	124,477	375,556	
For the six months ended 30 June 2024 (unaudited)					
Depreciation charge.	11,820	118,250	22,302	152,372	
For the six months ended 30 June 2025					
Depreciation charge.	19,498	120,095	51,276	190,869	
	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Expense relating to short-term leases	10,432	9,040	10,118	3,880	10,338
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	1,285	1,385	1,535	700	1,508
Total cash outflow for leases	180,996	214,542	462,619	211,996	153,696
Additions to right-of-use assets	523,688	1,814,085	1,743,730	47,385	1,828,643

The Company

	Leasehold lands	Leased properties	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December 2022			
Carrying amount	39,713	110,476	150,189
At 31 December 2023			
Carrying amount	38,644	76,551	115,195
At 31 December 2024			
Carrying amount	37,576	63,691	101,267
At 30 June 2025			
Carrying amount	37,042	78,546	115,588
For the year ended 31 December 2022			
Depreciation charge	1,122	12,275	13,397
For the year ended 31 December 2023			
Depreciation charge	1,069	23,211	24,280
For the year ended 31 December 2024			
Depreciation charge	1,069	25,509	26,578
For the six months ended 30 June 2024 (unaudited)			
Depreciation charge	534	11,429	11,963
For the six months ended 30 June 2025			
Depreciation charge	534	19,016	19,550

During the Track Record Period, the Group leases various leased properties and equipment and machinery for its operations. Lease contracts are entered into for fixed term of 1.50 to 10.00 years, 1.58 to 27.60 years, 1.84 to 27.60 years and 1.37 to 27.60 years for the years end 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, respectively. The Company leases various leased properties for its operations. Lease contracts are entered into for fixed term of 5.00 years, 5.00 years, 3.00 to 5.00 years and 2.49 to 5.00 years for the years end 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, respectively. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group and the Company applies the definition of a contract and determines the period for which the contract is enforceable.

20. GOODWILL

	Acquisition of Luzhou Rongda Intelligent Transmission Limited Company ("Luzhou Rongda")	Acquisition of Chongqing Liangjiang New Area Longsheng New Energy Technology Co., Ltd. ("Longsheng New Energy")	Total
	RMB'000	RMB'000	RMB'000
COST			
At 1 January 2022, 31 December 2022, 2023 and 2024	156,052	—	156,052
Arising on acquisition of a subsidiary	—	497,392	497,392
At 30 June 2025	156,052	497,392	653,444
IMPAIRMENT			
At 1 January 2022	80,347	—	80,347
Impairment loss recognised in the year.	10,693	—	10,693
At 31 December 2022	91,040	—	91,040
Impairment loss recognised in the year.	18,097	—	18,097
At 31 December 2023	109,137	—	109,137
Impairment loss recognised in the year/period	46,915	—	46,915
At 31 December 2024 and at 30 June 2025	156,052	—	156,052
CARRYING VALUES			
At 31 December 2022	65,012	—	65,012
At 31 December 2023	46,915	—	46,915
At 31 December 2024	—	—	—
At 30 June 2025	—	497,392	497,392

Particulars regarding impairment testing on goodwill are disclosed in note 22.

21. INTANGIBLE ASSETS

The Group

	Development costs	Licenses and franchises	Trademark	Non-patented technology	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST					
At 1 January 2022	1,533,729	272,471	—	4,753,267	6,559,467
Additions	2,608,786	—	—	370	2,609,156
Transfer	(2,790,159)	—	—	2,790,159	—
Disposals	—	—	—	(1,321)	(1,321)
At 31 December 2022	1,352,356	272,471	—	7,542,475	9,167,302
Additions	3,816,000	—	—	45	3,816,045
Transfer	(4,167,372)	—	—	4,167,372	—
Disposals	—	—	—	(317,218)	(317,218)
At 31 December 2023	1,000,984	272,471	—	11,392,674	12,666,129
Additions	941,674	—	2,502,424	224,094	3,668,192
Transfer	(1,161,577)	—	—	1,161,577	—
At 31 December 2024	781,081	272,471	2,502,424	12,778,345	16,334,321
Additions	2,260,956	—	—	40,905	2,301,861
Transfer	(2,317,990)	—	—	2,317,990	—
At 30 June 2025	724,047	272,471	2,502,424	15,137,240	18,636,182

	Development costs	Licenses and franchises	Trademark	Non-patented technology	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
AMORTISATION AND IMPAIRMENT					
At 1 January 2022	–	272,471	–	1,261,572	1,534,043
Charge for the year	–	–	–	856,191	856,191
At 31 December 2022	–	272,471	–	2,117,763	2,390,234
Charge for the year	–	–	–	1,129,448	1,129,448
Impairment loss recognised	–	–	–	76,203	76,203
Eliminated on disposals	–	–	–	(113,654)	(113,654)
At 31 December 2023	–	272,471	–	3,209,760	3,482,231
Charge for the year	–	–	125,125	2,448,729	2,573,854
Impairment loss recognised	–	–	–	1,626,684	1,626,684
At 31 December 2024	–	272,471	125,125	7,285,173	7,682,769
Charge for the period	–	–	125,117	962,542	1,087,659
At 30 June 2025	–	272,471	250,242	8,247,715	8,770,428
CARRYING VALUES					
At 31 December 2022	1,352,356	–	–	5,424,712	6,777,068
At 31 December 2023	1,000,984	–	–	8,182,914	9,183,898
At 31 December 2024	781,081	–	2,377,299	5,493,172	8,651,552
At 30 June 2025	724,047	–	2,252,182	6,889,525	9,865,754

Development costs are internally generated and are not available for use.

The above intangible assets (other than development costs) have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Non-patented technology	5-10 years
Licenses and franchises	5-10 years
Trademark	10 years

22. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS

(a) Goodwill

For the purposes of impairment testing, goodwill set out in note 20 is allocated to two individual cash generating units (“CGUs”), comprising two subsidiaries, Luzhou Rongda and Longsheng New Energy. In addition to goodwill above, property, plant and equipment, intangible assets and right-of-use assets (including allocation of corporate assets) that generate cash flows together with the related goodwill is also included in these CGUs for the purpose of impairment assessment.

The recoverable amount of the units has been determined based on a value in use calculation. For Luzhou Rongda CGU, that calculation uses cash flow projections based on financial budgets approved by the management covering a five-year period, and pre-tax discount rate of 13.71% and 15.60%, as of 31 December 2022 and 2023. The CGU's cash flows beyond the five-year period are extrapolated using a steady nil growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include salary costs of staff, growth rate of sales, such estimation is based on the unit's past performance and the management's expectations for the market development.

Based on the impairment assessment performed, the Group has recognised impairment losses amounting to RMB10,693,000 and RMB18,097,000 for the years ended 31 December 2022 and 2023, respectively. The management believes that any reasonably possible change in any of these assumptions would not cause material impairment losses on the goodwill as at 31 December 2022 and 2023.

During the year ended 31 December 2024, the financial performance of Luzhou Rongda does not meet the expectation set by the management of the Group. Management of the Group had consequently determined impairment of goodwill directly related to Luzhou Rongda amounting to RMB46,915,000. No other write-down of the assets of Luzhou Rongda is considered necessary.

As at 30 June 2025, management of the Group was not aware of any negative change that may affect the assets' value. As a result, no impairment assessment as at 30 June 2025 was performed.

(b) Intangible assets

Development costs

The recoverable amount of development costs with carrying amount of RMB1,352,356,000 RMB1,000,984,000, RMB781,081,000 and RMB724,047,000, respectively, as at 31 December 2022, 2023 and 2024 and 30 June 2025 is estimated individually. The recoverable amount has been determined based on a value in use calculation.

The management of the Group estimated that the value in use to be close to its fair value less costs of disposal. The fair value less cost of disposal is estimated using the Relief-from-Royalty method which assumes that, in lieu of ownership, a third party would be willing to pay a royalty in order to obtain the rights to use the intangible assets. Key assumptions used in the valuation included projected future sales of product models related to each development costs, royalty rate and pre-tax discount rate. The projected future sales of related products covers a four to five years period, three to five years period and three to five years period as at 31 December 2022, 2023 and 2024, respectively. The fair value measurement is categorised into Level 3 fair value hierarchy.

The following table sets out the information of other key assumptions for the value in use calculation:

	As at 31 December		
	2022	2023	2024
Pre-tax discount rate	19.57% to 24.85%	14.01% to 22.10%	16.45% to 19.47%
Royalty rate	0.14% to 4.92%	0.29% to 7.95%	0.10% to 2.84%

The Group has not recognised any impairment losses during the Track Record Period based on the impairment assessment performed.

The Group performed sensitivity test for the development costs as at 31 December 2022, 2023 and 2024, respectively, by decreasing 1%-5% of projected future sales or decreasing by 1%-5% of royalty rate or increasing by 1%-5% of pre-tax discount rate, with all other variables held constant. Based on the sensitivity test performed:

- (i) for assets in aggregated carrying amount of RMB1,073,176,000, RMB842,783,000 and RMB704,614,000 as at 31 December 2022, 2023 and 2024, respectively, the headroom is no less than 5%.

The management believes that any reasonably possible change in any of above assumptions would not cause the carrying amount of the development costs to exceed their recoverable amount determined as at 31 December 2022, 2023 and 2024.

- (ii) for assets in aggregated carrying amount of RMB279,180,000, RMB158,201,000 and RMB76,467,000 as at 31 December 2022, 2023 and 2024, respectively, in the opinion of the management, any reasonable possible change in the assumption used in impairment assessment of assets in this category may cause immaterial impairment losses in aggregation.

As at 30 June 2025, management of the Group was not aware of any negative change that may affect the assets' value. As a result, no impairment assessment as at 30 June 2025 was performed.

Non-patented technology

At the end of each reporting period, the management of the Group assess the sales and production of product models and application on relevant non-patented technology. For those discontinued production, the Group provide impairment allowance on the relevant non-patented technology. During the year ended 31 December 2024, the management of the Group made the decision to discontinue production of certain product models due to accelerated product upgrades. Impairment amounting to RMB1,054,082,000 is recognised to the non-patented technology related to these product models as the management are of the opinion that the value in use of the related technology is neglectable.

For the remaining balance of non-patent technology as at 31 December 2022, 2023 and 2024, respectively, the Group performed impairment testing for the non-patent technology. The recoverable amount of non-patented technology with carrying amount of RMB5,424,712,000, RMB8,182,914,000, RMB5,493,172,000, respectively, as at 31 December 2022, 2023 and 2024 is estimated individually. The recoverable amount has been determined based on a value in use calculation.

The management of the Group estimated that the value in use to be close to its fair value less costs of disposal. The fair value less cost of disposal is estimated using the Relief-from-Royalty method which assumes that, in lieu of ownership, a third party would be willing to pay a royalty in order to obtain the rights to use the non-patent technology. Key assumptions used in the valuation included projected future sales of product models related to each non-patented technology, royalty rate and pre-tax discount rate. The projected future sales of related products covers a three to five years period, two to five years period and three to five years period as at 31 December 2022, 2023 and 2024, respectively. The fair value measurement is categorised into Level 3 fair value hierarchy.

The following table sets out the information of other key assumptions for the value in use calculation:

	As at 31 December		
	2022	2023	2024
Pre-tax discount rate	18.07% to 22.85%	18.00% to 22.10%	16.45% to 19.47%
Royalty rate	0.10% to 7.30%	0.14% to 8.05%	0.01% to 7.41%

The Group has recognised impairment losses amounting to nil, RMB76,203,000 and RMB572,602,000 for the years ended 31 December 2022, 2023 and 2024, respectively, based on the impairment assessment performed.

Sensitivity analysis – non-patented technology with no impairment losses recognised for the year ended 31 December 2022 (“Non-impaired Non-patented Technology”)

The Group performed sensitivity test by decreasing 1%-5% of projected future sales or decreasing by 1%-5% of royalty rate or increasing by 1%-5% of pre-tax discount rate, with all other variables held constant. Based on the sensitivity test performed:

- (i) for assets in aggregated carrying amount of RMB4,684,062,000, the headroom of non-patented technology is not less than 5%.

The management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the Non-impaired Non-patented Technology to exceed their recoverable amount determined as at 31 December 2022.

- (ii) for assets in aggregated carrying amount of RMB740,650,000, in the opinion of the management, any reasonable possible change in the assumption used in impairment assessment of assets in this category may cause immaterial impairment losses in aggregation.

As at 30 June 2025, management of the Group was not aware of any negative change that may affect the assets' value. As a result, no impairment assessment as at 30 June 2025 was performed.

23. INTERESTS IN ASSOCIATES

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
The Group				
Cost of investments in associates . . .	33,000	2,033,000	2,033,000	13,533,000
Share of post-acquisition profits (losses)	4,315	4,892	(60,697)	(90,481)
Impairment losses recognised	—	—	—	(37,889)
	<u>37,315</u>	<u>2,037,892</u>	<u>1,972,303</u>	<u>13,404,630</u>
The Company				
Cost of investment in associates . . .	33,000	33,000	33,000	33,000
Share of post-acquisition profits . . .	4,315	4,892	5,095	4,889
Impairment losses recognised	—	—	—	(37,889)
	<u>37,315</u>	<u>37,892</u>	<u>38,095</u>	<u>—</u>

Details of the Group's and the Company's associates at the end of each reporting period are as follows:

The Group

Name of entities	Country of incorporation/ registration	Principal place of business	Proportion of ownership interest held by the Group				Proportion of voting rights held by the Group				Principal activities
			As at 31 December			As at 30 June	As at 31 December			As at 30 June	
			2022	2023	2024	2025	2022	2023	2024	2025	
新源汽車產業發展 (重慶) 有限公司 (New Energy Automobiles Industrial Development (Chongqing) Co., Ltd.)*	the PRC	the PRC	33.00%	33.00%	33.00%	33.00%	33.00%	33.00%	33.00%	33.00%	Industrial investment
重慶瑞馳汽車實業有限 公司 (Chongqing Ruichi Automobile Industry Co., Ltd.)* (Note i)	the PRC	the PRC	N/A	49.88%	49.88%	49.88%	N/A	49.88%	49.88%	49.88%	Manufacturing of automobiles
深圳引望智能技術有限 公司 (Shenzhen Yinwang Intelligent Technology Co., Ltd.)* (Note ii) . . .	the PRC	the PRC	N/A	N/A	N/A	10.00%	N/A	N/A	N/A	10.00%	Provision of intelligent vehicle solutions

Notes:

- (i) On 30 December 2023, Chongqing Ruichi Automobile Industry Co., Ltd. ("Chongqing Ruichi"), the Group's wholly-owned subsidiary, issued new shares to eight new shareholders for a consideration of RMB2,540,000,000. After the issuance of shares, the Group's shareholding decreased to 49.88% and lost control of this entity. The disposal of subsidiary during the Track Record Period is disclosed in note 44B.
- (ii) On 28 February 2025, the Group acquired 10% equity interest in Shenzhen Yinwang Intelligent Technology Co., Ltd. at a total cash consideration of RMB11.5 billion. In the opinion of the directors of the Group, the entity is regarded as an associate of the Group because the Group is entitled to nominate one out of seven director to the board of directors of the entity which indicates the Group has significant influence over the entity.

* For identification purposes only

The Company

Name of entity	Country of incorporation/ registration	Principal place of business	Proportion of ownership interest held by the Company				Proportion of voting rights held by the Company				Principal activity
			As at 31 December			As at 30 June	As at 31 December			As at 30 June	
			2022	2023	2024	2025	2022	2023	2024	2025	
New Energy Automobiles Industrial Development (Chongqing) Co., Ltd.	the PRC	the PRC	33.00%	33.00%	33.00%	33.00%	33.00%	33.00%	33.00%	33.00%	Industrial investment

Summarised financial information of Chongqing Ruichi

Summarised financial information of Chongqing Ruichi is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRS Accounting Standards.

All of the Group's associates are accounted for using the equity method in these Historical Financial Information.

Chongqing Ruichi

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current assets	N/A	3,111,105	3,000,932	3,730,937
Non-current assets	N/A	494,443	508,882	530,332
Current liabilities	N/A	(1,090,481)	(931,809)	(1,625,450)
Non-current liabilities	N/A	(26,238)	(24,663)	(24,327)
	Years ended 31 December			Six months ended 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	N/A	—	1,975,758	1,316,398
Loss for the year/period	N/A	—	(136,325)	(45,552)
Total comprehensive expense for the year/period	N/A	—	(136,325)	(45,552)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Net assets excluding revaluation adjustment	N/A	2,488,829	2,553,342	2,611,492
Revaluation adjustment	N/A	1,253,613	1,057,200	957,639
Less: non-controlling interests of subsidiaries	—	—	—	(1,999)
Net assets	N/A	3,742,442	3,610,542	3,567,132
Proportion of the Group's ownership interest	N/A	49.88%	49.88%	49.88%
The Group's share of net assets of the associate	N/A	1,866,730	1,800,938	1,779,285
Goodwill	N/A	133,270	133,270	133,270
Carrying amount of the Group's interest	N/A	2,000,000	1,934,208	1,912,555

24. INTEREST IN A JOINT VENTURE

Details of the Group's investment in a joint venture are as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cost of investment in a joint venture	10,000	10,000	10,000	10,000
Share of post-acquisition loss	(5,968)	(5,487)	(3,455)	(1,448)
	4,032	4,513	6,545	8,552

Details of the Group's joint venture at the end of each reporting period are as follow:

Name of entity	Country of incorporation/registration	Principal place of business	Proportion of ownership interest held by the Group				Interest voting rights held by the Group				Proportion of Principal activity
			As at 31 December			As at 30 June	As at 31 December			As at 30 June	
			2022	2023	2024	2025	2022	2023	2024	2025	
重慶雲灣科技有限公司 (Chongqing CloudBay Technology Co., Ltd.)*	The PRC	The PRC	40.32%	40.32%	49.39%	46.82%	40.32%	40.32%	49.39%	46.82%	Research and development of 3D printing technology

* For identification purposes only

In the opinion of the board, the interest in the joint venture is not material to the Group. As such, no financial information of the joint venture is disclosed.

25. EQUITY INSTRUMENTS AT FVTOCI

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Unlisted:				
– Equity investments	100,203	99,546	78,260	70,908

Note: The above unlisted equity investments represent the Group's equity interest in private entities established in the PRC or the United States of America ("US"). The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term strategic purposes and will realise their performance in the long run.

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Unlisted:				
– Equity investments	84,000	83,343	62,057	54,705

Note: The above unlisted equity investments represent the Company's equity interest in private entities established in the PRC. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term strategic purposes and will realise their performance in the long run.

26. FINANCIAL ASSETS AT FVTPL

The Group

Financial assets mandatorily measured at FVTPL:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Listed equity securities (<i>note</i>).	139,634	161,283	239,046	282,074
Structured deposits	1,611,895	972,361	3,809,702	–
	1,751,529	1,133,644	4,048,748	282,074

Note: The amount represents investments in Chongqing Rural Commercial Bank, which is listed in the Shanghai Stock Exchange; and Zotye Automobile Co., Ltd., which is listed in the Shenzhen Stock Exchange as at 31 December 2022, 2023 and 2024 and 30 June 2025.

The Company

Financial assets mandatorily measured at FVTPL:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Listed equity securities (<i>note</i>).	139,400	161,119	238,915	281,959
Structured deposits	1,611,895	972,362	804,920	—
	<u>1,751,295</u>	<u>1,133,481</u>	<u>1,043,835</u>	<u>281,959</u>

Note: The amount represents investment in Chongqing Rural Commercial Bank as at 31 December 2022, 2023 and 2024 and 30 June 2025.

27. INVENTORIES

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials and consumables . . .	2,573,878	1,942,354	1,345,329	1,371,895
Work in progress	147,757	124,880	125,930	135,888
Finished goods	1,037,913	1,133,941	672,218	1,415,822
Others	233,317	327,997	408,972	347,237
Total	<u>3,992,865</u>	<u>3,529,172</u>	<u>2,552,449</u>	<u>3,270,842</u>

28. TRADE AND OTHER RECEIVABLES**The Group**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	1,637,977	2,379,565	2,485,090	2,263,309
– contracts with customers	1,351,602	2,278,500	2,373,958	2,122,422
– subsidies from governments . . .	286,375	101,065	111,132	140,887
Less: allowance for credit losses . . .	(47,289)	(71,056)	(161,419)	(174,937)
	<u>1,590,688</u>	<u>2,308,509</u>	<u>2,323,671</u>	<u>2,088,372</u>
Other receivables, net of allowance .	803,763	883,729	686,391	812,243
Value added tax and other tax recoverable.	452,826	610,209	1,217,492	1,142,878
Prepayments	441,601	1,868,222	1,016,018	1,365,796
Prepaid consideration for investment on Shenzhen Yinwang Intelligent Technology Co., Ltd.	—	—	2,300,000	—
Deferred issue costs	—	—	—	26,100
Total	<u>3,288,878</u>	<u>5,670,669</u>	<u>7,543,572</u>	<u>5,435,389</u>

Analysed for reporting purposes as:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current assets	3,273,244	5,659,400	5,230,545	5,422,251
Non-current assets	15,634	11,269	2,313,027	13,138
	<u>3,288,878</u>	<u>5,670,669</u>	<u>7,543,572</u>	<u>5,435,389</u>

As at 1 January 2022, trade receivables from contracts with customers of the Group amounted to approximately RMB798,324,588.

The Group generally requires advance receipt of bank acceptance notes from majority of its customers before delivery of goods. For certain customers, the Group allows credit term of 30 to 90 days from the invoice date for trade receivables.

The following is an ageing analysis of trade receivables, net of allowance for credit losses, presented based on invoice dates:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
0-90 days	1,215,109	1,503,222	1,534,220	1,036,980
91-180 days	104,972	197,394	158,231	245,880
181-365 days	25,612	527,460	238,986	394,280
Over 365 days	244,995	80,433	392,234	411,232
Total	<u>1,590,688</u>	<u>2,308,509</u>	<u>2,323,671</u>	<u>2,088,372</u>

As at 31 December 2022, 2023 and 2024 and 30 June 2025, included in the Group's trade receivable balance are debtors with aggregate carrying amount of RMB27,297,000, RMB165,399,000, RMB98,654,000 and RMB107,312,000, respectively, which are past due 90 days or more but not as in default at the reporting date. The balances are expected to be fully received from the customers by reference to past experience and taking into consideration of forward-looking information. The Group does not hold any collateral over these balances.

Details of impairment assessment of trade and other receivables are set out in note 47(b).

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Other receivables	1,096	5,816	11,760	12,425
Value added tax and other tax recoverable	9	11	12,429	21,260
Deferred issue costs	—	—	—	26,100
Prepayments	13,757	331	9,733	3,761
Total	<u>14,862</u>	<u>6,158</u>	<u>33,922</u>	<u>63,546</u>

29. NOTES RECEIVABLE

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Bank acceptance bills	242,279	201,317	214,159	460,138

The Group generally requires advance receipt of bank acceptance notes from majority of its customers of automobiles before delivery of goods. These notes receivable will be settled in 3 to 12 months since the issuing date.

Details of impairment assessment of notes receivable are set out in note 47(b).

As at 31 December 2022, 2023 and 2024 and 30 June 2025, total bills received amounting to RMB10,053,871,000, RMB13,485,838,000, RMB33,521,612,000 and RMB37,142,869,000, respectively, were further discounted or endorsed by the Group. The Group derecognised these discounted or endorsed bills by their carrying amount at the time of discounting or endorsing and details are disclosed in note 48. All bills received by the Group are with a maturity period of less than one year.

30. CONTRACT ASSETS

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Subsidies receivable for sales of				
NEVs	948,824	334,117	66,198	21,609
Less: allowance for credit losses . . .	(10,576)	(13,737)	(13,722)	(13,722)
Total	938,248	320,380	52,476	7,887

As at 1 January 2022, contract assets amounted to approximately RMB956,435,010.

The contract assets primarily relate to the subsidy from local governments in relation to the Group's electric vehicles because the rights are conditioned on the Group's future performance. The contract assets are transferred to trade receivables when the rights become unconditional.

Details of the impairment assessment are set out in note 47(b).

31. BANK BALANCES AND CASH/PLEDGED AND RESTRICTED BANK DEPOSITS/TIME DEPOSITS

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Bank balances	2,327,166	4,479,631	6,333,622	21,664,874
Cash	228	88	60	12
Total	2,327,394	4,479,719	6,333,682	21,664,886
Restricted bank deposits	5,563	8,190	23,058	17,284
Pledged bank deposits	14,031,846	8,673,218	39,598,698	26,248,862
Total	14,037,409	8,681,408	39,621,756	26,266,146
Time deposits	1,012,638	1,028,994	7,903,854	11,437,800

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Bank balances	699,285	804,198	2,258,711	2,096,258
Cash	54	13	28	2
Total	699,339	804,211	2,258,739	2,096,260
Pledged bank deposits	36,001	57,000	37,000	37,000
Time deposits	1,012,638	1,028,994	441,940	—

Bank balances carry interest at prevailing market rates of 0.01%-2.75%, 0.01%-1.95%, 0.01%-2.05% and 0.05%-1.85% per annum for years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, respectively.

The pledged bank deposits represent deposits pledged to banks for issue of bank acceptance notes, letter of credit and banking facilities granted to the Group and the Company, which will be released upon the settlement of the described financing instruments. The pledged bank deposits carry fixed interest rate ranging of 0.25%-3.90%, 0.05%-3.45%, 0.05%-3.45% and 0.05%-1.50% per annum for years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, respectively.

Details of the impairment assessment of bank balances and pledged bank deposits are set out in note 47(b).

32. TRADE AND OTHER PAYABLES

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	9,553,652	19,947,124	27,265,766	31,591,085
Notes payable	16,111,655	10,184,008	41,144,620	27,251,072
Payroll and employee benefits payable	661,602	710,862	1,555,202	804,224
Receipt in advance	1,323	22,964	34,262	33,534
Other payables and provisions	1,332,134	684,945	2,412,811	3,278,726
Other tax payables	554,297	831,648	1,011,329	1,570,049
Accrued issue costs and listing expenses	—	—	—	6,182
Consideration payable for equity investment for Shenzhen Yinwang Intelligent Technology Co., Ltd. . .	—	—	—	3,450,000
	<u>28,214,663</u>	<u>32,381,551</u>	<u>73,423,990</u>	<u>67,984,872</u>
Current	28,163,249	32,328,953	72,274,335	66,256,022
Non-current	51,414	52,598	1,149,655	1,728,850
	<u>28,214,663</u>	<u>32,381,551</u>	<u>73,423,990</u>	<u>67,984,872</u>

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	6,582	987	16,416	26,884
Payroll and employee benefits payable	26,631	34,521	76,105	32,066
Other payables	891	3,838	1,582	1,544
Other tax payables	11,315	5,767	2,190	5,650
Accrued issue costs and listing expenses	—	—	—	6,182
	<u>45,419</u>	<u>45,113</u>	<u>96,293</u>	<u>72,326</u>

The ageing analysis of the Group's trade payables based on invoice date.

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
0-90 days	8,261,981	17,789,329	26,216,453	29,193,744
91-180 days	370,326	130,352	188,051	1,197,876
181-365 days	546,907	1,405,099	744,968	1,048,306
Over 365 days	374,438	622,344	116,294	151,159
Total trade payables	<u>9,553,652</u>	<u>19,947,124</u>	<u>27,265,766</u>	<u>31,591,085</u>

The credit terms for purchases of goods is 90 days.

33. BORROWINGS

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans	4,162,455	2,978,970	697,187	5,351,943
Financing arrangement with government platform	1,158,422	1,224,422	—	—
	<u>5,320,877</u>	<u>4,203,392</u>	<u>697,187</u>	<u>5,351,943</u>
Secured	2,411,544	2,094,493	—	890,633
Unsecured	2,909,333	2,108,899	697,187	4,461,310
	<u>5,320,877</u>	<u>4,203,392</u>	<u>697,187</u>	<u>5,351,943</u>

As at 31 December 2022 and 2023, bank loans amounted to RMB210,000,000 and RMB40,000,000 were guaranteed by the shareholders of Sokon Holding.

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
The carrying amounts of the bank loans are repayable:				
Within one year	2,970,641	1,604,120	10,187	989,050
Within a period of more than one year but not exceeding two years	1,092,114	712,500	642,800	814,907
Within a period of more than two years but not exceeding five years	99,700	662,350	33,800	1,965,671
Within a period of more than five years	—	—	10,400	1,582,315
	<u>4,162,455</u>	<u>2,978,970</u>	<u>697,187</u>	<u>5,351,943</u>
Less: Amounts due within one year shown under current liabilities	<u>(2,970,641)</u>	<u>(1,604,120)</u>	<u>(10,187)</u>	<u>(989,050)</u>
Amounts shown under non-current liabilities	<u>1,191,814</u>	<u>1,374,850</u>	<u>687,000</u>	<u>4,362,893</u>

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
The carrying amounts of the borrowing from financing arrangement with government platform are repayable:				
Within a period of more than one year but not exceeding two years	—	1,224,422	—	—
Within a period of more than two years but not exceeding five years	1,158,422	—	—	—
Amounts shown under non-current liabilities	<u>1,158,422</u>	<u>1,224,422</u>	<u>—</u>	<u>—</u>

The exposure of the Group's borrowings are as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Fixed-rate borrowings	4,408,361	2,780,331	52,057	1,200,490
Variable-rate borrowings	912,516	1,423,061	645,130	4,151,453
	<u>5,320,877</u>	<u>4,203,392</u>	<u>697,187</u>	<u>5,351,943</u>

The ranges of effective interest rates (which are also equal to contractual interest rates) on the Group's borrowing are as follow:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
Effective interest rate:				
Fixed-rate borrowings	2.80% to 5.10%	2.70% to 4.50%	2.70% to 3.40%	2.08% to 2.70%
Variable-rate borrowings	3.05% to 6.78%	2.85% to 5.41%	2.50% to 4.25%	1.98% to 2.80%

The Company

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans	1,331,311	779,751	18,232	1,904,358
Secured	850,862	665,751	–	890,633
Unsecured	480,449	114,000	18,232	1,013,725
	<u>1,331,311</u>	<u>779,751</u>	<u>18,232</u>	<u>1,904,358</u>

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
The carrying amounts of the above bank loans are repayable:				
Within one year	862,743	376,751	4,932	342,565
Within a period of more than one year but not exceeding two years	468,568	403,000	13,300	338,507
Within a period of more than two years but not exceeding five year	–	–	–	995,571
Within a period of more than five years	–	–	–	227,715
	<u>1,331,311</u>	<u>779,751</u>	<u>18,232</u>	<u>1,904,358</u>
Less: Amounts due within one year shown under current liabilities . . .	<u>(862,743)</u>	<u>(376,751)</u>	<u>(4,932)</u>	<u>(342,565)</u>
Amounts shown under non – current liabilities	<u>468,568</u>	<u>403,000</u>	<u>13,300</u>	<u>1,561,793</u>

The exposure of the Company's borrowings are as follows:

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Fixed – rate borrowings	1,331,311	779,751	–	–
Variable – rate borrowings	–	–	18,232	1,904,358
	<u>1,331,311</u>	<u>779,751</u>	<u>18,232</u>	<u>1,904,358</u>

The ranges of effective interest rates (which are also equal to contractual interest rates) on the Company's borrowing are as follow:

	Years ended 31 December			Six months ended 30 June
	2022	2023	2024	2025
Effective interest rate:				
Fixed-rate borrowings	2.90% to 5.10%	2.90% to 3.20%	3.20%	N/A
Variable-rate borrowings	3.90% to 6.78%	N/A	2.50%	2.24% to 2.67%

34. CONTRACT LIABILITIES

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Advance receipts from customers				
– sales of vehicles	<u>962,942</u>	<u>3,270,307</u>	<u>2,991,532</u>	<u>5,196,056</u>

As at 1 January 2022, contract liabilities amounted to approximately RMB756,472,000.

The Group generally requires advance receipts of bank acceptance notes from majority of its customers in the PRC. This will give rise to a contract liability, at the beginning of a contract, until the revenue recognised on the relevant contract exceeds the amount received.

Contract liabilities as at 31 December 2022, 2023 and 2024 and 30 June 2025 are/will be recognised as revenue to profit or loss within one year after the end of the Track Record Period.

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Sale of goods	<u>756,472</u>	<u>962,942</u>	<u>3,270,307</u>	<u>2,877,841</u>

35. LEASE LIABILITIES

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities payable:				
Within one year	137,069	326,857	510,084	250,369
Within a period of more than one year but not more than two years .	143,570	159,528	255,898	226,335
Within a period of more than two years but not more than five years	251,421	564,321	788,415	258,216
Within a period of more than five years	29,909	982,832	1,173,469	353,005
	<u>561,969</u>	<u>2,033,538</u>	<u>2,727,866</u>	<u>1,087,925</u>
Less: Amount due for settlement with 12 months shown under current liabilities	<u>(137,069)</u>	<u>(326,857)</u>	<u>(510,084)</u>	<u>(250,369)</u>
Amount due for settlement after 12 months shown under non-current liabilities	<u>424,900</u>	<u>1,706,681</u>	<u>2,217,782</u>	<u>837,556</u>

The weighted average incremental borrowing rates applied to lease liabilities of the Group are 4.83%, 4.88%, 4.87% and 4.38% as at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively.

The Company

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities payable:				
Within one year	42,890	47,936	75,732	94,046
Within a period of more than one year but not more than two years .	31,712	40,644	72,189	95,249
Within a period of more than two years but not more than five years	133,213	85,346	39,004	—
	<u>207,815</u>	<u>173,926</u>	<u>186,925</u>	<u>189,295</u>
Less: Amount due for settlement with 12 months shown under current liabilities	<u>(42,890)</u>	<u>(47,936)</u>	<u>(75,732)</u>	<u>(94,046)</u>
Amount due for settlement after 12 months shown under non-current liabilities	<u>164,925</u>	<u>125,990</u>	<u>111,193</u>	<u>95,249</u>

The weighted average incremental borrowing rates applied to lease liabilities of the Company are 4.75%, 4.75%, 4.46% and 4.29% as at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively.

36. CONVERTIBLE BONDS

The Group and the Company

On 6 November 2017, the Group issued 15,000,000 units of convertible bonds at a total par value of RMB1,500,000,000 with an interest rate of 0.30% in the first year, 0.50% in the second year, 1.00% in the third year, 1.50% in the fourth year, 1.80% in the fifth year and 2.00% in the sixth year. The bonds mature six years from the issue date at their par value of RMB1,500,000,000 or can be converted into shares at the holder's option.

At initial recognition, the equity component of the convertible bonds was separated from the liability component. The equity element is presented in equity heading convertible bonds equity reserve. The early redemption option is considered as closely related to the host debt. The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and included in shareholders' equity.

The movement of the liability component of the convertible bonds for the Track Record Period is set out below:

	As at 31 December	
	2022	2023
	RMB'000	RMB'000
Carrying amount at the beginning of the year	141,041	147,296
Interest charge	10,537	5,135
Interest paid	(3,715)	(35)
Conversion of convertible bonds	(567)	(149,621)
Redemption	—	(2,775)
Carrying amount at the end of the year	147,296	—

37. AMOUNT(S) DUE FROM/TO RELATED COMPANIES/IMMEDIATE HOLDING COMPANY/SUBSIDIARIES

The Group

Amounts due from related companies

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	RMB'000
Trade in natures				
東風啟辰汽車銷售有限公司 (Dongfeng Qichen Automobile Sales Co., Ltd.)* (note i)	32	41	51	51
東風物流(武漢)有限公司重慶分公司 (Dongfeng Logistics (Wuhan) Co., Ltd. Chongqing Branch)* (note i)	—	—	—	58
東風車城物流股份有限公司 (Dongfeng Checheng Logistics Co., Ltd.)* (note i)	393	—	—	—
東風柳州汽車有限公司 (Dongfeng Liuzhou Motor Co., Ltd.)* (note i)	14	1,335	1,005	910
東風汽車財務有限公司 (Dongfeng Motor Finance Co., Ltd.)* (note i)	201	—	—	—
東風汽車金融有限公司 (Dongfeng Financial Co., Ltd.)* (note i)	1,182	2,222	—	—
重慶瑞馳汽車實業有限公司 (Chongqing Ruichi Automobile Industry Co., Ltd.)* (note ii)	—	130,602	31,919	25,414
重慶瑞馳新能源汽車銷售服務有限公司 (Chongqing Ruichi New Energy Automobile Sales Service Co., Ltd.)* (note ii)	—	659	909	623
中國東風汽車工業進出口有限公司 (China Dongfeng Motor Industry Imp. & Exp. Co., Ltd.)* (note i)	17,579	—	—	—
東風汽車集團股份有限公司嵐圖汽車科技分公司 (Voyah Technology Branch of Dongfeng Motor Group Co., Ltd.)* (note i)	14	11	—	—
嵐圖汽車科技有限公司 (Voyah Technology Co., Ltd.)* (note i)	170,939	2,204	1,960	115
嵐圖汽車銷售服務有限公司 (Voyah Automobile Sales Service Co., Ltd.)* (note i)	189	2,198	4,983	4,130
重慶新康幸瑞置業有限公司 (Chongqing Xinkang Xingrui Real Estate Co., Ltd.)* (note iii)	62	—	—	—
重慶馳瑞物業管理有限公司 (Chongqin Chi Rui Property Management Co., Ltd.)* (note iii)	—	55	49	—
鄭州日產汽車有限公司 (Zhengzhou Nissan Automobile Co., Ltd.)* (note i)	—	—	913	197
東風物流集團股份有限公司 (Dongfeng Logistics Group Co., Ltd.)* (note i)	—	—	—	35
東風汽車股份有限公司 (Dongfeng Automobile Co., Ltd.)* (note i)	—	—	—	15
潛金融資租賃有限公司 (Pujin Financial Leasing Co., Ltd.)* (note iii)	—	—	—	350
	<u>190,605</u>	<u>139,327</u>	<u>41,789</u>	<u>31,898</u>

* For identification purposes only

Notes:

- (i) The related parties are controlled by Dongfeng Motor, which is a substantial shareholder of the group.
- (ii) On 30 December 2023, Chongqing Ruichi, the Group's wholly-owned subsidiary, issued new shares to eight new shareholders for a consideration of RMB2,540,000,000. After the issuance of shares, the Group's shareholding decreased to 49.88% and lost control of Chongqing Ruichi and Chongqing Ruichi New Energy Automobile Sales Service Co., Ltd. which is a subsidiary of Chongqing Ruichi. The Group derecognised the assets and liabilities of Chongqing Ruichi and the remaining interest in Chongqing Ruichi is recognised as interest in associates.
- (iii) The related parties are controlled by Sokon Holding.
- (iv) The following is an aged analysis of the Group's trade related balances with related parties at the end of each reporting period presented based on invoice date.

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
0-90 days	189,247	136,971	38,134	30,976
91-180 days	311	2,130	349	116
181-365 days	425	215	1,684	780
Over 365 days	622	11	1,622	26
	<u>190,605</u>	<u>139,327</u>	<u>41,789</u>	<u>31,898</u>

Analysed for reporting purposes as:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current	190,543	137,486	40,183	31,548
Non-current	62	1,841	1,606	350
	<u>190,605</u>	<u>139,327</u>	<u>41,789</u>	<u>31,898</u>

Amount due from immediate holding company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Sokon Holding				
Trade in nature	1,275	1,071	1,060	2,049
Non-trade in nature (note)	222,460	1,374,169	—	—
	<u>223,735</u>	<u>1,375,240</u>	<u>1,060</u>	<u>2,049</u>

Analysed for reporting purposes as:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current	222,460	1,374,169	—	—
Non-current	1,275	1,071	1,060	2,049
	<u>223,735</u>	<u>1,375,240</u>	<u>1,060</u>	<u>2,049</u>

Note: The amounts are unsecured, interest-free and repayable on demand.

Details of impairment assessment of amount due from a shareholder are set out in note 47(b).

Amounts due to related companies

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade in natures (note i)				
東誠惠眾資產經營有限公司 (Dongcheng Huizhong Assets Operation Co., Ltd.)* (note ii)	37	2	9	52
東風車城物流股份有限公司 (Dongfeng Checheng Logistics Co., Ltd.)* (note ii)	2,711	—	—	—
東風汽車車輪隨州有限公司 (Dongfeng Automotive Wheel Suizhou Co., Ltd.)* (note ii)	2,319	4,187	771	944
深圳聯友科技有限公司 (Shenzhen Lianyou Technology Co., Ltd.)* (note ii)	—	788	86	56
深圳引望智能技術有限公司 (Shenzhen Yinwang Intelligent Technology Co., Ltd.)* (note v)	N/A	N/A	N/A	3,880,985
重慶馳瑞物業管理有限公司 (Chongqing Chi Rui Property Management Co., Ltd.)* (note iii)	—	—	—	523
重慶意來智能懸架有限公司 (Chongqing Yilai Intelligent Suspension Co., Ltd.)* (note iii)	—	—	—	18,096
重慶瑞馳汽車實業有限公司 (Chongqing Ruichi Automobile Industry Co., Ltd.)*	N/A	14,207	—	1,738
重慶瑞馳新能源汽車銷售服務有限公司 (Chongqing Ruichi New Energy Automobile Sales Service Co., Ltd.)*	—	170	—	—
東風物流(武漢)有限公司 (Dongfeng Logistics (Wuhan) Co., Ltd.)* (note ii)	5,760	5,700	25,295	12,209
襄陽達安汽車檢測中心有限公司 (Xiang Yang Da An Automobile Test Center Limited Corporation)* (note ii)	1,938	—	5,947	493
東風物流集團股份有限公司 (Dongfeng Logistics Group Co., Ltd.)* (note ii)	—	—	—	5,300
潛金融資租賃有限公司 (Pujin Financial Leasing Co., Ltd.)* (note iii)	—	—	—	34
東風物流(武漢)有限公司重慶分公司 (Dongfeng Logistics (Wuhan) Co., Ltd. Chongqing Branch)* (note ii)	—	—	—	12
東風汽車動力零部件有限公司 (Dongfeng Automobile Power Parts Co., Ltd.)* (note ii)	9	—	—	—
鄭州日產汽車有限公司 (Zhengzhou Nissan Automobile Co., Ltd.)* (note ii)	—	—	7,956	317
廣州飛梭雲供應鏈有限公司 (Guangzhou Feisuo Cloud Supply Chain Co., Ltd.)* (note ii)	—	—	48	37
廣州市錦上技研汽車用品有限公司 (Guangzhou Jinshang Jiyan Automotive Supplies Co., Ltd.)* (note ii)	—	—	—	14,440
嵐圖汽車科技有限公司 (Voyah Auto Technology Co., Ltd.)* (note ii)	—	—	—	641
重慶渝安智能懸架有限公司 (Chongqing Yuan Intelligent Suspension Co., Ltd.)* (note iii)	—	—	7,144	1,653
重慶雲灣科技有限公司 (Chongqing Yunwa Technology Co., Ltd.)* (note iv)	—	—	87	—
	<u>12,774</u>	<u>25,054</u>	<u>47,343</u>	<u>3,937,530</u>

* For identification purposes only

Notes:

- (i) Trade related balances with related parties arose from purchase of goods and provision of services. In general, 60 to 90 days credit period is allowed. The amounts are unsecured, interest-free and expected to be repaid within 12 months from the end of each reporting period.
- (ii) The related parties are controlled by Dongfeng Motor, which is the substantial shareholder of the group.
- (iii) The related parties are controlled by a director of Sokon Holding.
- (iv) The related party is a joint venture of the Group.
- (v) The related party is an associate of the Group.
- (vi) The following is the aged analysis of the Group's trade related balances with related parties at the end of each reporting period presented based on the invoice date. The amounts are unsecured, interest-free and expected to be repaid within 12 months from the end of each reporting period.

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
0-90 days	9,940	19,002	41,284	3,930,374
91-180 days	5	—	9	841
181-365 days	60	2	—	365
Over 365 days	2,769	6,050	6,050	5,950
	<u>12,774</u>	<u>25,054</u>	<u>47,343</u>	<u>3,937,530</u>

Amount due to immediate holding company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Sokon Holding				
Trade in nature	—	—	—	1,372
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

Note: The amount is unsecured, interest-free and expected to be repaid within 12 months from the end of the reporting period. The aging of the amount is within 90 days.

The Company

Relationships	Nature of balances	As at 31 December			As at 30 June
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Amounts due from subsidiaries					
Subsidiaries	Trade nature (note i)	91,454	83,472	119,660	82,724
Subsidiaries	Non-trade nature (note ii)	12,880,505	11,899,707	3,638,556	5,669,937
		<u>12,971,959</u>	<u>11,983,179</u>	<u>3,758,216</u>	<u>5,752,661</u>

Notes:

- (i) During the Track Record Period, trade-related balances with subsidiaries arising from financial leases were RMB90,088,000, RMB80,728,000, RMB104,757,000 and RMB82,158,000, respectively. The remaining balances arose from miscellaneous income. In general, 60 to 90 days credit period is allowed. The remaining balances are unsecured and interest-free. The aging of remaining balances were with aging within 90 days.
- (ii) The amounts are non-trade nature, unsecured, carry interest at fixed rate of 2.34%-3.50% per annum and repayable on demand.

Analyses for reporting purposes as:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current	12,881,871	11,902,451	3,653,459	5,670,503
Non-current	90,088	80,728	104,757	82,158
	<u>12,971,959</u>	<u>11,983,179</u>	<u>3,758,216</u>	<u>5,752,661</u>

Relationships	Nature of balances	As at 31 December			As at 30 June
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000

**Amount due from
immediate holding
company**

Sokon Holding	Trade nature	1,275	1,071	1,060	2,049
Sokon Holding	Non-trade nature (<i>note</i>)	<u>222,460</u>	<u>1,374,169</u>	<u>—</u>	<u>—</u>
		<u>223,735</u>	<u>1,375,240</u>	<u>1,060</u>	<u>2,049</u>

Analysed for reporting purposes as:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current	222,460	1,374,169	—	—
Non-current	1,275	1,071	1,060	2,049
	<u>223,735</u>	<u>1,375,240</u>	<u>1,060</u>	<u>2,049</u>

Note: The amounts are unsecured, interest-free and repayable on demand.

Relationships	Nature of balances	As at 31 December			As at 30 June
		2022	2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Amounts due to subsidiaries					
Subsidiaries	Trade nature	–	–	–	317
Subsidiaries	Non-trade nature <i>(note)</i>	3,567,653	2,231,986	304,872	362,989
		<u>3,567,653</u>	<u>2,231,986</u>	<u>304,872</u>	<u>363,306</u>

Note: The amounts are unsecured, carry interest at fixed rate of 3.50% per annum and repayable on demand.

Relationships	Nature of balances	As at 31 December			As at 30 June
		2022	2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Amount due to immediate holding company					
Sokon Holding	Trade nature	—	—	—	294

Note: The amount is unsecured, interest-free and expected to be repaid within 12 months from the end of the reporting period. The aging of the amount is within 90 days.

38. DEFERRED INCOME

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year/period	1,185,400	1,889,274	1,738,954	1,656,177
Received during the year/period	825,685	22,088	61,880	10,150
Recognised as income during the year/period	(121,811)	(148,100)	(144,657)	(75,740)
Other decreased:	–	(24,308)	–	–
At the end of the year/period	<u>1,889,274</u>	<u>1,738,954</u>	<u>1,656,177</u>	<u>1,590,587</u>

Various government grants have been received for basic research and development activities. Government grants received for which related expenditure has not yet been undertaken are included in deferred income in the consolidated statements of financial position.

Government grants relating to assets are also credited to deferred income and are released to profit or loss over the expected useful lives of the relevant assets by equal annual instalments.

39. DEFERRED TAX ASSETS/LIABILITIES

The Group

The following is the analysis of the Group's deferred tax assets (liabilities) for financial reporting purposes:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Deferred tax assets	240,090	479,672	1,475,267	1,088,451
Deferred tax liabilities	(163,091)	(371,040)	(482,993)	(376,927)
	<u>76,999</u>	<u>108,632</u>	<u>992,274</u>	<u>711,524</u>

The following are the Group's major deferred tax liabilities and assets recognised and movements thereon during the Track Record Period:

	Impairment provision	Deferred income	Accelerated depreciation	Revaluation on acquisition	Deductible tax losses	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022	23,894	52,471	9,979	(49,856)	53,447	5,124	95,059
Credit (charge) to profit or loss for the year (note 13)	2,098	(833)	1,197	4,944	(25,938)	1,015	(17,517)
Disposal of a subsidiary	(147)	–	–	–	–	(396)	(543)
At 31 December 2022	<u>25,845</u>	<u>51,638</u>	<u>11,176</u>	<u>(44,912)</u>	<u>27,509</u>	<u>5,743</u>	<u>76,999</u>
Credit (charge) to profit or loss for the year (note 13)	15,184	587	1,926	8,522	(305)	14,851	40,765
Disposal of a subsidiary	(3,137)	(30)	–	–	–	(5,965)	(9,132)
At 31 December 2023	<u>37,892</u>	<u>52,195</u>	<u>13,102</u>	<u>(36,390)</u>	<u>27,204</u>	<u>14,629</u>	<u>108,632</u>
At 1 January 2024	37,892	52,195	13,102	(36,390)	27,204	14,629	108,632
Credit (charge) to profit or loss for the year (note 13)	101,868	(1,189)	9,753	4,372	590,265	178,576	883,645
Others	–	–	–	–	–	(3)	(3)
At 31 December 2024	<u>139,760</u>	<u>51,006</u>	<u>22,855</u>	<u>(32,018)</u>	<u>617,469</u>	<u>193,202</u>	<u>992,274</u>
Credit (charge) to profit or loss for the period (note 13)	10,090	11,473	(2,065)	3,627	(280,466)	119,505	(137,836)
Acquisition of a subsidiary	–	–	–	(142,960)	–	–	(142,960)
Others	–	–	–	–	–	46	46
At 30 June 2025	<u>149,850</u>	<u>62,479</u>	<u>20,790</u>	<u>(171,351)</u>	<u>337,003</u>	<u>312,753</u>	<u>711,524</u>

The Company

The following is the analysis of the Company's deferred tax assets (liabilities) for financial reporting purposes:

	As at 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Deferred tax assets	29,487	23,480	20,552	27,072
Deferred tax liabilities	(27,619)	(19,138)	(15,923)	(19,637)
	<u>1,868</u>	<u>4,342</u>	<u>4,629</u>	<u>7,435</u>

The following are the Company's major deferred tax liabilities and assets recognised and movements thereon during the Track Record Period:

	Impairment provision	Deferred income	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022.	376	334	–	710
Credit (charge) to profit or loss for the year	<u>13</u>	<u>(334)</u>	<u>1,479</u>	<u>1,158</u>
At 31 December 2022	<u>389</u>	<u>–</u>	<u>1,479</u>	<u>1,868</u>
Credit to profit or loss for the year	<u>73</u>	<u>–</u>	<u>2,401</u>	<u>2,474</u>
At 31 December 2023	<u>462</u>	<u>–</u>	<u>3,880</u>	<u>4,342</u>
Credit to profit or loss for the year	<u>159</u>	<u>–</u>	<u>128</u>	<u>287</u>
At 31 December 2024	<u>621</u>	<u>–</u>	<u>4,008</u>	<u>4,629</u>
Credit to profit or loss for the period	<u>178</u>	<u>–</u>	<u>2,628</u>	<u>2,806</u>
At 30 June 2025	<u>799</u>	<u>–</u>	<u>6,636</u>	<u>7,435</u>

As at December 31, 2022, 2023 and 2024 and 30 June 2025, no deferred tax asset has been recognised in respect unused tax losses of approximately RMB11,131,052,000, RMB18,702,155,000, RMB8,838,696,000 and RMB9,202,662,000, and temporary difference of approximately RMB893,896,000, RMB811,009,000, RMB6,552,377,000 and RMB6,027,768,000, respectively, due to the unpredictability of future profit streams. The unrecognised tax losses with expiry dates as disclosed in the following table.

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
2023	284,972	–	–	–
2024	591,649	569,412	–	–
2025	1,696,514	1,675,049	251,757	233,262
2026	3,073,033	3,049,771	925,485	913,319
2027	5,484,884	6,280,905	1,234,367	1,177,259
2028	–	7,127,018	4,580,242	3,699,876
2029	–	–	1,846,845	1,846,845
2030	–	–	–	1,332,101
	<u>11,131,052</u>	<u>18,702,155</u>	<u>8,838,696</u>	<u>9,202,662</u>

40. SHARE CAPITAL

The share capital of the Group represented the issued share capital of the Company.

	Number of Shares	Amount
		<i>RMB'000</i>
Ordinary share of RMB1 each		
Authorised, Issued and fully paid		
At 1 January 2022.	1,359,932,415	1,359,932
Issuance of ordinary shares (<i>note i</i>)	137,168,141	137,168
Conversion of convertible bonds (<i>note ii</i>)	32,808	33
Exercise of share options	145,719	146
At 31 December 2022	1,497,279,083	1,497,279
Conversion of convertible bonds (<i>note ii</i>)	10,091,484	10,091
Exercise of share options (<i>note 42</i>)	2,411,626	2,412
At 31 December 2023 and 2024	1,509,782,193	1,509,782
Issuance of ordinary shares (<i>note iv</i>)	123,583,893	123,584
At 30 June 2025	1,633,366,086	1,633,366

Notes:

- (i) On 14 July 2022, the Company issued 137,168,141 A shares to specific subscribers at the price of RMB51.98 per share.
- (ii) The amounts represents shares issued for the conversion of convertible bonds.
- (iii) During the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, the Company has repurchased 2,259,000, 1,580,100, nil and nil A shares with an aggregate consideration of RMB99,991,000, RMB105,245,000, nil and nil paid, respectively, for the share awards schemes. In the year ended 31 December 2024, the Company has transferred 3,839,100 shares when share awards were granted. Details of the share award schemes are set out in note 42. As at 31 December 2022, 2023 and 2024 and 30 June 2025, the Company had outstanding treasury shares of 2,259,000, 3,839,100, nil and nil, respectively.
- (iv) In March 2025, the Group acquired 100% equity interest in Longsheng New Energy from independent third-party shareholders by issuing 123,583,893 ordinary shares of the Company as consideration. All the 123,583,893 ordinary shares shall be locked up immediately upon the issuance. Commencing from the date of issuance, 47,421,199 ordinary shares shall be locked up for 12 months while 76,162,694 ordinary shares shall be locked up for 36 months.

41A. RESERVES

The Company

	Share premium	Convertible bonds equity reserve	Treasury shares	FVTOCI reserve	Statutory surplus reserve fund	Other reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022	8,265,305	56,979	—	—	297,320	1,410,856	1,464,897	11,495,357
Total comprehensive income for the year	—	—	—	—	—	—	613,624	613,624
Proceeds from shares issued for share-based payments	9,636	—	—	—	—	(172)	—	9,464
Recognition of equity-settled share-based payments	—	—	—	—	—	31,661	—	31,661
Repurchase of shares	—	—	(99,991)	—	—	—	—	(99,991)
Conversion of convertible bonds	696	(161)	—	—	—	—	—	535
Profit Guarantee Compensation	—	—	—	—	—	222,460	—	222,460
Issue of shares of the Company (note 40)	6,921,388	—	—	—	—	—	—	6,921,388
Transfer to statutory surplus reserve	—	—	—	—	61,362	—	(61,362)	—
Others	—	—	—	—	(5)	21,873	(43)	21,825
At 31 December 2022.	15,197,025	56,818	(99,991)	—	358,677	1,686,678	2,017,116	19,216,323
Total comprehensive income for the year.	—	—	—	3,750	—	—	157,533	161,283
Recognition of equity-settled share-based payments	—	—	—	—	—	(30,811)	—	(30,811)
Proceeds from shares issue	177,956	—	—	—	—	(21,140)	—	156,816
Repurchase of shares	—	—	(105,245)	—	—	—	—	(105,245)
Recognition of equity component of convertible loan notes	—	(56,818)	—	—	—	—	—	(56,818)
Conversion of convertible bonds into share	196,242	—	—	—	—	—	—	196,242
Profit Guarantee Compensation	—	—	—	—	—	1,374,169	—	1,374,169
Transfer to statutory surplus reserve	—	—	—	(375)	16,128	—	(15,753)	—
Others	—	—	—	(3,375)	—	—	3,375	—
At 31 December 2023.	15,571,223	—	(205,236)	—	374,805	3,008,896	2,162,271	20,911,959
Total comprehensive income for the year.	—	—	—	—	—	—	476,572	476,572
Recognition of equity-settled share-based payments	—	—	—	—	—	67,419	—	67,419
Share base payment granted to employees and repurchase of shares	—	—	205,236	—	—	(34,895)	—	170,341
Dividends recognised as distribution	—	—	—	—	—	—	(499,738)	(499,738)
Transfer to statutory surplus reserve	—	—	—	—	47,657	—	(47,657)	—
At 31 December 2024.	15,571,223	—	—	—	422,462	3,041,420	2,091,448	21,126,553
Total comprehensive income for the period.	—	—	—	—	—	—	390,373	390,373
Dividends recognised as distribution	—	—	—	—	—	—	(1,584,365)	(1,584,365)
Recognition of equity-settled share-based payments	—	—	—	—	—	54,597	—	54,597
Issue of shares of the Company	8,382,932	—	—	—	—	—	—	8,382,932
At 30 June 2025	23,954,155	—	—	—	422,462	3,096,017	897,456	28,370,090
At 1 January 2024	15,571,223	—	(205,236)	—	374,805	3,008,896	2,162,271	20,911,959
Total comprehensive expense for the period	—	—	—	—	—	—	(2,100)	(2,100)
Recognition of equity-settled share-based payments	—	—	—	—	—	10,453	—	10,453
Share base payment granted to employees and repurchase of shares	—	—	182,516	—	—	(31,032)	—	151,484
At 30 June 2024 (unaudited)	15,571,223	—	(22,720)	—	374,805	2,988,317	2,160,171	21,071,796

41B. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	At 31 December			At 30 June
	2022	2023	2024	2025
	%	%	%	%
Percentage of equity interests held by non-controlling interests:				
賽力斯汽車有限公司 (Seres Auto Co., Ltd.)*	19.35	19.35	1.23	6.37

* For identification purposes only

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
(Loss)/profit for the year/period allocated to non-controlling interests:	(806,226)	(864,593)	681,809	491,730	119,149

	As at 31 December			As at 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Accumulated balances of non-controlling interests at the year/period-end date:	(896,632)	(1,547,960)	17,008	605,228	

The following tables illustrate the summarised financial information of the above subsidiary. The amounts disclosed are before any intercompany eliminations:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	23,124,110	26,557,692	137,369,257	61,736,523	57,786,401
(Loss)/profit for the year/period	(4,730,510)	(5,307,777)	5,118,256	1,781,494	3,077,130
Total comprehensive (expense)/income for the year/period	(4,721,948)	(5,300,750)	5,124,129	1,783,478	3,076,293

	As at 31 December			As at 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current assets	15,681,508	14,150,218	53,969,819	56,733,673	
Non-current assets	12,677,151	16,996,615	21,539,444	32,491,203	
Current liabilities	31,435,583	37,875,586	70,232,765	72,577,604	
Non-current liabilities	2,334,651	4,000,788	4,313,212	7,539,285	

42. SHARE AWARD SCHEME**2021 Share Option Incentive Scheme**

The Company adopted share option incentive schemes for the purpose of further refining the corporate governance structure of the Company, facilitating the establishment of the restricted incentive mechanism, fully motivating the management and key personnel of the Company. The Company implemented a share option incentive scheme ("2021 Share Option Incentive Scheme") and granted a total of 32,864,000 and 7,136,000 share options to 2,708 and 996 executives and employees (the "2021 Incentive Participants") with exercise prices of RMB66.03 per share on 26 July 2021 and 20 December 2021, respectively. The 2021 Incentive Participants include the senior management of the Company and core technical and management personnel of the Company.

The 2021 Share Option Incentive Scheme shall, subject to performance evaluation at corporate level and individual level, be valid for a term of 48 months, commencing from the date of grant and ending on the date on which all the share options granted to the Incentive Participants have been exercised or cancelled.

The exercise periods and exercise schedule for the share options are as follows:

Exercise periods	Exercise proportion
First exercise period: Commencing from the first trading day after the expiry of the 12-month period from the date of grant and ending on the last trading day of the 24-month period from the date of grant	50%
Second exercise period: Commencing from the first trading day after the expiry of the 24-month period from the date of grant and ending on the last trading day of the 36-month period from the date of grant	50%

The following table discloses movements of the options under 2021 Share Option Incentive Scheme during the Track Record Period:

	Year ended 31 December		
	2022	2023	2024
Outstanding at 1 January	38,740,000	35,088,525	—
Exercised	(145,719)	(2,411,626)	—
Forfeited	(3,505,756)	(18,561,607)	—
Expired	—	(14,115,292)	—
Outstanding at 31 December	35,088,525	—	—
Exercisable at 31 December	14,115,292	—	—

The Group recognised expense of RMB21,943,000, reversed expense of RMB21,093,000 and nil for the years ended 31 December 2022, 2023 and 2024, respectively, in relation to 2021 Share Option Incentive Scheme granted by the Company.

2022 Share Option Incentive Scheme

On 28 September 2022, the Company implemented a share option incentive scheme ("2022 Share Option Incentive Scheme") and granted a total of 35,906,000 share options to 3,992 executives and employees (the "2022 Incentive Participants") with exercise prices of RMB66.12 per share. The 2022 Incentive Participants include the senior management of the Company and core technical and management personnel of the Company.

The exercise periods and exercise schedule for the share options are as follows:

Exercise periods	Exercise proportion
First exercise period: Commencing from the first trading day after the expiry of the 12-month period from the date of grant and ending on the last trading day of the 24-month period from the date of grant	50%
Second exercise period: Commencing from the first trading day after the expiry of the 24-month period from the date of grant and ending on the last trading day of the 36-month period from the date of grant	50%

The 2022 Share Option Incentive Scheme, subject to performance evaluation at corporate level and individual level, shall be valid for a term of 40 months, commencing from the date of grant and ending on the date on which all the share options granted to the Incentive Participants have been exercised or cancelled.

The following table discloses movements of the options under 2022 Share Option Incentive Scheme during the Track Record Period:

	Year ended 31 December		
	2022	2023	2024
Outstanding at 1 January	–	35,425,800	–
Granted	35,906,000	–	–
Forfeited	(480,200)	(35,425,800)	–
Outstanding at 31 December	35,425,800	–	–

No exercisable shares at the end of each reporting period under 2022 Share Option Incentive Scheme.

The Group recognised expense of RMB9,718,000, reversed expense of RMB9,718,000 and nil for the years ended 31 December 2022, 2023 and 2024, respectively, in relation to 2022 Share Option Incentive Scheme granted by the Company.

2024 Restricted Share Incentive Scheme

On 27 May 2024, the Company implemented a share incentive scheme (“2024 Restricted Share Incentive Scheme”) and granted a total of 3,414,100 shares to no more than 200 executives and employees at grant prices of RMB44.37 per share. On 22 October 2024, the Company additionally granted a total of 425,000 shares to 56 employees at same price per share. These executives and employees (the “2024 Share Incentive Participants”) include the senior management, core technical and management personnel of the Company.

2024 Restricted Share Incentive Scheme shall be valid for a term of 48 months, commencing from the date of grant of Restricted Shares and ending on the date on which all the restricted shares granted have been unlocked or otherwise repurchased and cancelled.

Restricted shares shall be locked up immediately upon the grant. All of the restricted shares granted to the 2024 Share Incentive Participants shall be subject to various lock-up periods ranging from 1 year to 2 years, immediately from the date of grant. Restricted shares held by the 2024 Share Incentive Participants shall be unlocked (or repurchased and cancelled by the Company) in two tranches upon the expiry of each lock-up period. The unlocking periods and unlock proportion for the restricted shares are as follows:

Unlocking period	Performance condition of the Group	Unlock proportion
First unlocking period: Commencing from the first trading day after the expiry of the 12-month period from the date of grant and ending on the last trading day of the 48-month period from the date of grant	Compared to the year 2023, the revenue for the year 2024 increases by more than 100%, or the sales volume of new energy vehicles increases by more than 100%	50%
Second unlocking period: Commencing from the first trading day after the expiry of the 24-month period from the date of grant and ending on the last trading day of the 48-month period from the date of grant	Compared to the year 2023, the revenue for the year 2025 increases by more than 150%, or the sales volume of new energy vehicles increases by more than 150%	50%

The 2024 Share Incentive Participants are eligible to unlock the restricted shares upon fulfillment of the performance condition of the Group and certain individual performance objectives.

The following table discloses movements of the shares under 2024 Restricted Share Incentive Scheme during the year ended 31 December 2024 and the six months ended 30 June 2025:

	Year ended 31 December	Six months ended 30 June
	2024	2025
Outstanding at 1 January	–	3,839,100
Granted	3,839,100	–
Unlocked	–	(1,707,050)
Outstanding at year/period end	3,839,100	2,132,050

The grant date fair value of the award share was RMB42.23 and RMB47.05 on 27 May 2024 and 22 October 2024, respectively, which was determined based on the difference between the grant date closing price of the Company's A Share and the subscription price of the award shares. The grant date closing price of the Company's A Shares was RMB86.60 and RMB91.42 per share on 27 May 2024 and 22 October 2024, respectively. The Group has recognised RMB67,419,000 and RMB54,597,000 as expenses under 2024 Restricted Share Incentive Scheme for the year ended 31 December 2024 and the six months ended 30 June 2025, respectively.

43. RETIREMENT BENEFITS PLANS

The majority of the Group's employees are located in the PRC. The employees of the Group in the PRC are members of a state-managed retirement benefits scheme operated by the PRC government. The Group is required to contribute a specified percentage of payroll costs as determined by respective local government authority to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions under the scheme.

The amounts of contributions made by the Group in respect of the retirement benefit scheme during the Track Record Period are disclosed in note 14.

44A ACQUISITION OF A SUBSIDIARY

On 25 March 2025, the Group acquired 100% interest in Longsheng New Energy from independent third-party shareholders. Longsheng New Energy owned advanced new energy vehicle production factories and equipment and it is principally engaged in the leasing of these facilities to the Group prior to the acquisition. Longsheng New Energy was acquired with the objective of enhancing the Group's manufacturing capability. The acquisition has been accounted for as acquisition of business using the acquisition method.

Consideration transferred

	<i>RMB'000</i>
Shares issued	8,518,384
Total	<u>8,518,384</u>

No material acquisition-related cost has been excluded from the consideration transferred and recognised as an expense.

Assets acquired and liabilities recognised at the date of acquisition

	<i>RMB'000</i>
Property, plant and equipment	5,628,740
Right-of-use assets	1,159,861
Trade and other receivables	548,062
Amounts due from the Group	282,879
Bank balances and cash	1,203,548
Trade and other payables	(659,138)
Deferred tax liabilities	(142,960)
Total	<u>8,020,992</u>

The fair value of receivables acquired at the date of acquisition approximated to their gross contractual amounts.

Goodwill arising on acquisition:

	<i>RMB'000</i>
Consideration transferred	8,518,384
Less: recognised amounts of net assets acquired	<u>(8,020,992)</u>
Goodwill arising on acquisition	<u>497,392</u>

Goodwill arose on the acquisition of Longsheng New Energy because the acquisition included advanced production facilities and equipments of Longsheng New Energy which can enhance the Group's manufacturing capability. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Net cash inflow on acquisition of Longsheng New Energy:

	<i>RMB'000</i>
Cash consideration paid	—
Less: cash and cash equivalents balances acquired	<u>(1,203,548)</u>
	<u>1,203,548</u>

Impact of acquisition on the results of the Group:

No material impact on the results of the Group for the six months period ended 30 June 2025 is attributable to the additional business generated by Longsheng New Energy.

Had the acquisition of Longsheng New Energy been completed on 1 January 2025, there would have no change to revenue for the six months ended 30 June 2025 of the Group, and profit for the six months ended 30 June 2025 would have been RMB3,049,285,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had Longsheng New Energy been acquired at the beginning of the period, the directors of the Company calculated depreciation of property, plant and equipment based on the recognised amounts of property, plant and equipment at the date of the acquisition.

44B. DISPOSAL OF SUBSIDIARIES**(a) Disposal of Pujin Financial Leasing Co., Ltd.**

On 31 January 2022, the Company disposed of its subsidiary, Pujin Financial Leasing Co., Ltd., to an independent third party. Further details of the consideration, and assets and liabilities disposed of in the above disposals are as follows:

	Year ended 31 December
	2022
	RMB'000
Loss on disposal of a subsidiary	
Consideration received and receivable	234,366
Less: net assets disposed of	258,953
Total	<u>(24,587)</u>
Net cash inflow arising on disposal	
Cash consideration received	234,366
Less: bank balances and cash disposed of	5,250
Net cash inflow arising on disposal	<u>229,116</u>

(b) Disposal of Chongqing Jiangshuang Auto Parts Co., Ltd.

On 31 May 2023, the Company disposed of its subsidiary, Chongqing Shuangjiang Auto Parts Co., Ltd., to an independent third party. The disposal was completed on the same date. Further details of the consideration, and assets and liabilities disposed of in the above disposal are as follows:

	Year ended 31 December
	2023
	RMB'000
Gain on disposal of a subsidiary	
Consideration received and receivable	395,000
Less: net assets disposed of	159,821
Total	<u>235,179</u>
Net cash inflow arising on disposal	
Cash consideration received	350,000
Less: bank balances and cash disposal of	—
Net Cash inflow arising on disposal	<u>350,000</u>

(c) Chongqing Ruichi

On 30 December 2023, Chongqing Ruichi, the Group's wholly-owned subsidiary, issued new shares to eight new shareholders for a consideration of RMB2,540,000,000 in cash. After the issuance of shares, the Group's shareholding decreased to 49.88% and lost control of this entity. The Group derecognised the assets and liabilities of Chongqing Ruichi and the remaining interest in Chongqing Ruichi is recognised as interest in associates. Further details of the consideration, and assets and liabilities disposed of in the above disposals are as follows:

	Year ended 31 December
	2023
	RMB'000
Deemed gain on disposal of a subsidiary	
Fair value of the remaining interest of Chongqing Ruichi as of the disposal date . . .	2,000,000
Less: net assets disposed of	478,829
Total	<u>1,521,171</u>

45. CAPITAL COMMITMENTS

	As at 31 December			As at June 30
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Contracted for but not provided in the Historical Financial Information in respect of the acquisition of				
– property, plant and equipment . .	979,896	508,964	447,080	1,088,937
– intangible assets	180,752	114,084	225,001	79,878
	<u>1,160,648</u>	<u>623,048</u>	<u>672,081</u>	<u>1,168,815</u>

46. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to equity holders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the Track Record Period.

The capital structure of the Group consists of borrowings, convertible bonds and lease liabilities, net of cash and cash equivalents and equity attributable to the owners of the Group, comprising share capital and reserves.

The management of the Group reviews the capital structure on a continuous basis taking into account the cost of capital and the risks associated with each class of capital.

47. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Amortised cost	20,259,652	18,925,852	56,941,169	62,303,381
Debt instruments at FVTOCI	242,279	201,317	214,159	460,138
Equity instruments at FVTOCI	100,203	99,546	78,260	70,908
Financial assets at FVTPL	<u>1,751,529</u>	<u>1,133,644</u>	<u>4,048,748</u>	<u>282,074</u>
Financial liabilities				
Amortised cost	<u>32,426,974</u>	<u>34,991,925</u>	<u>70,180,839</u>	<u>72,806,420</u>

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Amortised cost	13,709,733	14,225,502	6,068,380	7,874,295
Equity instruments at FVTOCI	84,000	83,343	62,057	54,705
Financial assets at FVTPL	1,751,295	1,133,481	1,043,835	281,959
Financial liabilities				
Amortised cost	5,053,733	3,016,563	341,102	2,302,568

(b) Financial risk management objectives and policies

The Group's and the Company's major financial instruments include notes receivable, pledged and restricted bank deposits, time deposits, trade and other receivables, bank balances and cash, trade and other payables, amounts due to related companies, amount due from immediate holding company, amounts due from subsidiaries, amounts due from related companies, borrowings, convertible bonds and lease liabilities. Details of these financial instruments are disclosed in the respective notes.

The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. These risks include market risk (currency risk and interest rate risk), credit risk and liquidity risk.

Market risk**Currency risk**

The carrying amounts of the Group's major foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follow:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Assets				
USD	1,104,549	1,714,340	1,382,134	1,170,109
Indonesian Rupiah ("IDR") . .	48,680	19,126	22,586	16,784
EUR	–	26,954	9,367	54,585
Liabilities				
USD	8,632	12,219	5,687	4,939
IDR	12,112	8,335	3,845	5,568
EUR	–	2,044	2,288	131

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arises.

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against the relevant foreign currencies as at 31 December 2022, 2023 and 2024 and 30 June 2025. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rates. A negative number below indicates an increase in pre-tax loss or decrease in pre-tax profit where RMB strengthen 5% against the relevant currency. For a 5% weakening of RMB against the relevant currency, there would be an equal and opposite impact on the pre-tax loss or pre-tax profit and the amounts below would be positive.

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
USD	(54,796)	(85,106)	(68,822)	(58,259)
IDR	(1,828)	(540)	(937)	(561)
EUR	—	(1,246)	(354)	(2,723)

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances (note 31) and variable-rate borrowings (note 33). The Group is also exposed to fair value interest rate risk in relation to pledged bank deposits (note 31), restricted bank balance (note 31), finance lease receivables, convertible bonds (note 36), lease liabilities (note 35) and fixed-rate borrowings (note 33).

The Group currently does not enter into any hedging instrument for cash flow interest rate risk. However, the Group monitors interest rate risk exposure and will consider hedging significant interest rate risk should the need arise.

Sensitivity analysis

No sensitivity analysis of bank balances and variable-rate borrowings of the Group is presented as the management of the Group considers that the interest rate fluctuations on bank balances and variable-rate borrowings are insignificant.

Credit risk and impairment assessment

As at 31 December 2022, 2023 and 2024 and 30 June 2025, the Group's maximum exposure to credit risk in the event of the counterparties' failure to perform its obligations is arising from the carrying amounts of the respective recognised financial assets, finance lease receivables and contract assets as stated in the consolidated statements of financial position. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, finance lease receivables and contract assets.

The Group assessed impairment to financial assets, finance lease receivables and contract assets under the ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised below:

Trade receivables, contract assets and trade-related balances with related parties

In order to minimise the credit risk on trade receivables, contract assets and trade-related balances with related parties, the management of the Group has delegated a team responsible for making periodic collective assessments as well as individual assessment on the recoverability of receivables based on historical settlement records, reasons for extended repayment period, past experience and supportable forward-looking information.

In addition, the Group performs impairment assessment under ECL model on the significant or credit-impaired trade receivables individually. For the remaining trade receivables, contract assets and trade-related balances with related parties which are individually insignificant and not credit-impaired, collective assessment is performed.

The Group has concentration of credit risk as 10%, 10%, 13% and 13% of the trade receivables was due from the Group's largest debtors as at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively. In addition, the Group also has concentration of credit risk as 32%, 39%, 47% and 44% of the trade receivables was due from the Group's top five debtors as at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively.

Other receivables

For other receivables, the management makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. Except for the credit-impaired other receivables, there are no significant increase in credit risk of the remaining other receivables since initial recognition and the Group provided impairment based on 12m ECL. For the years ended 31 December 2022, 2023 and 2024, the Group recognised total impairment allowance of RMB44,916,000, RMB74,128,000 and RMB27,066,000, respectively. For the six months ended 30 June 2025, the Group reversed total impairment allowance of RMB29,591,000.

Other than the concentration of credit risk on the other receivables as at 31 December 2022, 2023 and 2024 and 30 June 2025, 0.12%, 0.05%, 0.08% and 0.07% of the other receivables was due from the Group's largest suppliers, respectively, the Group does not have any other significant concentration of credit risk.

Amount due from immediate holding company (non trade-related)

For amount due from immediate holding company, the management makes periodic individual assessment on the recoverability of these amounts based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, the Group assessed the ECL for amount due from immediate holding company is insignificant and thus no loss allowance is recognised.

Time deposits, notes receivable, bank balances and pledged bank deposits

Credit risk on time deposits, notes receivable, bank balances, restricted bank balances and pledged bank deposits are limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. The Group assessed 12m ECL for time deposits, notes receivable, bank balances, restricted bank balances and pledged bank deposits by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. As at 31 December 2022, 2023 and 2024 and 30 June 2025, the Group assessed that the ECL for time deposits, notes receivable, bank balances, restricted bank balances and pledged bank deposits are insignificant and thus no loss allowance is recognised.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Finance lease receivables/ trade receivables/ contract assets/ trade-related balances with related parties	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any material past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	Amount is >30 days past due or there have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss.	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

The table below details the credit risk exposures of the Group's financial assets, finance lease receivables and contract assets, which are subject to ECL assessment:

					Gross carrying amount			
		External credit rating	Internal credit rating	12m or lifetime ECL	As at 31 December			As at 30 June
	Notes				2022	2023	2024	2025
					RMB'000	RMB'000	RMB'000	RMB'000
Debt instruments at FVTOCI								
Notes receivable . . .	29	AA+	N/A	12m ECL	242,279	201,317	214,159	460,138
Financial assets at amortised cost								
Trade receivables . . .	28	N/A	(note 1)	Lifetime ECL (collective assessment)	1,627,468	2,369,056	2,474,681	2,248,496
			Loss	Lifetime ECL (individual assessment)	10,509	10,509	10,409	14,813
Other receivables . . .	28	N/A	Low risk	12m ECL	860,333	984,182	838,571	911,164
			Loss	Credit impaired	69,646	29,012	29,012	29,012
Time deposits	31	AA+	N/A	12m ECL	1,012,638	1,028,994	7,903,854	11,437,800
Bank balances	31	AA+	N/A	12m ECL	2,327,166	4,479,631	6,333,622	21,664,874
Pledged and restricted bank deposits	31	AA+	N/A	12m ECL	14,037,409	8,681,408	39,621,756	26,266,146
Amounts due from related companies – trade-related . . .	37	N/A	(note 1)	Lifetime ECL (collective assessment)	198,893	139,686	43,169	33,004
Amount due from immediate holding company – trade-related . . .	37	N/A	(note 1)	Lifetime ECL (collective assessment)	1,275	1,071	1,060	2,049
Amount due from immediate holding company – non trade-related	37	N/A	Low risk	12m ECL	222,460	1,374,169	–	–
					20,367,797	19,097,718	57,256,134	62,607,358
Other items								
Contract assets	30	N/A	(note 1)	Lifetime ECL (collective assessment)	948,824	334,117	66,198	21,609
Finance lease receivables	N/A	N/A	(note 1)	Lifetime ECL	70,007	44,921	35,249	29,662
					1,018,831	379,038	101,447	51,271

Note:

- (1) For trade receivables, finance lease receivables, trade-related balances with related parties and contract assets, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL collectively with a grouping by using a provision matrix with common risk characteristics of respective receivables that are individually insignificant and not credit-impaired. In addition, significant or credit-impaired trade receivables, if any, are assessed for ECL individually.

As part of the Group's credit risk management, the Group segments its trade receivables based on type of customers, due to different loss patterns experienced in different customer segments.

The following table provides information about the exposure to credit risk and ECLs for trade receivables, contract assets and trade-related balances with related parties which are assessed on a collective basis by using provision matrix as at 31 December 2022, 2023 and 2024 and 30 June 2025 within lifetime ECL.

Trade receivables and trade-related balances with related parties from contracts with customers:

	As at 31 December									As at 30 June		
	2022			2023			2024			2025		
	Average loss rate	Gross amount	ECL amount	Average loss rate	Gross amount	ECL amount	Average loss rate	Gross amount	ECL amount	Average loss rate	Gross amount	ECL amount
		RMB'000	RMB'000		RMB'000	RMB'000		RMB'000	RMB'000		RMB'000	RMB'000
0-90 days . . .	3%	1,380,116	34,932	1%	1,651,657	22,529	3%	1,513,277	52,059	3%	1,107,215	38,034
91-180 days . .	2%	107,397	2,114	1%	202,493	2,970	3%	164,236	5,639	3%	223,944	7,704
181-365 days . .	2%	26,441	405	1%	485,163	7,180	3%	249,186	8,516	3%	294,097	10,099
Over 365 days .	8%	97,311	7,615	25%	114,354	28,226	17%	516,328	86,164	19%	547,068	105,394
		<u>1,611,265</u>	<u>45,066</u>		<u>2,453,667</u>	<u>60,905</u>		<u>2,443,027</u>	<u>152,378</u>		<u>2,172,324</u>	<u>161,231</u>

Trade receivables and contract assets from subsidies from governments:

	As at 31 December									As at 30 June		
	2022			2023			2024			2025		
	Average loss rate	Gross amount	ECL amount	Average loss rate	Gross amount	ECL amount	Average loss rate	Gross amount	ECL amount	Average loss rate	Gross amount	ECL amount
		RMB'000	RMB'000		RMB'000	RMB'000		RMB'000	RMB'000		RMB'000	RMB'000
0-90 days . . .	1%	313,543	3,720	-	11,067	-	-	111,132	-	-	-	-
91-180 days . .	1%	123,008	764	-	-	-	-	-	-	-	29,755	-
181-365 days . .	1%	69,569	386	-	49,689	-	-	-	-	-	111,132	-
Over 365 days .	1%	729,079	5,706	4%	374,426	13,737	21%	66,198	13,722	64%	21,609	13,722
		<u>1,235,199</u>	<u>10,576</u>		<u>435,182</u>	<u>13,737</u>		<u>177,330</u>	<u>13,722</u>		<u>162,496</u>	<u>13,722</u>

The estimated loss rates are estimated based on expected default rates over the expected life of the debtors with reference to published information from credit agencies and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

For debtors with credit-impaired balances that are assessed individually, impairment allowance of nil, nil, nil and RMB4,404,000 provided during the year ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, respectively.

The movement in the lifetime ECL in respect of trade receivables, contract assets and trade-related balances with related parties under the simplified approach using provision matrix during the Track Record Period is as follows:

	Year ended 31 December			Six months ended 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Beginning balance	24,741	55,642	74,642	166,100
Loss allowance recognised, net	30,902	41,977	104,138	11,553
Write-offs	(1)	(22,977)	(12,680)	(2,700)
Closing balance	<u>55,642</u>	<u>74,642</u>	<u>166,100</u>	<u>174,953</u>

Liquidity risk

The directors of the Group have reviewed its cash flow forecast, which covers a period from 1 July 2025 up to 31 December 2026. In preparing the cash flow forecast, the directors have considered historical cash requirements, working capital and capital expenditures plans, commitment for research and development expenses estimated cash flows provided by operations and existing cash on hand. Taking into account the Group's financial resources and its internally generated cash and, the directors of the Company believe that the Group has sufficient capital to meet its liquidity needs from 1 July 2025 up to 31 December 2026.

Therefore, the directors of the Group are satisfied that it is appropriate to prepare the Historical Financial Information on a going concern basis.

In the management of the liquidity risk, the Group monitors and maintains levels of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group utilises internal generated fund as a significant source of liquidity.

The following tables detail the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay and includes both interest and principal cash flows.

The Group

	Weighted average interest rate	On demand or less than 1 year	1-2 years	2-5 years	More than 5 years	Total undiscounted cash flow	Carrying Amount
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2022							
Trade and other payables	–	26,946,027	–	–	–	26,946,027	26,946,027
Amounts due to related companies	–	12,774	–	–	–	12,774	12,774
Borrowings	4.16%	3,088,072	1,118,673	1,457,880	–	5,664,625	5,320,877
Convertible bonds	7.36%	210,488	–	–	–	210,488	147,296
Lease liabilities	4.83%	147,186	134,557	310,999	46,284	639,026	561,969
		<u>30,404,547</u>	<u>1,253,230</u>	<u>1,768,879</u>	<u>46,284</u>	<u>33,472,940</u>	<u>32,988,943</u>
As at 31 December 2023							
Trade and other payables	–	30,763,479	–	–	–	30,763,479	30,763,479
Amounts due to related companies	–	25,054	–	–	–	25,054	25,054
Borrowings	3.95%	1,674,361	2,093,768	668,311	–	4,436,440	4,203,392
Lease liabilities	4.88%	335,853	330,959	786,674	1,149,156	2,602,642	2,033,538
		<u>32,798,747</u>	<u>2,424,727</u>	<u>1,454,985</u>	<u>1,149,156</u>	<u>37,827,615</u>	<u>37,025,463</u>
As at 31 December 2024							
Trade and other payables	–	69,436,308	–	–	–	69,436,308	69,436,308
Amounts due to related companies	–	47,343	–	–	–	47,343	47,343
Borrowings	3.15%	32,089	649,607	39,139	11,171	732,006	697,187
Lease liabilities	4.87%	515,406	474,373	1,056,343	1,354,236	3,400,358	2,727,866
		<u>70,031,146</u>	<u>1,123,980</u>	<u>1,095,482</u>	<u>1,365,407</u>	<u>73,616,015</u>	<u>72,908,704</u>
As at 30 June 2025							
Trade and other payables	–	63,515,575	–	–	–	63,515,575	63,515,575
Amounts due to related companies	–	3,937,530	–	–	–	3,937,530	3,937,530
Amount due to immediate holding company	–	1,372	–	–	–	1,372	1,372
Borrowings	2.59%	1,113,391	915,705	2,164,098	1,666,828	5,860,022	5,351,943
Lease liabilities	4.38%	291,177	256,731	315,135	438,331	1,301,374	1,087,925
		<u>68,859,045</u>	<u>1,172,436</u>	<u>2,479,233</u>	<u>2,105,159</u>	<u>74,615,873</u>	<u>73,894,345</u>

(c) Fair value measurements of financial instruments

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Financial assets	31 December	31 December	31 December	30 June	Fair value hierarchy	Valuation technique and key input
	2022	2023	2024	2025		
	RMB'000	RMB'000	RMB'000	RMB'000		
Listed equity securities . . .	139,634	161,283	239,046	282,074	Level 1	Quoted bid prices in an active market.
Structured deposits	1,611,895	972,361	3,809,702	–	Level 2	Quoted value from banks and financial institutions based on expected return with reference to underlying investment.
Notes receivable at FVTOCI	242,279	201,317	214,159	460,138	Level 2	Discounted cash flow method. The key input is market interest rate.
Equity instruments at FVTOCI	100,203	99,546	78,260	70,908	Level 3	Net asset value of the private entities. (Note)

Note: A reasonably possible change in the unobservable input would not change the fair value of the relevant financial instrument significantly, therefore no sensitivity analysis is disclosed.

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the Historical Financial Information approximate their fair values at the end of each reporting period.

48. TRANSFER OF FINANCIAL ASSETS

Financial assets that are derecognised in their entirety

As at 31 December 2022, 2023 and 2024 and 30 June 2025, the Group conducted bank acceptance bill discounting with several banks in China and endorsed to certain suppliers for settlement of trade payables (the “Derecognised Bills”) with a carrying amount of RMB10,053,871,000, RMB13,485,838,000, RMB33,521,612,000 and RMB37,142,869,000, respectively. In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills at the time of discounting or endorsing, which meets the conditions of derecognition of financial assets, and therefore fully derecognised the Derecognised Bills at their carrying amount on the discounting or endorsing date. However, the Group continue to be exposed to the risks of repurchasing such bills at their carrying amount since the banks are entitled to recourse against the Group if the bills are rejected by the acceptors when falling due (“Continuing Involvement”). In the opinion of the directors, the risk of the Continuing Involvement is remote.

49. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Amount due to an immediate shareholder	Borrowing	Lease liabilities	Convertible bonds	Dividend payable	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022	(1,060,000)	(4,467,497)	(414,043)	(141,041)	–	(6,082,581)
Financing cash flows	1,060,000	(528,752)	127,986	3,715	–	662,949
Conversion of convertible bonds	–	–	–	567	–	567
Interest charge	(21,873)	(276,127)	(21,634)	(10,537)	–	(330,171)
Change in right of use assets	–	–	(254,278)	–	–	(254,278)
Others	21,873	(48,501)	–	–	–	(26,628)
As at 31 December 2022	–	(5,320,877)	(561,969)	(147,296)	–	(6,030,142)
Financing cash flows	–	1,365,449	158,489	2,810	–	1,526,748
Conversion of convertible bonds	–	–	–	149,621	–	149,621
Interest charge	–	(277,634)	(25,977)	(5,135)	–	(308,746)
Change in right of use assets	–	–	(1,604,081)	–	–	(1,604,081)
Others	–	29,670	–	–	–	29,670
As at 31 December 2023	–	(4,203,392)	(2,033,538)	–	–	(6,236,930)
Financing cash flows	–	3,597,415	406,343	–	499,738	4,503,496
Interest charge	–	(91,210)	(149,172)	–	–	(240,382)
Change in right of use assets	–	–	(951,499)	–	–	(951,499)
Dividend declared	–	–	–	–	(499,738)	(499,738)
As at 31 December 2024	–	(697,187)	(2,727,866)	–	–	(3,425,053)
Financing cash flows	–	(4,585,033)	119,042	–	1,584,365	(2,881,626)
Interest charge	–	(69,723)	(52,151)	–	–	(121,874)
Change in right of use assets	–	–	1,573,050	–	–	1,573,050
Dividend declared	–	–	–	–	(1,584,365)	(1,584,365)
As at 30 June 2025	–	(5,351,943)	(1,087,925)	–	–	(6,439,868)
As at 31 December 2023	–	(4,203,392)	(2,033,538)	–	–	(6,236,930)
Financing cash flows	–	2,135,162	190,249	–	–	2,325,411
Interest charge	–	(66,071)	(53,557)	–	–	(119,628)
Change in right of use assets	–	–	(62,895)	–	–	(62,895)
As at 30 June 2024 (unaudited)	–	(2,134,301)	(1,959,741)	–	–	(4,094,042)

50. RELATED PARTIES TRANSACTIONS

The Group entered into the following transactions with related parties during the Track Record Period:

	Relationships	Nature of transactions	Year ended 31 December			Six months ended 30 June	
			2022	2023	2024	2024	2025
			RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
DONGFENG MOTOR RUS CO., LTD	Entity controlled by Dongfeng Motor	Miscellaneous expense	29	152	–	–	–
		Sales	25,335	–	–	–	–
東誠惠眾資產經營有限公司 (Dongcheng Huizhong Asset Management Co., Ltd.)*	Entity controlled by Dongfeng Motor	Transportation and storage expense	75	71	164	150	41
		Miscellaneous income	–	–	16	16	–
東風車城物流有限公司 (Dongfeng Checheng Logistics Co., Ltd.)*	Entity controlled by Dongfeng Motor	Transportation and storage expense	12,093	2,010	–	–	–
東風柳州汽車有限公司 (Dongfeng Liuzhou Motor Co., Ltd.)*	Entity controlled by Dongfeng Motor	Miscellaneous income	225	2,085	5,316	4,613	670
東風模具衝壓技術有限公司 (Dongfeng Die & Stamping Technology Co., Ltd.)*	Entity controlled by Dongfeng Motor	Purchases	32,881	–	–	–	–
東風啟辰汽車銷售有限公司 (Dongfeng Venucia Automobile Sales Co., Ltd.)*	Entity controlled by Dongfeng Motor	Purchases	295	257	141	93	–
東風汽車財務有限公司 (Dongfeng Motor Finance Co., Ltd.)*	Entity controlled by Dongfeng Motor	Miscellaneous expense	971	625	–	–	–
		Miscellaneous income	993	858	–	–	–
		Interest income	2,038	1,879	604	604	–
東風汽車車輪隨州有限公司 (Dongfeng Automobile Wheel Suizhou Co., Ltd.)*	Entity controlled by Dongfeng Motor	Purchases	10,464	9,509	2,993	1,999	1,521
		Miscellaneous income	55	–	–	–	–
東風汽車股份有限公司 (Dongfeng Automobile Co., Ltd.)*	Entity controlled by Dongfeng Motor	Miscellaneous income	39	–	–	–	14
東風汽車集團股份有限公司嵐圖汽車科技分公司 (Voyah Technology Branch of Dongfeng Motor Group Co., Ltd.)*	Entity controlled by Dongfeng Motor	Sales	(1,325)	–	–	–	–

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			2022	2023	2024	2024	2025
			RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
東風汽車金融有限公司 (Dongfeng Finance Company Ltd.)*	Entity controlled by Dongfeng Motor	Financial Service Revenue	1,173	23,195	822	783	2,711
		Miscellaneous expense	–	–	–	–	6
東風通信技術有限公司 (Dongfeng Communication Technology Co., Ltd.)*	Entity controlled by Dongfeng Motor	Miscellaneous expense	72	58	–	–	–
東風物流(武漢)有限公司 (Dongfeng Logistics (Wuhan) Co., Ltd.)*	Entity controlled by Dongfeng Motor	Transportation expense	21,323	88,767	152,832	24,066	20,801
		Miscellaneous income	2,192	177	688	–	738
		Rental income	–	6,943	–	–	–
東風悅享科技有限公司 (Dongfeng Yuexiang Technology Co., Ltd.)*	Entity controlled by Dongfeng Motor	Sales	–	–	923	923	–
東風物流(武漢)有限公司重慶分公司 (Dongfeng Logistics (Wuhan) Co., Ltd. Chongqing Branch)*	Entity controlled by Dongfeng Motor	Transportation expense	–	–	–	–	11
		Miscellaneous income	–	–	–	–	5
		Rental income	–	–	–	–	50
東風物流集團股份有限公司 (Dongfeng Logistics Group Co., Ltd.)*	Entity controlled by Dongfeng Motor	Miscellaneous income	–	–	–	–	32
廣州飛梭雲供應鏈有限公司 (Guangzhou Shuttle Cloud Supply Chain Co., Ltd.)*	Entity controlled by Dongfeng Motor	Miscellaneous expense	833	917	787	518	226
嵐圖汽車科技有限公司 (Voyah Auto Technology Co., Ltd.)*	Entity controlled by Dongfeng Motor	Miscellaneous expense	1,466	1,811	5,709	3,928	11,100
		Sales	1,151,061	128,209	46,102	42,745	1,054
嵐圖汽車銷售服務有限公司 (Voyah Automobile Sales and Service Co., Ltd.)*	Entity controlled by Dongfeng Motor	Purchases	306	–	–	–	–
		Sales	395	3,379	18,752	9,204	9,122
		Miscellaneous income	365	1,586	1,064	555	195
浦金融資租賃有限公司 (Pujin Financial Leasing Co., Ltd.)*	Entity controlled by a shareholder of the Company	Miscellaneous income	8	22	4	3	2
		Rental income	–	–	–	–	23
上海東風汽車進出口有限公司 (Shanghai Dongfeng Motor Industry Imp. & Exp. Co., Ltd.)*	Entity controlled by Dongfeng Motor	Sales	–	49	268	12	133

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			2022	2023	2024	2024	2025
			RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
深圳聯友科技有限公司 (Shenzhen Lan-You Technology Co., Ltd.)* .	Entity controlled by Dongfeng Motor	Miscellaneous expense	113	613	113	34	34
		Purchases	–	2,415	6,802	5,660	–
		Miscellaneous income	–	–	9	–	–
深圳聯友科技有限公司廣州分公司 (Guangzhou Branch of Shenzhen Lan-You Technology Co., Ltd.)*	Entity controlled by Dongfeng Motor	Purchases	9,099	1,698	–	185	–
武漢達安科技有限公司 (Wuhan Da'an Technology Co., Ltd.)* .	Entity controlled by Dongfeng Motor	Miscellaneous expense	51	70	72	17	–
武漢東風汽車進出口有限 公司 (Wuhan Dong Feng Motor Industry Imp. & Exp. Co., Ltd.)*	Entity controlled by Dongfeng Motor	Purchases	235,498	1,181	210	–	–
		Sales	1,707	334	1,448	1,442	–
		Miscellaneous income	–	–	853	853	–
襄陽達安汽車檢測中心有 限公司 (Xiang Yang Da An Automobile Test Center Limited Corporation)*	Entity controlled by Dongfeng Motor	Miscellaneous expense	38,257	26,292	15,443	5,566	5,728
		Expenses related to short-term leases	227	227	–	–	–
鄭州日產汽車有限公司 (Zhengzhou Nissan Automobile Co., Ltd.)* .	Entity controlled by Dongfeng Motor	Purchases	–	105,448	101,769	23,454	22,960
中國東風汽車工業進出口 有限公司 (China Dongfeng Motor Industry Imp. & Exp. Co., Ltd.)*	Entity controlled by Dongfeng Motor	Sales	163,682	48,163	10,218	15,583	19,765
廣州市錦上技研汽車用品 有限公司 (Guangzhou Jinshang Jiyan Automotive Supplies Co., Ltd)*	Entity controlled by Dongfeng Motor	Miscellaneous expense	–	–	–	–	762
		Purchases	–	–	–	–	18,490
中國汽車工程研究院股份 有限公司 (China Automotive Engineering Research Institute Co., Ltd.)*	Entity controlled by the director (Li, Kaiguo) of the Company	Research and development expense	–	23,167	–	–	–
		Sales	–	286	–	–	–

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			2022	2023	2024	2024	2025
			RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
重慶馳瑞物業管理有限公司 (Chongqing Chi Rui Property Management Co., Ltd)*	Entity controlled by Sokon holding	Miscellaneous income	–	2	2	2	–
		Rental income	–	6	19	9	7
		Miscellaneous Expense	–	–	34	–	14,397
		Sale	–	–	–	–	109
重慶瑞馳汽車實業有限公司 (Chongqing Ruichi Automobile Industry Co., Ltd.)*	An associate of the Group	Miscellaneous income	–	–	850	470	122
		Sales	–	–	398,396	288,681	616,609
		Purchase	–	–	44,167	25,950	32,476
		Miscellaneous Expense	–	–	2,231	970	691
		Rental income	–	–	616	278	271
		Other purchase	–	–	1,494	–	–
重慶瑞馳新能源汽車銷售服務有限公司 (Chongqing Ruichi New Energy Automobile Sales Service Co., Ltd.)*	An associate of the Group	Miscellaneous income	–	–	77	52	2
		Sales	–	–	18,611	5,607	7,337
		Purchase	–	–	1,005	550	443
重慶創惠智聯科技有限公司 (Chongqing Chuanghui Zhihui United Technology Co., Ltd.)*	Entity controlled by Sokon Holding	Miscellaneous expense	–	94	1,992	1,992	–
重慶騰康生態農業發展有限公司 (Chongqing Teng kang Eco-Agriculture Development Co., Ltd.)*	Entity controlled by Sokon Holding	Purchases	–	133	70	70	127
東風汽車集團有限公司融媒體新聞中心 (Dongfeng Motor Corporation Convergence Media News Center)*	Entity controlled by Dongfeng Motor	Miscellaneous Expense	–	–	19	–	–
重慶康菲動力科技有限公司 (Chongqing Comfly Power Technology Co., Ltd.)*	An associate of the Group	Rental Payment	–	–	12,159	6,158	6,001
		Miscellaneous income	–	–	–	–	618
重慶小康賓館有限公司 (Chongqing Sokon Hotel Co., Ltd.)*	Entity controlled by Sokon Holding	Miscellaneous expense	3,127	–	–	–	–

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			2022	2023	2024	2024	2025
			RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
重慶小康控股有限公司 (Sokon Holding)*	A substantial shareholder of the Company	Miscellaneous expense	2,080	7	–	–	–
		Miscellaneous income	–	16	27	–	601
		Rental income	170	330	375	161	327
重慶新感覺摩托車銷售有限公司 (Chongqing Xgjao Motorcycle Sales Co., Ltd.)*	Entity controlled by Sokon Holding	Miscellaneous expense	33	30	–	–	–
重慶新感覺摩托車有限公司 (Chongqing Xgjao Motorcycle Co., Ltd.)*	Entity controlled by Sokon Holding	Miscellaneous expense	133	110	55	28	–
		Sales	8,092	14,842	7,222	7,170	104
		Miscellaneous income	80	221	294	43	19
		Rental income	3,389	3,464	3,502	1,760	1,117
重慶新康幸瑞置業有限公司 (Chongqing Xinkang Xingrui Real Estate Co., Ltd.)*	Entity controlled by Sokon Holding	Miscellaneous income	3	3	–	–	–
		Rental income	10	10	–	–	–
重慶渝安創新科技有限公司 (Chongqing Yuan Co., Ltd.)*	Entity controlled by Sokon Holding	Sales	1,089	46	54	–	–
		Miscellaneous income	4	199	8	1	10
		Purchases	143	103	1	1	–
		Equity Transfer	234,366	–	–	–	–
重慶渝安機械製造有限公司 (Chongqing Yuan Machinery Manufacturing Co., Ltd.)*	Entity controlled by Sokon Holding	Purchases	5,594	2,939	4,090	1,767	2,456
		Miscellaneous income	207	94	207	123	45
		Rental income	458	–	–	–	–
重慶渝安智能懸架有限公司 (Chongqing Yuan Intelligent Suspension Co., Ltd.)*	Entity controlled by Sokon Holding	Miscellaneous income	422	865	977	248	250
		Sales	7,307	2,723	2,834	1,090	518
		Rental income	8,428	8,466	10,859	5,430	4,550
		Purchases	–	–	26,592	8,001	22
		Equipment purchase	–	–	2,886	–	–
重慶元圖機車工業有限公司 (Chongqing Yuantu Motorcycle Industrial Co., Ltd.)*	Entity controlled by Sokon Holding	Miscellaneous income	–	5	7	4	1
		Rental income	–	103	127	75	17
重慶雲灣科技有限公司 (Chongqing CloudBay Technology Co., Ltd.)*	A joint venture of the Group	Purchases	10,536	16,706	17,169	11,615	13,267
		Miscellaneous expense	1,975	1,523	6,597	3,247	2,828

	Relationships	Nature of transactions	Year ended 31 December			Six months ended 30 June	
			2022	2023	2024	2024	2025
			RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Sokon Investment (USA), Inc.	Entity controlled by Sokon Holding	Interest expense on lease liabilities	5,237	–	–	–	–
		Rental Payment	24,425	195	–	–	–
重慶意來智能懸架有限公司 (Chongqing Yilai Intelligent Suspension Co., Ltd)*	Entity controlled by Sokon Holding	Miscellaneous income	–	–	–	–	74
		Purchases	–	–	–	–	29,826
		Sales	–	–	–	–	1,593
		Rental income	–	–	–	–	880
深圳引望智能技術有限公司 (Shenzhen Yinwang Intelligent Technology Co., Ltd)*	An associate of the Group	Purchases	N/A	N/A	N/A	N/A	5,604,301
		Miscellaneous income	N/A	N/A	N/A	N/A	543

* For identification purposes only

Financial service arrangement

The Group entered into a banking service framework agreement with Dongfeng Finance Co., Ltd., an entity controlled by Dongfeng Motor. Pursuant to the agreement, Dongfeng Finance Co., Ltd. provides banking facilities service and bank depositing service to the Group.

Details of the Group's notes payable and bank balances under the banking service framework agreement with Dongfeng Finance Co., Ltd. are set out below:

	As at 31 December			As at 30 June	
	2022	2023	2024	2025	
	RMB'000	RMB'000	RMB'000	RMB'000	
Notes payable	600,000	450,000	–	–	
Bank balances	65	11	9	–	
Pledged bank deposits	120,000	90,000	–	–	
	<u>120,000</u>	<u>90,000</u>	<u>–</u>	<u>–</u>	

Compensation of key management personnel

The remuneration of directors and other members of key management of the Group during the Track Record Period are as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries and other allowances	16,407	17,367	21,007	10,568	9,612
Discretionary bonus	12,835	12,088	6,395	6,395	10,210
Retirement benefit scheme contributions	115	100	179	85	94
	<u>29,357</u>	<u>29,555</u>	<u>27,581</u>	<u>17,048</u>	<u>19,916</u>

The remuneration of directors and key executives is determined having regard to the performance of individuals and market trends.

51. PLEDGE OF OR RESTRICTIONS ON ASSETS

Pledge of assets

The following assets were pledged for certain bank and other borrowings, issuance of bills, short-term letters of credit for trade and other payables granted to the Group:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Property, plant and equipment	1,382,505	1,352,182	—	1,473,420
Pledge bank balances	14,031,846	8,673,218	39,598,698	26,248,862
Time deposits	—	—	1,612,207	800,000
Leasehold lands	167,748	178,971	—	11,181
Notes receivable	141,871	39,050	—	—
	<u>15,723,970</u>	<u>10,243,421</u>	<u>41,210,905</u>	<u>28,533,462</u>
Restrictions on assets				
Restricted bank deposits	<u>5,563</u>	<u>8,190</u>	<u>23,058</u>	<u>17,284</u>

52. PARTICULARS OF SUBSIDIARIES

As at the date of this report and during the Track Record Period, the Company's principal subsidiaries are as follow:

			Proportion of ownership interest held by the Company					
Name of subsidiaries	Place and date of incorporation/ establishment	Registered capital	As at 31 December			As at 30 June	The date of this report	Principal activities
			2022	2023	2024	2025		
<i>Directly held:</i>								
賽力斯汽車(湖北)有限公司(Seres Auto (Hubei) Co., Ltd.)* (note i) . . .	The PRC 26 May 2003	RMB800,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	Manufacturing and provision sales of automobiles
賽力斯汽車有限公司(Seres Auto Co., Ltd.)* (note i)	The PRC 4 September 2012	RMB10,637,280,000	80.65%	80.65%	98.77%	93.63%	93.63%	Provision of research and development, manufacturing and sales of automobiles
重慶小康動力有限公司(Chongqing Sokon Power Co., Ltd.)* (note i).	The PRC 7 April 2009	RMB350,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	Manufacturing of automobiles
重慶兩江新區龍盛新能源科技有限責任公司(Chongqing Liangjiang New Area Longsheng New Energy Technology Co., Ltd.)* (note iv)	The PRC 21 September 2022	RMB12,000,000	N/A	N/A	N/A	100.00%	100%	Provision of rental service of new energy vehicle production factories
<i>Indirectly held:</i>								
重慶瑞馳汽車實業有限公司(Chongqing Ruichi Automobile Industry Co., Ltd.)* (note i) . . .	The PRC 27 September 2003	RMB454,000,000	100.00%	N/A	N/A	N/A	N/A	Manufacturing of automobiles
重慶小康進出口有限公司(Chongqing Sokon Motor (Group) IMP. & EXP. Co., LTD)* (note i).	The PRC 23 February 2004	RMB300,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	Provision of import and export activities

APPENDIX I

ACCOUNTANTS' REPORT

Name of subsidiaries	Place and date of incorporation/ establishment	Registered capital	Proportion of ownership interest held by the Company				The date of this report	Principal activities
			As at 31 December			As at 30 June		
			2022	2023	2024	2025		
重慶問界汽車銷售有限公司 (Chongqing AITO Automobile Sales Co., Ltd.)* (note i) . . .	The PRC 7 March 2019	RMB50,000,000	41.50% (note ii)	41.50% (note ii)	50.83%	48.18% (note ii)	93.63%	Provision of sale of automobiles
十堰東風風光汽車銷售有限公司 (Shiyan Dongfeng Fengon Automobile Sales Co., Ltd.)* (note i) . . .	The PRC 23 December 2019	RMB5,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	Provision of sale of automobiles
重慶賽力斯新電動汽車銷售有限公司 (Chongqing Seres New Electric Vehicle Sales Co., Ltd.)* (note i) . . .	The PRC 19 March 2018	RMB100,000,000	80.65%	80.65%	98.77%	93.63%	93.63%	Provision of sale of automobiles
重慶賽力斯新能源汽車設計院有限公司 (Chongqing Seres New Energy Automobile Designing Institute Co., Ltd.)* (note i) . . .	The PRC 10 October 2015	RMB50,000,000	80.65%	41.50% (note ii)	N/A	N/A	N/A	Provision of research and development activities
重慶金康動力新能源有限公司 (Chongqing Jinkang Powertrain New Energy Co., Ltd.)* (note i).	The PRC 5 January 2018	RMB1,030,000,000	41.50% (note ii)	41.50% (note ii)	50.83%	48.18% (note ii)	93.63% (note ii)	Provision of research and development, manufacturing and sales of automobile parts
重慶問界智選精品汽車備件有限公司 (Chongqing AITO Premium Automotive Parts Co., Ltd.)* (note i) . . .	The PRC 8 April 2003	RMB30,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	Provision of manufacturing and sales of automotive parts
重慶渝安淮海動力有限公司 (Chongqing Yu'an Huaihai Powertrain Co., Ltd.)* (note i) . . .	The PRC 28 May 2004	RMB8,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	Provision of manufacturing and sales of Automotive material and parts
重慶小康機械配件有限公司 (Chongqing Sokon Machinery Parts Co., Ltd.)* (note i) . . .	The PRC 15 June 2006	RMB5,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	Provision of manufacturing and sales of automotive material and parts
重慶小康汽車部品有限公司 (Chongqing Sokon Automotive Parts Co., Ltd.)* (note i) . . .	The PRC 18 February 2011	RMB50,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	Provision of research and development, manufacturing and sales of automotive materials and parts
瀘州容大智能變速器有限公司 (Luzhou Rongda Intelligent Transmission Limited Company)* (note i) . . .	The PRC 18 December 2016	RMB547,485,000	86.37%	86.37%	88.71%	88.71%	88.71%	Provision of manufacturing and sales of automotive material and parts
重慶賽力斯電動汽車有限公司 (Chongqing Seres Electric Vehicle Co., Ltd.)* (note i) . . .	The PRC 31 December 2021	RMB2,000,000,000	80.65%	80.65%	98.77%	93.63%	93.63%	Provision of software and information technology services
成都賽力斯科技有限公司 (Chengdu Seres Technology Co., Ltd.)* (note i)	The PRC 20 December 2021	RMB5,000,000	80.65%	80.65%	98.77%	93.63%	93.63%	Provision of sales of service

Name of subsidiaries	Place and date of incorporation/ establishment	Registered capital	Proportion of ownership interest held by the Company				The date of this report	Principal activities
			As at 31 December			As at 30 June		
			2022	2023	2024	2025		
重慶賽力斯鳳凰智創有限公司 (Chongqing Seres Phoenix Intelligent Innovation Technology Co., Ltd.)* (note i) . . .	The PRC 29 December 2023	RMB1,222,250,000	N/A	N/A	59.66%	56.55%	93.63%	Provision of software and information technology service
重慶東風小康汽車銷售有限公司 (Chongqing Dongfeng SOKON Automobile Sales Co., Ltd) (note i) . . .	The PRC 8 December 2011	RMB50,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	Provision of sale of automobiles
小康印尼汽車有限公司 (PT.SOKONINDO AUTOMOBILE) (note iii)	The Indonesia 31 August 2018	RMB499,399,200	99.00%	99.00%	99.00%	99.00%	99.00%	Provision of manufacturing and sales of automotive

* For identification purposes only

All subsidiaries now comprising the Group are limited liability companies and have adopted 31 December as their financial year end date. None of the subsidiaries had issued any debt securities at the end of each reporting period.

Notes:

- (i) The statutory financial statements for these subsidiaries established in the PRC were prepared in accordance with relevant accounting principles and financial regulations applicable the PRC. The statutory financial statements for the year ended 31 December 2022, 2023 and 2024 were audited by WUYIGE Certified Public Accountants LLP.
- (ii) Over 51% of the equity interests in these entities were directly held by the non-wholly subsidiaries of the Group which lead to effective equity interest attributable to the Group in these entities to be less than 50% during the relevant years.
- (iii) The statutory financial statements for the subsidiary established in the Indonesia was prepared in accordance with relevant accounting principles and financial regulations applicable the Indonesia. The statutory financial statements for the year ended 31 December 2022, 2023 and 2024 were audited by KRESTON INDONESIA.
- (iv) The statutory financial statements for the year ended 31 December 2022, 2023 and 2024 were not available as the entity was acquired by the Group on 25 March 2025.

53. EVENTS AFTER REPORTING PERIOD

Subsequent to 30 June 2025, a cash dividend distribution for the six months ended 30 June 2025 of RMB0.31 per ordinary share, in an aggregate amount of RMB506,343,000 has been proposed by the directors of the Company and approved by the shareholders at the shareholders' meeting as at 15 October 2025.

54. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Group or any of its subsidiaries in respect of any period subsequent to 30 June 2025.

The information set out below does not form part of the Accountants' Report received from the Company's reporting accountants, Deloitte Touche Tohmatsu, as set out in Appendix I to this prospectus, and is included in this prospectus for information purposes only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" of this prospectus and the Accountants' Report as set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company prepared in accordance with Rule 4.29 of the Listing Rules is set out below to illustrate the effect of the proposed Global Offering on the consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 as if the Global Offering had taken place on that date.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 or any future dates.

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 as shown in the Accountants' Report as set out in Appendix I to this prospectus, and adjusted as follows:

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 per Share	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB</i>	<i>HK\$</i>
	<i>Note 1</i>	<i>Note 2</i>		<i>Note 3</i>	<i>Note 4</i>
Based on an Offer Price of HK\$131.50 per Offer Share	<u>17,172,902</u>	<u>11,803,024</u>	<u>28,975,926</u>	<u>16.71</u>	<u>18.30</u>

Notes:

- (1) The amount of audited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 amounting to approximately RMB17,172,902,000 is based on the consolidated net assets of the Group attributable to the owners of the Company of RMB26,761,103,000 as at 30 June 2025 less intangible assets and goodwill of the Group attributable to the owners of the Company of RMB9,090,809,000 and RMB497,392,000, respectively as at 30 June 2025 as extracted/derived from the Accountants' Report of the Group set out in Appendix I to this prospectus.
- (2) The estimated net proceeds from the Global Offering are based on 100,200,000 H Shares at the Offer Price of HK\$131.50 per Share, after deduction of the underwriting fees and commissions and other listing related expenses payable by the Company (excluding listing expenses charged to profit or loss up to 30 June 2025) and without taking into account of any shares which may be allotted and issued upon the exercise of the Offer Size Adjustment Option and the Over-allotment Option or any shares which may be issued or repurchased by the Company pursuant to the Company's general mandate. For the purpose of the estimated net proceeds from the Global Offering, the amount denominated in HK\$ has been converted into RMB at the rate of HK\$1 to RMB0.9132, which was the exchange rate prevailing on 17 October 2025 with reference to the rate published by the People's Bank of China. No representation is made that the HK\$ denominated amounts have been, could have been or may be converted to RMB, or vice versa, at that rate or any other rates or at all.
- (3) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is arrived at on the basis of 1,733,566,086 Shares in total, assuming that the Global Offering of 100,200,000 H Shares had been completed on 30 June 2025. It does not take into account any shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option or any shares which may be issued or repurchased by the Company pursuant to the Company's general mandate.
- (4) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is converted from RMB to HK\$ at the rate of HK\$1 to RMB0.9132. No representation is made that the RMB denominated amounts have been, would have been or may be converted to HK\$, or vice versa, at that rate or at any other rates or at all.
- (5) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2025.

In particular, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as shown on Page II-1 has not taken into account payment of dividends of RMB506,343,000 which was approved by the shareholders at the shareholders' meeting on 15 October 2025.

The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 per Share would have been RMB16.42 (equivalent to HK\$17.98) per Share based on the Offer Price of HK\$131.50, if the dividend had been taken into account as at 30 June 2025.

B. ASSURANCE REPORT FROM THE REPORTING ACCOUNTANTS ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of the independent reporting accountants' assurance report received from the reporting accountants of the Company, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this prospectus.

**德勤****INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

To the Directors of Seres Group Co., Ltd.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Seres Group Co., Ltd. (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 30 June 2025 and related notes as set out on pages II-1 to II-2 of Appendix II to the prospectus issued by the Company dated 27 October 2025 (the “Prospectus”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed Global Offering (as defined in the Prospectus) on the Group's financial position as at 30 June 2025 as if the Global Offering had taken place at 30 June 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's historical financial information for each of the three years ended 31 December 2024 and the six months ended 30 June 2025, on which an accountants' report set out in Appendix I to the Prospectus has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“AG 7”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2025 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

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

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 October 2025

The primary purpose of this appendix is to provide potential investors with an overview of the Company's Articles of Association. As the information contained herein is in summary form, it may not contain all the information that is important to potential investors.

GENERAL PROVISIONS

The Company is a joint stock limited company with perpetual existence.

All of the Company's capital is divided into equal shares. Shareholders shall be liable to the Company to the extent of the shares held by them. The Company shall be liable for its debts to the extent of all of its assets.

The Articles of Association shall, from the date on which it take effect, be the legally binding document that regulates the organization and activities of the Company and the relationship of rights and obligations between the Company and the shareholders and among the shareholders. Pursuant to the Articles of Association, the shareholders may pursue actions against the shareholders, the Company's Directors, senior management members and the Company. The Company may pursue actions against the shareholders, Directors and senior management members.

SCOPE OF BUSINESS

As registered in accordance with the laws, the Company's scope of business comprises: general projects: manufacturing and sales: auto parts, motor vehicle parts, general machinery, electrical machinery, electrical appliances, electronic products (excluding electronic publications), instrumentation; sales: daily necessities, household appliances, hardware, metal materials (excluding rare and precious metals); leasing of houses, machinery and equipment; economic and technical advisory services; import and export of goods (except for the items subject to approval under the law, business activities may be carried out independently with the business license according to law).

SHARES

Issuance of Shares

The Shares of the Company shall be in the form of registered share certificates. All Shares issued by the Company are ordinary shares, which shall have a par value denominated in Renminbi. The issuance of the Shares of the Company shall follow the principles of open, fairness and justice, and each share in the same class shall have the same rights. For the same class of shares issued at the same time, each share shall be issued on the same conditions and at the same price. Any share subscribed by subscribers shall pay the same price for each share.

Increase and Reduction of Share Capital and Share Repurchase

The Company may increase capital based on the needs of operation and development and in accordance with the requirements of laws, regulations, the requirements of the securities regulatory authorities of the place where the Company's Shares are listed and resolution on the shareholders' meeting, by any of the following ways:

- (i) offering of shares to unspecified parties;
- (ii) offering of shares to specified parties;
- (iii) distribution of bonus shares to existing shareholders;
- (iv) conversion of the reserve into share capital;
- (v) other means as required by laws, administrative regulations and relevant Listing Rules and approved by CSRC, other competent regulatory authorities and the securities regulatory authorities of the place where the Shares of the Company are listed.

The Company may decrease its registered capital. The reduction of registered capital shall comply with the Company Law, the Hong Kong Listing Rules and other relevant regulations, as well as the procedures stipulated in these Articles of Association.

The Company shall not repurchase its own shares, save as under one of the following the circumstances:

- (i) reducing the registered capital of the Company;
- (ii) merging with other companies holding Shares in the Company;
- (iii) using shares for employee stock ownership plans or as equity incentives;
- (iv) any requests for the Company to repurchase Shares from the Shareholders who voted against the resolutions adopted at a shareholders' meeting to merge or divide the Company;
- (v) using of shares for conversion of corporate bonds issued by the Company, which are convertible into shares;
- (vi) as the Company considers necessary to safeguard the Company's value and shareholders' rights and interests.

The Company may acquire its own shares through public centralized trading or other methods recognized by the laws, administrative regulations, other competent regulatory authorities and the securities regulatory authorities of the places where the Company's shares are listed. Where the Company repurchases its shares due to the circumstances specified in items (iii), (v) or (vi) above, it shall do so through public and centralized transactions.

The Company's repurchasing its own Shares under any of the circumstances set forth in items (i) and (ii) above shall be subject to a resolution of the shareholders' meeting, and the Company repurchasing its own Shares under any of the circumstances set forth in items (iii), (v) and (vi) above may be subject to a resolution of a meeting of the Board at which more than two-thirds of Directors are present, provided that it complies with the securities regulatory rules of the place where the Company's Shares are listed.

Under the circumstance stipulated in item (i), the Shares of the Company so repurchased shall be canceled within ten days from the date of repurchase; under the circumstances specified in either item (ii) or item (iv) above, the Shares of the Company so repurchased shall be transferred or canceled within six months; under the circumstances stipulated in item (iii), (v) or (vi), the total Shares of the Company held by the Company shall not exceed 10% of the total Shares that have been issued by the Company, and shall be transferred or canceled within three years.

Transfer of Shares

The Shares of the Company shall be transferred legally. The Company shall not accept its Shares as security under a pledge.

Directors and senior management of the Company shall inform the Company about their holdings of the Shares in the Company and any changes in their shareholding. During their terms of office determined at the time of appointment, the Shares transferred each year shall not exceed 25% of the total number of Shares of the same class of the Company held by them. Such Shares of the Company held shall not be transferable within one year from the date on which the Company's Shares are listed. The aforementioned persons shall not transfer Shares of the Company held by them within half a year after they cease to be employed. Where the laws, administrative regulations or the CSRC provide otherwise in respect of the restrictions on the shareholders' transfer of Shares in the Company, such requirements shall prevail.

Where a shareholder holding more than 5% of the shares of the Company, as well as a director and senior management of the Company, sells the Company's shares or other securities of equity nature that he/she holds within six months of purchase or buys again within six months of sale, the gains therefrom shall belong to the Company, and the board of directors of the Company shall collect such gains. However, securities companies holding more than 5% of the shares of the Company as a result of underwriting the remaining shares, and other circumstances stipulated by other competent regulatory authorities, and the securities regulatory authorities of the place where the shares of the Company are listed, are exempt from this requirement.

Shares or other securities with an equity nature held by Directors, senior management and natural person shareholders as mentioned in the preceding paragraph, include shares or other securities with an equity nature held by their spouses, parents or children, or held under other people's accounts.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Shareholders

Shareholders shall enjoy rights and have obligations in accordance with the class of shares held by them. Shareholders holding the same class of shares shall be entitled to equal rights and have equal obligations.

When the Company convenes a shareholders' meeting, distributes dividends, undergoes liquidation and engages in other activities requiring confirmation of shareholders' identities, the Board of Directors or the convener of the shareholders' meeting shall decide the record date and the shareholders whose names appear on the register after the close of trading on the record date shall be the shareholders enjoying relevant rights and interests.

Shareholders of the Company shall enjoy the following rights:

- (i) to receive dividends and other forms of distribution in proportion to the number of shares held by them;
- (ii) to request the holding of, convene, chair, attend or appoint a proxy to attend shareholders' meetings and exercise corresponding voting rights in accordance with laws;
- (iii) to supervise the operation of the Company and to put forward proposals and raise inquiries;
- (iv) to transfer, donate, or pledge shares held by them in accordance with laws, administrative regulations, and the Articles of Association;
- (v) to inspect and copy the Articles of Association, the register of members, counterfoils of corporate bonds, shareholders' meeting minutes, resolutions of meetings of the Board and financial and accounting reports, and to review the Company's accounting books and accounting documents (for shareholders who meet the requirements);
- (vi) to participate in the distribution of remaining assets of the Company corresponding to the number of shares held in the event of the termination or liquidation of the Company;

- (vii) to demand the Company to acquire the shares held by them with respect to shareholders voting against any resolution adopted at the shareholders' meeting on the merger or division of the Company;
- (viii) other rights conferred by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

When a shareholder makes a request to inspect and copy the materials of the Company, he/she shall comply with the Company Law, the Securities Law and other laws and administrative regulation. A shareholder shall present the proof of the class of the shares of the Company held by him/her and the number of shareholding in writing. shareholders shall inspect and copy according to the Company's designated method after verifying the shareholder's identity and signing a confidentiality commitment.

The shareholders are entitled to ask the people's court to invalidate the resolutions of the shareholders' meeting or the meetings of the Board of Directors, which violate laws and administrative regulations.

The shareholders are entitled to ask the people's court to cancel the relevant resolution within 60 days after the resolution is made if the convening procedure, and voting method of the shareholders' meeting or the meetings of the Board violate laws, administrative regulations or the Articles of Association, or the resolution content breaches the Articles of Association.

A resolution of the shareholders' meeting or Board meeting of the Company shall not be valid under any of the following circumstances: (i) no shareholders' meeting or Board meeting has been convened to pass the resolution; (ii) the resolution is not voted on at the shareholders' meeting or Board meeting; (iii) the number of persons attending the meeting or the number of voting rights held by them does not reach the number of persons or the number of voting rights held as stipulated in the Company Law or the Articles of Association; (iv) the number of persons or the number of voting rights held by them voting for the resolution does not reach the number of persons or the number of voting rights held as stipulated in the Company Law or the Articles of Association.

If Directors and senior management personnel (other than the members of the Audit Committee) cause losses to the Company for violation of the requirements of laws, administrative regulations or the Articles of Association during the performance of their duties, shareholders who hold more than 1%, individually or jointly, of the Company's Shares for more than 180 days continuously, have the right to request the Audit Committee in written form to bring a suit to the People's Court; if members of the Audit Committee cause losses to the Company for violation of the requirements of laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association during the performance of their duties, the aforesaid shareholders can request the Board in written form to file a suit in the People's Court.

Where the Audit Committee or the Board refuses to file lawsuits after receiving the written requests from shareholders as specified in the preceding paragraph, or fails to file lawsuits within 30 days from the date of receiving the requests, or in urgent circumstances where failure to immediately file lawsuits would cause irreparable damage to the Company's interests, the shareholders specified in the preceding paragraph have the right to directly file lawsuits with the people's court in their own name for the Company's benefit.

If others infringe on the legitimate rights and interests of the Company and cause losses to it, shareholders who hold more than 1%, individually or jointly, of the Company's Shares for more than 180 days continuously can bring a suit to the People's Court as per the regulations as set out in the preceding paragraphs.

If Directors and senior management personnel cause damage to the shareholders' interests for violation of the requirements of laws, administrative regulations or the Articles of Association, shareholders can bring a suit to the People's Court.

Shareholders of the Company shall have the following obligations:

- (i) to abide by laws, administrative regulations and the Articles of Association;
- (ii) to pay for the shares based on the shares subscribed for and the manners in which they became shareholder;
- (iii) not to withdraw their paid share capital except in the circumstances allowed by laws and regulations;
- (iv) not to abuse shareholder's rights and harm the interest of the Company or other shareholders; not to abuse the independent legal person status of the Company and the limited liability of the shareholders to impair the interests of creditors of the Company;
- (v) other obligations imposed by laws, administrative regulations, and the Articles of Association.

Where the shareholder's abuse of its power causes damage to the Company and other shareholders, they shall be liable to compensation in accordance with the laws. Where the shareholder has abused the Company's independent legal person status and shareholder's limited liability for debt evasion and caused serious damage to the creditor's interests, it shall bear joint liability for the debts of the Company.

The controlling shareholders and actual controllers of the Company shall exercise their rights and fulfil their obligations in accordance with laws, administrative regulations, the regulations of the CSRC and stock exchanges to safeguard the interests of the Company.

The controlling shareholders and actual controllers of the Company shall exercise their rights as shareholders in accordance with the law and not to abuse their control or use their related (connected) relationship to prejudice the legitimate interests of the Company or other shareholders.

General Requirement of Shareholders' Meetings

The shareholders' meeting of the Company is composed of all shareholders. The shareholders' meeting is the organ of the authority of the Company, which exercises its functions and powers in accordance with laws:

- (i) to elect and replace Directors who are not representatives of the employees, and decide on matters concerning Directors' remuneration;
- (ii) to consider and approve reports of the Board;
- (iii) to consider and approve the profit distribution plan and loss recovery plan of the Company;
- (iv) to determine the increase or decrease of the registered capital of the Company;
- (v) to determine the issuance of corporate bonds by the Company;
- (vi) to determine matters such as the merger, division, dissolution, liquidation or change of corporate form of the Company;
- (vii) to amend the Articles of Association;
- (viii) to determine the appointment and removal of an auditor engaged in the audit work of the Company;
- (ix) to consider and approve the external guarantees that require approval by the shareholders' meeting under the Articles of Association;
- (x) to consider and approve any transaction or matter that the Company shall submit to the Shareholders' meeting for consideration under the Hong Kong Listing Rules (including but not limited to Chapter 14 and Chapter 14A);
- (xi) to consider matters relating to the purchases and disposals of material assets, which are more than 30% of the latest audited total assets of the Company, within one year;
- (xii) to consider and approve any change of the use of proceeds raised;
- (xiii) to consider share incentive scheme and the employee stock ownership plans;

- (xiv) to consider such other matters which shall be resolved at shareholders' meeting as required by laws, regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

Shareholders' meetings shall be divided into annual general meetings and extraordinary general meetings. Annual general meetings are held once every year and within 6 months from the end of the preceding accounting year.

The shareholders' meeting may authorize the Board to resolve on the issue of corporate bonds.

Subject to a resolution of the shareholders' meeting or a resolution of the Board authorized by the Articles of Association or the shareholders' meeting, the Company may issue shares or convertible corporate bonds, provided that such issuance shall comply with the laws, administrative regulations, the regulations of the CSRC and stock exchanges.

The Company shall convene an extraordinary general meeting within 2 months after the occurrence of any one of the following circumstances:

- (i) where the number of Directors is less than the number provided for in the Company Law or is less than two-thirds of the number required by the Articles of Association;
- (ii) where the unrecovered losses of the Company amount to one-third of its total share capital;
- (iii) when Shareholders who individually or jointly hold more than 10% of the Company's Shares request to do so;
- (iv) where the Board considers it necessary;
- (v) where the Audit Committee proposes to call for such a meeting;
- (vi) other circumstances stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

In the case of (iii) above, the number of shares held shall be calculated based on the date on which the shareholders submit the written request.

Convening of Shareholders' Meetings

The Board shall timely convene a shareholders' meeting within the timeframe as required.

With the approval by a majority of all independent Directors, an independent Director has the right to propose to the Board to convene an extraordinary general meeting. In respect to the proposal by the independent Director for convening an extraordinary general meeting, the Board shall, in accordance with laws, administrative regulations, departmental rules, and the Articles of Association, furnish a written reply stating its agreement or disagreement to such proposal for convening an extraordinary general meeting within 10 days upon receipt of such proposal. Where the Board agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be given within 5 days after the Board resolution is passed; where the Board disagrees to convene an extraordinary general meeting, it shall give its reasons and make an announcement.

The Audit Committee shall propose in writing the Board to convene an extraordinary general meeting. The Board shall, in accordance with laws, administrative regulations, and the Articles of Association, furnish a written reply stating its agreement or disagreement to such proposal for convening an extraordinary general meeting within 10 days upon receipt of such proposal.

In the event that the Board agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be given within five days after the relevant Board resolution is passed and consent of the Audit Committee shall be obtained in case of any changes to the original proposal in the notice. In the event that the Board disagrees to convene an extraordinary general meeting or does not furnish any reply within 10 days after having received such proposal, the Board is deemed to be unable or fails to perform the duty of convening a general meeting, in which case the Audit Committee may convene and preside over such meeting by itself.

Any shareholder(s) individually or jointly holding more than 10% of the Shares of the Company shall request in writing the Board to convene an extraordinary general meeting. The Board shall, in accordance with laws, administrative regulations, and the Articles of Association, furnish a written reply to such shareholder(s) stating its agreement or disagreement to the convening of the extraordinary general meeting within 10 days after having received such requisition.

In the event that the Board agrees to convene an extraordinary general meeting, a notice for convening such a meeting shall be given within 5 days after the relevant Board resolution is passed and consent of the relevant shareholder(s) shall be obtained in case of any changes to the original requisition in the notice. In the event that the Board disagrees to convene an extraordinary general meeting or does not furnish any reply within 10 days after having received such requisition, Shareholder(s) individually or jointly holding more than 10% of the Shares of the Company shall propose in writing the Audit Committee to convene the extraordinary general meeting.

In the event that the Audit Committee agrees to convene an extraordinary general meeting, a notice for convening such a meeting shall be given within 5 days after having received such requisition and consent of the relevant shareholder(s) shall be obtained in case of any changes to the original requisition in the notice. In the event that the Audit Committee fails to serve any notice of an extraordinary general meeting within the prescribed period, the Audit Committee is deemed not to convene and preside over such meeting, in which case the shareholder(s) individually or jointly holding more than 10% of the shares of the Company for more than 90 consecutive days may convene and preside over such a meeting by himself/themselves.

If the Audit Committee or Shareholders decide to convene the shareholders' meeting by themselves, the Board of Directors shall be informed in writing, and at the same time, it shall be filed with the Shanghai Stock Exchange. The Audit Committee or the convening shareholders shall submit relevant supporting materials to the Shanghai Stock Exchange upon the issuance of the notice of the shareholders' meeting and the announcement of the resolutions of the shareholders' meeting.

The shareholding of the convening shareholders shall not be less than 10% before making an announcement of the resolutions of the shareholders' meeting.

Proposals and Notices of Shareholders' Meetings

The content of the proposals shall be within the scope of the terms of reference of the shareholders' meeting, have clear subjects and specific resolutions, and shall comply with the relevant requirements of the laws, administrative regulations, departmental rules and the Articles of Association.

When the Company convenes a shareholders' meeting, the Board and the Audit Committee, shareholders individually or jointly holding more than 1% of the Shares of the Company shall have the right to put forward proposals to the Company.

Shareholder(s) individually or jointly holding more than 1% of the Shares of the Company may submit written provisional proposals to the convener 10 days before the shareholders' meeting is convened. The convener shall serve a supplemental notice of the shareholders' meeting within two days after receipt of the proposals and announce the contents of the said provisional proposals, and submit the provisional proposals to the shareholders' meeting for consideration. However, provisional proposals that violate laws, administrative regulations, or the Articles of Association, or that do not fall within the scope of authority of the shareholders' meeting, shall be excluded.

Save as specified in the preceding paragraph, the convener shall not change the proposals set out in the notice of the shareholders' meeting or add any new proposal after the said notice is served. The shareholders' meeting shall not vote or make resolutions on proposals not listed in the shareholders' meeting notice or proposals that do not satisfy the criteria prescribed in the Articles of Association.

The convener shall inform all shareholders in the form of an announcement within 20 days before the annual general meeting is convened. The convener shall inform all shareholders in the form of an announcement within 15 days before the extraordinary general meeting is convened.

A notice of the shareholders' meeting shall include:

- (i) the time, venue, and duration of the meeting;
- (ii) the matters and proposals to be put forward for consideration at the meeting;
- (iii) a conspicuous statement that all shareholders are entitled to attend the shareholders' meeting, and the shareholder may appoint proxy(ies) in writing to attend and vote, and that such proxy(ies) need not be a shareholder(s) of the Company;
- (iv) the record date for determining the shareholders who are entitled to attend the shareholders' meeting;
- (v) names and telephone numbers of the standing contact persons who handle the meeting affairs;
- (vi) online or other voting time and voting procedure.

Any notice and supplementary notice of shareholders' meetings shall sufficiently and completely disclose all contents of all proposals and all such information or explanation as are necessary for the shareholders to make an informed judgment on the matters to be discussed in full.

Online voting or voting by other means shall commence no earlier than 3:00 p.m. on the date preceding the convening of a physical shareholders' meeting and shall not be later than 9:30 a.m. on the date of convening the physical shareholders' meeting. Its conclusion time shall not be earlier than 3:00 p.m. on the date of the conclusion of the physical shareholders' meeting.

The interval between the record date and the date of the meeting shall not be more than seven working days. The record date shall not be changed once confirmed.

After the notice of the shareholders' meeting is issued, the shareholders' meeting shall not be postponed or cancelled without a proper reason, and the proposals stated in the notice of the shareholders' meeting shall not be cancelled. In the case of any postponement or cancellation of the meeting, the convener shall make a public announcement stating the reasons therefor at least 2 business days prior to the date originally scheduled for the meeting. Where the

securities regulatory rules of the place where the Shares of the Company are listed provide otherwise in respect of the procedures for adjournment or cancellation of a shareholders' meeting, such provisions shall apply to the extent that they do not contravene the regulatory requirements of the territory.

Conducting of Shareholders' Meetings

The Board of the Company and other conveners shall take necessary measures to maintain the normal order of the shareholders' meeting. They shall adopt measures to stop any acts from interfering with the shareholders' meeting, creating quarrels and nuisance and infringing the lawful interests of the shareholders and timely report such acts to the relevant authorities for investigation.

All shareholders registered on the record date or their proxies shall be entitled to attend a shareholders' meeting, and shall speak and exercise their voting rights in accordance with relevant laws and regulations and the Articles of Association at the meeting, unless individual shareholders are required to waive their voting rights on certain matters under the securities regulatory rules of the places where the Company's Shares are listed.

Shareholders may attend a shareholders' meeting in person or entrust a proxy to attend and vote on their behalf. A proxy does not need to be a shareholder of the Company. Shareholders shall be entitled to speak and vote at a shareholders' meeting, unless individual shareholders are required to waive their voting rights on certain matters under applicable laws, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the places where the Company's Shares are listed.

If a shareholders' meeting requires the attendance of directors or senior management, the directors or senior management shall do so and answer shareholders' inquiries. Under the premise of complying with the securities regulatory rules of the place where the Company's shares are listed, the above-mentioned persons may be present at the meeting through the Internet, video, telephone or other means with the same effect.

A shareholders' meeting shall be presided over by the chairman of the Board. A Shareholders' meeting convened by the Audit Committee on his/her own shall be presided over by the convener of the Audit Committee. In the event that the convener of the Audit Committee is unable to or fails to perform his/her duties, a member of the Audit Committee jointly elected by more than half of the members of the Audit Committee of the Company shall preside over the meeting. A Shareholders' meeting convened by Shareholders on their own shall be presided over by the representative nominated by the convener.

If a shareholders' meeting requires the attendance of Directors or senior management, the Directors or senior management shall do so and answer shareholders' inquiries.

The Company shall formulate rules of procedure for the shareholders' meeting, and specify the convening, holding and voting procedures of the shareholders' meeting, including notice, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formation of resolutions of the meeting, minutes of the meeting and its signing and announcement thereof, as well as the principle of authorization of the shareholders' meeting to the Board. The content of the authorization shall be clear and specific. The rules of procedure for the shareholders' meeting shall be annexed to the Articles of Association and shall be prepared by the Board and approved by the shareholders' meeting.

Voting and Resolutions of Shareholders' Meetings

Shares held by the Company do not carry voting rights and shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' meeting.

Where any shareholder is required to abstain from voting on any particular resolution or is restricted to voting only for (or only against) any resolution in accordance with applicable laws and regulations and the Hong Kong Listing Rules, any vote cast by a shareholder (or his/her proxy) in contravention of such requirement or restriction shall not be counted towards the total number of shares with voting rights.

The Board, independent Directors and shareholders holding more than 1% of the shares with voting rights or investor protection agencies established in accordance with laws, administrative regulations or the regulations of the CSRC may solicit shareholders' voting rights. The solicitation of shareholders' voting rights shall provide full disclosure of information, such as specific voting intentions, to the shareholders from whom voting rights are being solicited. The solicitation of shareholders' voting rights by way of compensation or disguised compensation is prohibited. Except for statutory conditions, the Company shall not impose minimum shareholding restrictions on the solicitation of voting rights.

Resolutions of shareholders' meetings are in the form of ordinary resolutions and special resolutions. An ordinary resolution of a shareholders' meeting shall be passed with the approval of over half of the voting rights held by all the shareholders (including their proxies) attending the meeting. A special resolution of a shareholders' meeting shall be passed with the approval of more than two-thirds of the voting rights held by all the shareholders (including their proxies) attending the meeting.

The following matters shall be adopted by way of ordinary resolutions at shareholders' meetings:

- (i) work reports of the Board;
- (ii) profit distribution plans and loss recovery plans prepared by the Board;

- (iii) appointment and dismissal of the member of the Board, and their remuneration and the payment thereof;
- (iv) other matters other than those required by laws, administrative regulations, the securities regulatory rules of the places where the Company's Shares are listed or the Articles of Association to be adopted by special resolutions.

The following matters shall be adopted by way of special resolutions at shareholders' meetings:

- (i) increase or reduction in the registered capital of the Company;
- (ii) the division, spin-off, merger, dissolution and liquidation of the Company;
- (iii) amendments to the Articles of Association;
- (iv) purchase or disposal of material assets or any provision of guarantee to others by the Company within one year of a value exceeding 30% of the Company's latest audited total assets;
- (v) the share incentive schemes;
- (vi) any other matters required by laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's Shares are listed or the Articles of Association, and matters determined by an ordinary resolution at a shareholders' meeting that have a material impact on the Company, and thus are in need of approval by a special resolution.

When related (connected) transactions are being considered at a shareholders' meeting, the related (connected) shareholders shall abstain from voting, and the number of shares carrying voting rights represented by them shall not be counted in the total number of valid votes. The announcement of the resolutions of a shareholders' meeting shall fully disclose the voting results of non-related (connected) shareholders.

The related (connected) shareholder shall take the initiative to abstain from voting, and if he/she fails to do so, other shareholders may request him/her to abstain from voting.

When a related (connected) transaction is considered at a shareholders' meeting, the presiding officer of the meeting shall announce the name list of the related (connected) shareholders, stating whether they will participate in the voting. The voting shall be carried out after announcing the total number of shares of the non-related (connected) parties attending the meeting with voting rights and the proportion of the total shares of the Company.

A list of nominations for the candidates for Directors shall be submitted by way of proposal at the shareholders' meeting for voting. When a voting is carried out on the election of more than two independent Directors at a shareholders' meeting or sole shareholder and its concert party are interested in 30% or more of the shares of the Company, the cumulative voting system shall be adopted. The cumulative voting system mentioned in the preceding paragraph means that when Directors are being elected at a shareholders' meeting, each share has the same voting right as the number of Directors to be elected, and the shareholders' voting rights may be used in a concentrated manner. The Board shall inform the shareholders of the brief biographies and basic information of the candidates for Directors.

If the shareholders' meeting passes proposals in connection with the distribution of cash dividends, allotment of new shares, or conversion of capital common reserve fund into share capital, the Company shall implement detailed plans thereof within two months after the conclusion of such shareholders' meeting.

DIRECTORS AND THE BOARD OF DIRECTORS

Directors

The Director of the Company shall be a natural person. A person may not serve as a Director of the Company if any of the following circumstances apply:

- (i) persons who have no or restricted capacity for civil conduct;
- (ii) persons who were sentenced to criminal punishment due to corruption, bribery, embezzlement of property, misappropriation of property or disrupting the socialist market economic order, or who have been deprived of political rights due to any criminal offences, where less than five years have lapsed since the expiration of the execution period, or two years have not elapsed since the expiration of the probation period for suspended sentence;
- (iii) persons who served as a director, factory manager or manager of a company or an enterprise that was declared insolvent and liquidated and were personally liable for the insolvency of such company or enterprise, and less than three years have lapsed since the date of completion of the insolvency and liquidation of that company or enterprise;
- (iv) persons who served as the legal representative of a company or an enterprise of which the business license was revoked and was ordered to close down due to violation of laws and who was personally liable for such revocation and order, where less than three years have lapsed since the date of the revocation of the business license of that company or enterprise or being ordered to close down;
- (v) persons who are listed as dishonest persons subject to enforcement by the People's Court for being liable for a substantial amount of personal debts due and unsettled;

- (vi) persons who are penalized by CSRC, other competent regulatory agencies and stock exchanges to be prohibited from participating in the securities markets with a period yet to expire;
- (vii) persons who have been publicly declared by the stock exchanges to be unsuitable for serving as the directors and senior management of any listed company with a period yet to be expired;
- (viii) other circumstances stipulated in laws, administrative regulations, the securities regulatory rules of the place where the Shares of the Company are listed or departmental rules.

If the election or appointment of a Director has violated this article, such election, appointment, or employment shall be invalid. If any of the circumstances under this article occurs during the period of employment of a Director, the Company shall dismiss the Director from his/her duties and cease his/her duties.

Directors shall be elected or replaced by the shareholders' meeting, and each office term of Directors shall be three years. The office term of Directors shall be renewable by re-election and re-appointment upon expiration of their terms, and Directors shall be removed from office prior to the expiry of his term of office by a shareholders' meeting on the premise of not violating laws, administrative regulations, departmental rules and securities regulatory rules of the place where the Company's Shares are listed.

A Director's term of service commences from the date he/she takes office until the current term of service of the Board ends. If a Director's term of service expires but a new Director is not elected in a timely manner, the original Director shall continue to carry out the Director's duties according to laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association until the newly elected Director takes office.

A Director's post may be assumed by a senior management member, but the sum of the total number of Directors who also assume the duties of the senior management member and are employee representatives shall not exceed one-half of the total number of Directors of the Company.

The Board shall include an employee representative. Employee representatives in the Board shall be elected by the Company's employees through an employee representative assembly, an employee assembly, or other democratic means, without the need for shareholder's meeting review.

The Directors shall comply with laws, administrative regulations, securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association and shall faithfully perform their obligations to the Company. The Directors shall take measures to avoid conflicts between their own interests and the Company's interests, and must not abuse their authority to seek improper benefits. The Directors shall fulfill the following fiduciary obligations towards the Company:

- (i) not to misappropriate the properties of the Company and embezzle funds of the Company;
- (ii) not to deposit any assets or money of the Company in any accounts under their names or in the names of other persons;
- (iii) not to abuse their rights to accept bribes or other illegal income;
- (iv) not to enter into any contract or perform any transaction, directly and indirectly, with the Company without reporting to the Board or the shareholders' meeting and obtaining approval through resolutions by the Board or the shareholders' meeting as stipulated in the Articles of Association;
- (v) not to use their position to obtain business opportunities which should be available to the Company for themselves or others, unless having reported to the Board or the shareholders' meeting and approved by a resolution of the shareholders' meeting, or except that the Company is unable to utilize such business opportunity according to the provisions of laws, administrative regulations, or the Articles of Association;
- (vi) not to conduct any businesses similar to those of the Company for themselves or others without reporting to the Board or the shareholders' meeting and obtaining approval through resolutions by the shareholders' meeting;
- (vii) not to accept commissions from transactions between any third party and the Company for their own benefit;
- (viii) not to use their related (connected) relationship to harm the interests of the Company;
- (ix) not to disclose the secrets of the Company without consent;
- (x) to be bound by other obligations stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

The Company shall be entitled to the income gained by the Directors in violation of the above article; the Director shall be liable for compensation if any loss is caused to the Company.

The provisions of the item (iv) shall apply to the conclusion of contracts or engagement in transactions with the Company by close relatives of the Directors and senior management or enterprises directly or indirectly controlled by the Directors and senior management or their close relatives, as well as persons who are otherwise related (connected) to the Directors and senior management.

The Directors shall comply with laws, administrative regulations, securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association to perform their obligations of diligence to the Company. They shall fulfill their obligations with reasonable care generally expected of managers in the best interests of the Company. The Directors shall diligently perform their following obligations to the Company:

- (i) to exercise prudently, conscientiously and diligently the rights granted by the Company to ensure that the Company's commercial activities are in compliance with laws, administrative regulations and the requirements of economic policies of China and that its commercial activities are within the scope stipulated in the business license;
- (ii) to treat all shareholders equally and fairly;
- (iii) to understand the operation and management of the Company in a timely manner;
- (iv) to approve the regular reports of the Company in written form and to ensure the integrity, accuracy and completeness of the information disclosed by the Company;
- (v) to provide all relevant information and materials required by the Audit Committee truthfully, accept the lawful supervision and rational suggestions of the Audit Committee on their performance of duties and shall not intervene in the performance of the Audit Committee of its duties;
- (vi) to perform other obligations of diligence stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

A Director who fails to attend two consecutive meetings of the Board in person or by proxy shall be deemed unable to perform his/her duties. The Board shall propose to the shareholders' meeting for removal of such Director.

A Director may resign before the expiry of his/her term of service. When a Director resigns, he/she shall submit a written resignation notice to the Company. The resignation will take effect on the day the Company receives the resignation report and the Company shall make disclosure of relevant information within two trading days. In the event that the resignation of any Director during his/her term of office results in the number of members of the Board being less than the statutory minimum requirement, the composition of the Board or its special committees fail to comply with laws and regulations, the securities regulatory rules of the place where the Company's Shares are listed or the provisions of the Articles of Association as a result of the resignation of independent Directors, or the remaining independent Directors cannot continue to comply with the relevant provisions of the securities regulatory rules of the place where the Company's shares are listed, before the newly elected Director takes office, the former Director shall still perform his/her duties as a Director in accordance with laws, administrative regulations, departmental rules and the Articles of Association.

The Company has a system in place to manage the departure of Directors, which specifies safeguards for pursuing and recovering liability for unfulfilled public commitments and other outstanding matters. When a Director's resignation takes effect or his/her term of office expires, he/she shall duly complete all handover procedures with the Board. His/her duties of loyalty towards the Company and shareholders shall not necessarily cease after the termination of tenure and remain valid for the reasonable period under the Articles of Association. His/her obligation to keep trade secrets of the Company confidential shall remain effective after the expiry of his/her term of office until such secrets become public information. The period that other duties shall continue shall be determined according to the principle of fairness, and depending on the length of time lapsed between the event occurred and the termination as well as the circumstances and terms under which his/her relationships with the Company have been terminated. The responsibilities that Directors shall bear during their tenure due to the performance of their duties shall not be waived or terminated upon resignation.

The shareholders' meeting may remove any Director by a resolution, which shall come into effect from the date on which such resolution is made.

Where a Director is removed from office prior to expiration of his/her term of office without justifiable cause, the Director may demand compensation from the Company.

Duties of independent Directors shall be implemented in accordance with the requirements of laws, administrative regulations, securities regulatory rules of the place where the Company's Shares are listed and departmental rules.

Board of Directors

The Company shall have the Board. The Board shall consist of 13 Directors. Five of the Directors are independent Directors. The Board shall have at least 3 independent Directors, accounting for at least one-third of the Board. The Board shall have a chairman and may appoint vice-chairman. The chairman and vice chairman of the Board shall be elected by a simple majority of votes of all Directors.

The Board of Directors shall perform the following duties:

- (i) to convene shareholders' meetings and to report to shareholders' meetings;
- (ii) to implement the resolutions of shareholders' meetings;
- (iii) to determine business operation plans and investment plans of the Company;
- (iv) to formulate the profit distribution plans and plans for recovery of losses of the Company;
- (v) to formulate proposals of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;
- (vi) to formulate plans for any substantial acquisition or purchase of the Shares of the Company or plans for merger, division, dissolutions and change of its corporate form;
- (vii) to decide on matters relating to the Company's external investment, acquisitions or disposal of assets, mortgage of assets, external guarantee, entrusted wealth management, related (connected) transactions and external donations as authorized by shareholders' meetings;
- (viii) to decide on the establishment of the Company's internal management structure;
- (ix) to appoint or dismiss the Company's president, secretary to the Board of Directors and to determine their remuneration and rewards and penalties; based on the nominations of the president, to appoint or dismiss the chief operating officer (COO), chief technology officer (CTO), vice president, chief financial officer of the Company and other senior management of the Company and to determine their remuneration and rewards and penalties;
- (x) to formulate the basic management system of the Company;
- (xi) to formulate proposals for any amendments to the Articles of Association;
- (xii) to manage the disclosure of information of the Company;
- (xiii) to propose to shareholders' meetings the appointment or change of the accounting firm acting as the auditor of the Company;
- (xiv) to hear the work report of the Company's president and to review the work thereof;

- (xv) any other powers as conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association and shareholders' meetings.

The Board of Directors of the Company may establish the Strategy committee, Audit committee, Nomination committee, Remuneration and Appraisal committee and Environment, Society and Governance (ESG) Committee. Special committees are responsible to the Board of Directors and perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors.

The Board of Directors shall formulate the rules of procedures of the Board of Directors to ensure the implementation of resolutions of shareholders' meeting, increased working efficiency and scientific decision-making. The Rules of Procedure for the Board of Directors are prepared by the Board of Directors and adopted by shareholders' meetings as an annex to the Articles of Association. Matters beyond the scope authorized by the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

At least four regular Board meetings shall be convened each year on a quarterly basis. Board meetings shall be convened by the chairman of the Board of Directors. All Directors shall be notified in writing within 14 days before the meeting.

Any shareholder holding at least one tenth voting rights, at least one third of the Directors, the Audit Committee, or the chairman of the Board, may propose the holding of an interim meeting of the Board as it deem necessary. The chairman shall convene and preside over the interim meeting of the Board within 10 days upon receipt of the proposal.

The related (connected) relationship with the enterprise or individual involved in the resolution of the Board meeting, the said Director shall promptly report the situation in writing to the Board. The related (connected) Director shall not exercise the right to vote on the resolution, nor shall he exercise the right to vote on behalf of other Directors. The Board meeting can be held with the attendance of more than half of the unrelated (unconnected) Directors, and the resolution made at the Board meeting must be passed by more than half of the unrelated (unconnected) Directors.

The Board of Directors shall include one chairman of the Board of Directors and one vice chairman of the Board of Directors. The chairman of the Board of Directors and the vice chairman of the Board of Directors shall be elected by more than half of all the Directors.

The chairman shall exercise the following functions and powers:

- (i) to preside over the shareholders' meetings and to convene and preside over the Board meetings;
- (ii) to supervise and examine the implementation of the resolutions of the Board of Directors;

- (iii) to exercise the functions and powers as a legal representative;
- (iv) to sign the share certificates, corporate bonds and other marketable securities of the Company;
- (v) to sign the important documents of the Board of Directors and other documents which shall be signed by the legal representative of the Company;
- (vi) in the event of emergency situations such as the occurrence of large-scale natural disasters, to take special steps in handling the Company's business according to laws and the Company's interest, and to report to the Board of Directors of the Company and the shareholders' meetings afterwards; and
- (vii) other powers and duties authorized by the Board of Directors.

Secretary to the Board

The Company shall have a secretary to the Board. The secretary to the Board is a senior management member of the Company, who is responsible to the Board.

The secretary to the Board is responsible for the preparation of shareholders' meetings and Board meetings of the Company, retention of documentation as well as the management of shareholders' information, handling matters relating to information disclosure and other matters. The secretary to the Board shall comply with laws, administrative regulations, departmental rules and the Articles of Association.

The secretary to the Board shall be nominated by the Chairman of the Board and shall be appointed or dismissed by the Board.

Senior Management

The Company shall have one president and certain senior management, whose appointment or dismissal shall be decided by the Board. The term of office of the president shall be 3 years, renewable upon re-appointment.

The president, who shall be accountable to the Board, may exercise his/her functions and powers:

- (i) to manage the operation and administration of the Company, arrange for the implementation of the resolutions of the Board, and report to the Board;
- (ii) to arrange for the implementation of the Company's annual operation plans and investment proposals;

- (iii) to formulate proposals for the establishment of the Company's internal management organs;
- (iv) to formulate the fundamental management system of the Company;
- (v) to formulate the specific rules and regulations of the Company;
- (vi) to recommend the Board to appoint or dismiss senior management of the Company other than the secretary to the Board;
- (vii) to appoint or dismiss management personnel (other than those who shall be appointed or dismissed by the Board);
- (viii) to formulate the salary, benefits, rewards and penalties, and to decide on the appointment and dismissal of employees of the Company;
- (ix) to exercise any other functions and powers conferred by the Articles of Association or the Board.

The president shall be present at meetings of the Board.

The chief operating officer (COO), chief technology officer (CTO), vice president and chief financial officer of the Company are nominated by the president and appointed by the Board of Directors. The chief operating officer (COO), chief technology officer (CTO), vice president and chief financial officer are responsible and report to the president and perform related duties according to the assigned work.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial and Accounting System

The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations, the requirements of the relevant departments of the State and the securities regulatory rules of the place where the Company's Shares are listed.

The disclosure of periodic reports of A Shares: The Company shall submit and disclose its annual reports to the local offices of the CSRC and the Shanghai Stock Exchange within four months from the ending date of each financial year, and its interim reports to the local office of the CSRC and the Shanghai Stock Exchange within two months from the ending date of the first half of each financial year.

The disclosure of periodic reports of H Shares: The periodic reports of H Shares of the Company include annual reports and interim reports. The Company shall disclose its preliminary announcement on annual results within three months from the ending date of each financial year, and complete its annual report for disclosure within four months from the ending date of each financial year and at least 21 days prior to the date of the annual general meeting. The Company shall disclose its preliminary announcement on interim results within two months from the ending date of the first six months of each financial year, and complete its interim report for disclosure within three months from the ending date of the first six months of each financial year.

The above financial and accounting reports, annual reports, annual results, interim reports and interim results shall be prepared in accordance with the relevant laws, administrative regulations, departmental rules, and the requirements of the securities regulatory authorities of the place where the Company's Shares are listed and the stock exchange(s).

The Company shall not establish account books other than the statutory account books. The funds of the Company shall not be deposited in any personal account.

When the Company allocates the after-tax profits for the current year, it shall extract 10% of the profits into the Company's statutory reserve fund. Should the accumulated amount of the Company's statutory reserve fund be more than 50% of the Company's registered capital, no appropriation shall be made.

In the event that the Company's statutory reserve fund is not sufficient to cover all the losses for the previous year, the profits for the current year shall be firstly used to cover the loss before making appropriation to the statutory reserve fund pursuant to the foregoing provisions.

After the Company has made an appropriation to the statutory reserve fund from the after-tax profits, an optional reserve fund may also be extracted from the after-tax profits upon resolution at the shareholders' meeting.

After making up any losses and contributions to reserves, the remaining after-tax profit may be distributed to shareholders in proportion to their respective shareholdings, except for those that are not distributed in proportion to the shareholding percentages as stipulated in the Articles of Association.

In case the shareholders' meeting approves to distribute any profit to any shareholder in violation of the Company Law, the shareholder shall return profits so distributed to the Company; if losses are caused thereby to the Company, the shareholders, as well as any Directors and senior managers responsible for the violation, shall be liable for compensation.

When the Company convenes the annual general meeting to review the annual profit distribution plan, it may consider and approve the conditions, proportion limits and amount limits of interim cash dividends for the next year. The upper limits of interim cash dividends

for the next year considered by the annual general meeting shall not exceed the net profit attributable to the Company's shareholders during the corresponding period. The Board shall formulate a specific interim dividend plan based on the resolution of the shareholders' meeting, subject to the conditions for profit distribution.

The Company may not make profit distribution under any of the following circumstances: the audit report for the most recent year was either qualified or qualified with a material uncertainty paragraph relating to going concern; no profit is recorded in the consolidated financial statements or the financial statements of the parent company for the year; operational net cash flow in the consolidated financial statements or the financial statements of the parent company for the year is negative.

The Company shall not be entitled to any distribution of profits in respect of shares held by it.

Internal Audit

The Company shall implement an internal audit system, which clearly defines the leadership system, responsibilities and authorities, personnel allocation, funding support, application of audit results and accountability for internal audit.

The internal audit system of the Company shall be implemented after being approved by the Board and disclosed to the public.

Appointment of Accounting Firm

The Company shall appointment an accounting firm under the Securities Law to audit its accounting statements, verify its net assets, and provide other relevant consulting services. The term of appointment shall be one year, and may be renewed. The Company's appointment and dismissal of an accounting firm shall be decided at the shareholders' meeting. The Board shall not appoint any accounting firm prior to a decision made by the shareholders' meeting. The Company shall ensure its provision to an accounting firm engaged thereby with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials and may not refuse, conceal and make false reports.

The audit fees of an accounting firm shall be determined at the shareholders' meeting by way of an ordinary resolution. Where the Company intends to remove or discontinue the engagement of an accounting firm, it shall send a twenty-day notice to such accounting firm. Where the removal of an accounting firm is put to the vote at a shareholders' meeting of the Company, such accounting firm shall be allowed to state its opinions.

Where an accounting firm offers to resign, it shall explain to the shareholders' meeting whether the Company is involved in any anomaly.

NOTICE AND ANNOUNCEMENT

Notices of the Company shall be served by the following means:

- (i) by hand;
- (ii) by express delivery service;
- (iii) by mail;
- (iv) by facsimile;
- (v) by making announcements on the website of the Company, and the designated websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange;
- (vi) by announcement;
- (vii) by other means as required by laws, administrative regulations or other normative documents, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

In respect of the way in which the Company provides or sends corporate communications to holders of shares in accordance with the Articles of Association, subject to securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association, the Company may send corporate communications to relevant shareholders through the websites designated by the Company, and the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange or by any electronic means. Corporate communications mentioned above shall refer to any documents issued or to be issued by the Company for the information or action of the Shareholders or such other persons as may be required under the Hong Kong Listing Rules, including but not limited to the annual reports (including the report of the Board, the annual accounts of the Company, the auditor's report and the summary financial reports, if applicable), the Company's interim reports and summary interim reports (if applicable), quarterly reports of the Company, the notice of meetings, listing documents, circulars, proxy form. Holders of H Shares of the Company shall also choose in writing to receive printed copies of the aforementioned corporate communications. Shanghai Securities News, China Securities Journal and other media, and the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange, are designated by the Company to publish company announcements and other information that needs to be disclosed.

The term "announcement" mentioned in the Articles of Association, unless the context otherwise requires, in relation to an announcement made to holders of H Shares or made within Hong Kong as required by relevant regulations and the Articles of Association, such announcement must be published on the website of the Company and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and such other websites as may be prescribed in the Hong Kong Listing Rules from time to time in accordance with the requirements of the Hong Kong Listing Rules.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION**Merger, Division, Capital Increase and Capital Reduction**

Where the price paid for a merger does not exceed ten percent of the Company's net assets, the merger may be resolved without a shareholders' meeting, unless otherwise provided for in the Articles of Association.

Where a merger of companies is not resolved by the shareholders' meeting in accordance with the preceding paragraph, it shall be resolved by the Board.

Where there is a merger of the Company, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the merger resolution and shall publish an announcement in newspapers as required by the Articles of Association or on the National Enterprise Credit Information Publicity System and on the website of the Hong Kong Stock Exchange within 30 days from the date of the merger resolution. The creditors may, within 30 days after receipt of notice or, if the creditors do not receive such notice, within 45 days of the announcement, demand the Company to repay in full or to provide a guarantee.

At the time of merger, the claims and debts of the merger parties shall be succeeded by the company which subsists after the merger or the newly-established company.

Where there is a division of the Company, its assets shall be divided accordingly. Where there is a division of the Company, a balance sheet and inventory of property shall be prepared. The Company shall notify its creditors within 10 days from the date of the division resolution and shall publish an announcement in newspapers as required by the Articles of Association or on the National Enterprise Credit Information Publicity System and on the website of the Hong Kong Stock Exchange within 30 days from the date of the division resolution. Where securities regulatory rules of the place where the Company's Shares are listed provide otherwise, such rules shall also be satisfied with.

Debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division unless a written agreement has been entered into by the Company and its creditors in relation to the repayment of debts before the division.

When the Company reduces its registered capital, it shall prepare a balance sheet and a property list. The Company shall inform its creditors within 10 days and publish an announcement in the newspaper as required by the Articles of Association or on the National Enterprise Credit Information Publicity System and on the website of the Hong Kong Stock Exchange within 30 days after the resolution approving the reduction of registered capital has been passed at the shareholders' meeting. Creditors may within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the Company to pay its debts or provide guarantees covering the debts.

If the Company still incurs losses after making up for the losses in accordance with the Articles of Association, it may reduce its registered capital to make up for the losses. When reducing registered capital to make up for losses, the Company shall not distribute to shareholders, nor shall it exempt shareholders from their obligations to contribute capital or pay for shares.

After the Company reduces its registered capital to make up for the losses in accordance with the provisions, it shall not distribute profits until the cumulative amount of the statutory reserve fund and the discretionary reserve fund reaches 50% of the Company's registered capital.

Where an increase in registered capital of the Company is made by means of issue of new shares, the shareholders do not have any pre-emptive right unless the Articles of Association provides otherwise or the shareholders' meeting resolves that the shareholders shall have pre-emptive right.

The Company shall, in accordance with laws, apply for a change in its registration with the company registration authority in the event of any change in any particulars in its registration as a result of any merger or division. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with laws. Where a new company is established, the Company shall apply for registration of incorporation in accordance with laws.

If the Company increases or reduces its registered capital, the Company shall, in accordance with laws, apply for a change in registration with the company registration authority.

Dissolution and Liquidation

The Company may be dissolved for the following reasons:

- (i) the term of operation stipulated in the Articles of Association has expired or circumstances for dissolution specified in the Articles of Association arise;
- (ii) a resolution on dissolution is passed by shareholders at a shareholders' meeting;
- (iii) dissolution is required due to the merger or division of the Company;
- (iv) the business license is revoked or the Company is ordered to close down or be deregistered according to the law;

- (v) where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss to the interests of shareholders, and no solution can be found through any other channel, shareholders representing more than 10% of the voting rights of the Company may request the people's court to dissolve the Company.

The Company shall, within ten days of the occurrence of the reason(s) for dissolution stipulated in the preceding paragraph, publicize the reason(s) for dissolution through the National Enterprise Credit Information Publicity System.

Under the circumstance of sub-paragraph (i) above, it may continue to exist by amending the Articles of Association.

Amendments to the Articles of Association pursuant to the preceding paragraph shall be subject to the approval of shareholders representing more than two-thirds of the voting rights attending the shareholders' meeting.

If the Company is dissolved pursuant to sub-paragraphs (i), (ii), (iv) or (v) above, it shall be liquidated. The Directors shall be the obligors of liquidation of the Company and a liquidation committee shall be set up for liquidation within 15 days after the circumstances for dissolution arise. The liquidation committee shall consist of the Directors, unless otherwise provided in the Articles of Association or the shareholders' meeting resolves to elect another person. A liquidation obligor who fails to fulfill its liquidation obligations in a timely manner and causes losses to the Company or creditors shall be liable for compensation.

The liquidation committee shall exercise the following powers during the liquidation period:

- (i) to notify creditors by notice and announcement;
- (ii) to check the Company's assets and prepare a balance sheet and an inventory of assets;
- (iii) to deal with the outstanding affairs of the Company in relation to liquidation;
- (iv) to pay off outstanding taxes as well as taxes arising in the course of liquidation;
- (v) to settle claims and debts;
- (vi) to allocate the remaining assets of the Company after repayment of debts;
- (vii) to represent the Company in civil proceedings.

The liquidation committee shall notify the creditors within 10 days from the date of its establishment and make a public announcement on newspaper(s) or on the National Enterprise Credit Information Publicity System and the website of the Hong Kong Stock Exchange within 60 days from its establishment. Creditors shall, within 30 days after receipt of the notice, or for those who do not receive the notice, within 45 days from the date of the announcement, declare their claims to the liquidation committee.

Creditors shall provide an explanation for the relevant particulars and evidence of the claims upon declaration of such claims. The liquidation committee shall register the creditors' claims.

The liquidation committee shall not settle the debts to creditors until the expiry of the period for declaration of claims.

After liquidating the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit it to the shareholders' meeting or the People's Court for confirmation.

The remaining properties of the Company, after payment of liquidation expenses, wages, social insurance premiums and statutory compensation of staff, outstanding taxes and debts of the Company, shall be distributed according to the shareholding proportion held by shareholders.

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities not relating to liquidation. The assets of the Company shall not be distributed to shareholders before the settlement of debts in accordance with the aforesaid provisions.

If, after liquidating the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee discovers that the assets of the Company are insufficient to repay the debts of the Company in full, it shall apply to the people's court for a declaration of insolvency and liquidation according to the law.

Upon acceptance of the insolvency application by the People's Court, the liquidation committee shall transfer the liquidation affairs to the insolvency administrator appointed by the People's Court.

Upon completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report and submit the same to the shareholders' meeting or the people's court for confirmation, and submit the aforesaid documents to the company registration authority, and apply to cancel the registration of the Company.

The members of the liquidation committee shall perform their liquidation duties and shall assume the obligations of loyalty and diligence.

Where the member of the liquidation committee neglects to perform the liquidation duties and causes any loss to the Company, he/she shall be liable to make compensation. If losses are caused to any creditor due to intentional misconduct or gross negligence, such member shall be liable for compensation.

If the Company is declared insolvent according to laws, the Company shall perform insolvency liquidation procedures according to the laws relating to insolvency of companies.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association in any of the following circumstances:

- (i) after amendments are made to the Company Law, administrative regulations or securities regulatory rules of the place where the Company's Shares are listed, the Articles of Association run counter to the said amendments;
- (ii) the Company's conditions have changed, and such changes are not consistent with the matters recorded in the Articles of Association;
- (iii) the shareholders' meeting has resolved to amend the Articles of Association.

Where approval from the competent authority is required for the amendments to the Articles of Association resolved by the shareholders' meeting, such amendments shall be submitted to the competent authority for approval. If amendments to the Articles of Association involve particulars of the Company's registration, changes shall be made to the registration in accordance with the laws.

The Board of Directors shall amend the Articles of Association in accordance with the resolutions of the shareholders' meeting and the opinion of the relevant competent authorities on any amendment hereto.

If any amendment to the Articles of Association involves matters required to be disclosed by laws and regulations, an announcement shall be made pursuant to the regulations.

FURTHER INFORMATION ABOUT OUR COMPANY**Establishment of our Company**

Our Company was established as a limited liability company in the PRC on May 11, 2007 and was converted into a joint stock limited company with limited liability on April 29, 2011 under the laws of the PRC. As of the Latest Practicable Date, the issued share capital of our Company is 1,633,366,086 Shares.

Our Company has established a place of business in Hong Kong at Room 1922, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong and has been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on April 17, 2025. Ms. Ho Wing Tsz Wendy has been appointed as the authorized representatives in Hong Kong and our agent for the acceptance of service of process in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

As we are established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in “Summary of Articles of Association” in Appendix III to this Prospectus. A summary of certain relevant aspects of the laws and regulations of the PRC is set out in “Regulatory Overview.”

Changes in Share Capital of Our Company

During the fourth quarter of 2023, the share capital of the Company increased as cumulatively, 2,411,626 shares options were exercised under the 2021 Share Option Incentive Plan. As of December 31, 2023, the issued share capital of the Company increased to 1,509,782,193 Shares.

On March 27, 2025, the issued share capital of the Company increased to 1,633,366,086 Shares.

Save as disclosed in this section, as of the Latest Practicable Date, there has been no other alteration in the share capital of our Company within the two years immediately preceding the date of this Prospectus.

Changes in Share Capital of Our Major Subsidiaries

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us a waiver from strict compliance with the requirements of paragraph 26 of Appendix D1A to the Listing Rules in relation to the disclosure of information relating to the changes in the share capital of any member of our Group within the two years immediately preceding the date of this Prospectus. For details, see “Waivers, Consents and Exemption — Waivers and Exemption in respect of Particulars of Information of our Subsidiaries”.

The following alterations in the total share capital of our Major Subsidiaries have taken place within the two years preceding the date of this Prospectus:

The total share capital of Seres Auto increased (i) to RMB9,960,000,000 on September 24, 2024, (ii) to RMB10,083,946,667 on December 29, 2024, (iii) to RMB10,305,280,001 on March 31, 2025, and (iv) to RMB10,637,279,999 on June 23, 2025.

Save as disclosed in this section, as of the Latest Practicable Date, there have been no other alterations in the share capital of our Major Subsidiaries within the two years preceding the date of this Prospectus.

Resolutions of our Shareholders

At the general meeting of our Company held on April 22, 2025, the following resolutions, among other things, were duly passed:

- (a) the issue by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be listed on the Hong Kong Stock Exchange;
- (b) the number of H Shares to be issued before the exercise of the Over-allotment Option shall not exceed 15% of the enlarged share capital of our Company upon completion of the Global Offering and granting the Underwriters the Over-allotment Option of no more than 15% of the above number of H Shares to be issued;
- (c) subject to the completion of the Global Offering, the conditional adoption of the Articles of Association, which shall become effective on the Listing Date; and
- (d) authorization of the Board or its authorized individual to handle all matters relating to, among other things, the Global Offering, the issue and listing of H Shares on the Hong Kong Stock Exchange.

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this Prospectus that is or may be material:

- (a) the cornerstone investment agreement dated October 23, 2025 entered into among the Company, Chongqing Industrial Investment Parent Fund Enterprise Partnership (L.P.) (重慶產業投資母基金合夥企業(有限合夥)) and China International Capital Corporation Hong Kong Securities Limited, pursuant to which Chongqing Industrial Investment Parent Fund Enterprise Partnership (L.P.) agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollars 2,176,752,285;

- (b) the cornerstone investment agreement dated October 23, 2025 entered into among the Company, Huatai Capital Investment Limited, China International Capital Corporation Hong Kong Securities Limited and Huatai Financial Holdings (Hong Kong) Limited, pursuant to which Huatai Capital Investment Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$50 million and hold such H Shares on a non-discretionary basis to hedge the over-the-counter swap transaction placed by Shenzhen Lin Yuan Investment Management Co., Ltd. (深圳市林園投資管理有限責任公司) acting in its capacity as investment manager for and on behalf of a private investment scheme;
- (c) the cornerstone investment agreement dated October 23, 2025 entered into among the Company, GF Fund Management Co., Ltd. (廣發基金管理有限公司) and China International Capital Corporation Hong Kong Securities Limited, pursuant to which GF Fund Management Co., Ltd. agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$30 million;
- (d) the cornerstone investment agreement dated October 23, 2025 entered into among the Company, GF International Investment Management Limited (廣發國際資產管理有限公司) and China International Capital Corporation Hong Kong Securities Limited, pursuant to which GF International Investment Management Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$6.3 million;
- (e) the cornerstone investment agreement dated October 23, 2025 entered into among the Company, New China Asset Management (Hong Kong) Limited and China International Capital Corporation Hong Kong Securities Limited, pursuant to which New China Asset Management (Hong Kong) Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$30 million;
- (f) the cornerstone investment agreement dated October 23, 2025 entered into among the Company, BESS Broadway Limited and China International Capital Corporation Hong Kong Securities Limited, pursuant to which BESS Broadway Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$30 million;
- (g) the cornerstone investment agreement dated October 23, 2025 entered into among the Company, Sanhua (Hong Kong) Co Limited and China International Capital Corporation Hong Kong Securities Limited, pursuant to which Sanhua (Hong Kong) Co Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$30 million;

- (h) the cornerstone investment agreement dated October 23, 2025 entered into among the Company, Zhongsheng Holdings Company Limited (中升集團有限公司) and China International Capital Corporation Hong Kong Securities Limited, pursuant to which Zhongsheng Holdings Company Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$30 million;
- (i) the cornerstone investment agreement dated October 23, 2025 entered into among the Company, Zhink International Pte. Ltd. and China International Capital Corporation Hong Kong Securities Limited, pursuant to which Zhink International Pte. Ltd. agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$30 million;
- (j) the cornerstone investment agreement dated October 23, 2025 entered into among the Company, Gold Wings Holdings Limited and China International Capital Corporation Hong Kong Securities Limited, pursuant to which Gold Wings Holdings Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$30 million;
- (k) the cornerstone investment agreement dated October 23, 2025 entered into among the Company, Honour Goal Investments Limited (達安投資有限公司) and China Galaxy International Securities (Hong Kong) Co., Limited, pursuant to which Honour Goal Investments Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$30 million;
- (l) the cornerstone investment agreement dated October 23, 2025 entered into among the Company, Hichain Logistics (Hong Kong) Limited, and China Galaxy International Securities (Hong Kong) Co., Limited, pursuant to which Hichain Logistics (Hong Kong) Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$26 million;
- (m) the cornerstone investment agreement dated October 23, 2025 entered into among the Company, Schroder Investment Management (Hong Kong) Limited (solely in its capacity as agent and discretionary investment manager on behalf of certain underlying funds and/or clients), Schroder Investment Management (Singapore) Ltd (solely in its capacity as agent and discretionary investment manager on behalf of certain underlying funds and/or clients) and China International Capital Corporation Hong Kong Securities Limited, pursuant to which Schroder Investment Management (Hong Kong) Limited (solely in its capacity as agent and discretionary investment manager on behalf of certain underlying funds and/or clients) and Schroder Investment Management (Singapore) Ltd (solely in its capacity as agent and discretionary investment manager on behalf of certain underlying funds and/or clients) agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$24 million;

- (n) the cornerstone investment agreement dated October 23, 2025 entered into among the Company, Mirae Asset Securities Co., Ltd. and China International Capital Corporation Hong Kong Securities Limited, pursuant to which Mirae Asset Securities Co., Ltd. agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$20 million;
- (o) the cornerstone investment agreement dated October 23, 2025 entered into among the Company, New Alternative Limited and China International Capital Corporation Hong Kong Securities Limited, pursuant to which New Alternative Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$20 million;
- (p) the cornerstone investment agreement dated October 23, 2025 entered into among the Company, PSBC Wealth Management Co., Ltd. (中郵理財有限責任公司) and China International Capital Corporation Hong Kong Securities Limited, pursuant to which PSBC Wealth Management Co., Ltd. agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$20 million;
- (q) the cornerstone investment agreement dated October 23, 2025 entered into among the Company, Skyler International Co., Ltd. and China International Capital Corporation Hong Kong Securities Limited, pursuant to which Skyler International Co., Ltd. agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$20 million;
- (r) the cornerstone investment agreement dated October 23, 2025 entered into among the Company, Xingyu Automotive Lighting (Hong Kong) Co., Limited (星宇車燈(香港)有限公司), and China International Capital Corporation Hong Kong Securities Limited, pursuant to which Xingyu Automotive Lighting (Hong Kong) Co., Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$20 million;
- (s) the cornerstone investment agreement dated October 23, 2025 entered into among the Company, China MeiDong Auto Holdings Limited (中國美東汽車控股有限公司) and China International Capital Corporation Hong Kong Securities Limited, pursuant to which China MeiDong Auto Holdings Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$20 million;
- (t) the cornerstone investment agreement dated October 23, 2025 entered into among the Company, Ghisallo Fund Master Ltd. and China International Capital Corporation Hong Kong Securities Limited, pursuant to which Ghisallo Fund Master Ltd. agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$20 million;

- (u) the cornerstone investment agreement dated October 23, 2025 entered into among the Company, Jump Trading Pacific Pte. Ltd. and China International Capital Corporation Hong Kong Securities Limited, pursuant to which Jump Trading Pacific Pte. Ltd. agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$20 million;
- (v) the cornerstone investment agreement dated October 23, 2025 entered into among the Company, Jain Global Master Fund Ltd (acting through its investment manager Jain Global LLC) and China International Capital Corporation Hong Kong Securities Limited, pursuant to which Jain Global Master Fund Ltd (acting through its investment manager Jain Global LLC) agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$20 million;
- (w) the cornerstone investment agreement dated October 23, 2025 entered into among the Company, China Alpha Fund Management (HK) Limited (acting as Investment Advisor for and on behalf of China Alpha Multi-Joy Value Fund) and China International Capital Corporation Hong Kong Securities Limited, pursuant to which China Alpha Fund Management (HK) Limited (acting as Investment Advisor for and on behalf of China Alpha Multi-Joy Value Fund) agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$20 million; and
- (x) the Hong Kong Underwriting Agreement.

Intellectual Property Rights

As of the Latest Practicable Date, our Group has registered, or has applied for the registration of the following intellectual property rights which were material to our Group's business.

Trademarks

As of the Latest Practicable Date, we have registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Registration number	Owner	Place of registration	Registration Date ⁽¹⁾ (dd/mm/yyyy)
1.		73781041	the Company	China	21/3/2024
2.	赛力斯	65985158	the Company	China	14/3/2023
3.	赛力斯	24315379	the Company	China	21/5/2018
4.	SERES	27288974	the Company	China	14/10/2018
5.	问界	53557108	Seres Auto	China	7/9/2021
6.	AITO	56792388	Seres Auto	China	7/1/2022
7.		56814897	Seres Auto	China	7/1/2022
8.		56780411	Seres Auto	China	7/1/2022
9.	AITO	54762058	Seres Auto	China	21/10/2021
10.	赛力斯蓝电	78525350	the Company	China	7/10/2024
11.		67275445	the Company	China	28/8/2023
12.	赛力斯魔方	72617367	the Company	China	14/1/2024
13.	SOKON	9164747	the Company	China	7/3/2012 (Registered) 7/3/2022 (Renewed)
14.	DFSK	9164765	Seres Hubei	China	7/3/2011 (Registered) 7/3/2022 (Renewed)

No.	Trademark	Registration number	Owner	Place of registration	Registration Date ⁽¹⁾ (dd/mm/yyyy)
15.		4807100	the Company	China	14/10/2008 (Registered) 14/10/2018 (Renewed)
16.		4354594	the Company	China	28/5/2007 (Registered) 28/5/2017 (Renewed)
17.		15482516	the Company	China	28/1/2016 ⁽²⁾
18.		9595324	the Company	China	21/8/2012 (Registered) 21/8/2022 (Renewed)
19.		55178912	the Company	China	28/10/2021
20.		36522206	the Company	China	7/12/2019
21.		12349672	Seres Hubei	China	7/9/2024
22.		66614445	Luzhou Rongda Intelligent Transmission Limited Company (瀘 州容大智能 變速器有限 公司)	China	7/2/2023
23.		48772183	the Company	China	14/4/2021

Notes:

- (1) According to Article 39 and 40 of the Trademark Law of the People's Republic of China (Revised in 2019) (《中華人民共和國商標法》), a registered trademark shall be valid for 10 years, commencing from the date of registration. Upon expiry of the validity period of a registered trademark, where the trademark registrant intends to continue using the trademark, it shall complete renewal formalities within the 12-month period before the expiry date, and the validity period of each renewal shall be 10 years, commencing from the date following expiry of the preceding validity period of the said trademark.
- (2) As advised by our PRC Legal Advisor, pursuant to the provisions as mentioned in note (1), the Company may file an application for renewal with the trademark office within 12 months before the expiration date. The validity period of the renewed trademark shall be 10 years.

Patents

As of the Latest Practicable Date, we had registered the ownership of and/or had the right to use the following patents which we consider to be or may be material to our business:

<u>No.</u>	<u>Patent</u>	<u>Owner</u>	<u>Patent category</u>	<u>Place of registration</u>	<u>Filing Date (dd/mm/yyyy)⁽¹⁾</u>
1.	Power converter for electric vehicle drive system (用於電動車輛驅動系統的功率轉換器)	Seres Auto	Invention	PRC	3/1/2019
2.	Inverter module for electric vehicle (電動車輛的逆變器模塊)	Seres Auto	Invention	PRC	23/8/2019
3.	Automobile front trunk and electric automobile (汽車前行李箱及電動汽車)	Seres Auto	Invention	PRC	18/9/2019
4.	Half-bridge module for power converter of electric vehicle (用於電動車輛的功率轉換器的半橋模塊)	Seres Auto	Invention	PRC	28/6/2020

No.	Patent	Owner	Patent category	Place of registration	Filing Date (dd/mm/yyyy) ⁽¹⁾
5.	Vehicle-mounted head-up display control method and device, shared vehicle and computer equipment (車載抬頭顯示的控制方法、裝置、共享車以及計算機設備)	Seres Auto	Invention	PRC	10/7/2020
6.	Fireproof alarm method and system and electronic equipment (防火報警方法、系統和電子設備)	Seres Auto	Invention	PRC	1/2/2021
7.	An energy recovery method and device, storage medium and vehicle control unit (一種能量回收方法、裝置、存儲介質和整車控制器)	Seres Auto	Invention	PRC	30/8/2021

No.	Patent	Owner	Patent category	Place of registration	Filing Date (dd/mm/yyyy) ⁽¹⁾
8.	A vehicle range extender control method and device and vehicle range extender control equipment (一種車輛增程器控制方法、裝置及車輛增程器控制設備)	Seres Auto	Invention	PRC	27/10/2021
9.	Range extender abnormality monitoring method and device and electronic equipment (增程器異常監測方法、裝置和電子設備)	Seres Auto	Invention	PRC	27/10/2021
10.	An automobile four-wheel drive control method and device (一種汽車四驅控制方法及裝置)	Seres Auto	Invention	PRC	1/11/2021
11.	A parking area determination method and related equipment (一種停車區域確定方法及相關設備)	Seres Auto	Invention	PRC	9/11/2021

No.	Patent	Owner	Patent category	Place of registration	Filing Date (dd/mm/yyyy) ⁽¹⁾
12.	Workshop time interval adjusting method, device and equipment (車間時距調整方法、裝置和設備)	Seres Auto	Invention	PRC	25/11/2021
13.	Range extender control method and device and electronic equipment (增程器控制方法、裝置和電子設備)	Seres Auto	Invention	PRC	1/12/2021
14.	A generation method and device for displaying endurance during charging and vehicle control unit (一種充電時顯示續航的生成方法、裝置和整車控制器)	Seres Auto	Invention	PRC	23/12/2021
15.	Low-wind-resistance wheel and automobile (一種低風阻車輪及汽車)	Seres Auto	Invention	PRC	31/12/2021

No.	Patent	Owner	Patent category	Place of registration	Filing Date (dd/mm/yyyy) ⁽¹⁾
16.	An automobile anti-theft control method and device, automobile and electronic equipment (一種汽車防盜控制方法、裝置、汽車和電子設備)	Seres Auto	Invention	PRC	10/3/2022
17.	A wireless charging control method and device and vehicle (一種無線充電控制方法、裝置及車輛)	Seres Auto	Invention	PRC	11/5/2022
18.	An energy recovery method, device, equipment and storage medium (一種能量回收方法、裝置、設備及存儲介質)	Seres Auto	Invention	PRC	30/5/2022
19.	An automobile starting control method, device and equipment and storage medium (一種汽車起步控制方法、裝置、設備及存儲介質)	Seres Auto	Invention	PRC	30/5/2022

No.	Patent	Owner	Patent category	Place of registration	Filing Date (dd/mm/yyyy) ⁽¹⁾
20.	Torque distribution method and device, equipment and storage medium (扭矩分配方法、裝置、設備和存儲介質)	Seres Auto	Invention	PRC	27/6/2022
21.	A range extender control method and device, computer equipment and storage medium (一種增程器控制的方法、裝置、計算機設備和存儲介質)	Seres Auto	Invention	PRC	7/7/2022
22.	A vehicle door control method and device, electronic equipment and storage medium (一種車門控制方法、裝置、電子設備及存儲介質)	Seres Auto	Invention	PRC	22/7/2022
23.	An engine control method, device and equipment and storage medium (一種發動機控制方法、裝置、設備及存儲介質)	Seres Auto	Invention	PRC	9/8/2022

No.	Patent	Owner	Patent category	Place of registration	Filing Date (dd/mm/yyyy) ⁽¹⁾
24.	Automotive chassis anti-collision mechanism and electric automobile (車用底盤防撞機構及電動汽車)	Seres Auto	Invention	PRC	15/8/2022
25.	Power supply method without mechanical key (無機械鑰匙搭電方法)	Seres Auto	Invention	PRC	31/10/2022
26.	Control method and system for optimizing start and stop of heat engine of extended-range vehicle type, terminal and medium (優化增程車型熱機啟停的控制方法、系統、終端、介質)	Seres Auto	Invention	PRC	2/2/2023

No.	Patent	Owner	Patent category	Place of registration	Filing Date (dd/mm/yyyy) ⁽¹⁾
27.	Extended range type automobile engine compression ignition control optimization method, system, equipment and medium (增程型汽車發動機壓燃控制優化方法、系統、設備及介質)	Seres Auto	Invention	PRC	2/2/2023
28.	An engine cooling control method, system and equipment and storage medium (一種發動機冷卻控制方法、系統、設備及存儲介質)	Seres Auto	Invention	PRC	2/2/2023
29.	An engine misfire fault diagnosis method and device, server side and storage medium (一種發動機失火故障診斷方法、裝置、服務端及存儲介質)	Seres Auto	Invention	PRC	2/2/2023

No.	Patent	Owner	Patent category	Place of registration	Filing Date (dd/mm/yyyy) ⁽¹⁾
30.	Control method and system for reducing vehicle PN emission, terminal equipment and storage medium (降低車輛PN排放的控制方法、系統、終端設備及存儲介質)	Seres Auto	Invention	PRC	2/2/2023
31.	Electric vehicle power anti-theft method and device and medium (電動車動力防盜方法、設備及介質)	Seres Auto	Invention	PRC	3/2/2023
32.	Parking space release method, electronic equipment and storage medium (車位釋放方法、電子設備及存儲介質)	Seres Auto	Invention	PRC	8/3/2023

No.	Patent	Owner	Patent category	Place of registration	Filing Date (dd/mm/yyyy) ⁽¹⁾
33.	Method and device for adjusting state of charge of battery, electronic equipment and storage medium (電池荷電狀態的調整方法、裝置、電子設備及存儲介質)	Seres Auto	Invention	PRC	26/9/2023
34.	Adjusting method and device of headrest sound equipment, electronic equipment and storage medium (一種頭枕音響的調節方法、裝置、電子設備及存儲介質)	Seres Auto	Invention	PRC	26/9/2023
35.	Vehicle rest mode control method and device, electronic equipment and storage medium (車輛小憩模式的控制方法、裝置、電子設備及存儲介質)	Seres Auto	Invention	PRC	20/11/2023

No.	Patent	Owner	Patent category	Place of registration	Filing Date (dd/mm/yyyy) ⁽¹⁾
36.	Vehicle energy consumption determination method and device, equipment and storage medium (車輛能耗確定方法、裝置、設備和存儲介質)	Seres Auto	Invention	PRC	24/11/2023
37.	Particle motion control method and device in vehicle-mounted VR scene (一種車載VR場景中粒子的運動控制方法和裝置)	Seres Auto	Invention	PRC	28/11/2023
38.	Battery pack temperature detection system and method (一種電池包溫度檢測系統以及方法)	Seres Auto	Invention	PRC	26/3/2020
39.	Method and system for modifying discharge C-rate of battery in electric vehicle (修改電動車輛內的電池的放電C倍率的方法和系統)	Seres Auto	Invention	PRC	29/5/2020

No.	Patent	Owner	Patent category	Place of registration	Filing Date (dd/mm/yyyy) ⁽¹⁾
40.	Passive anti-scratch wheel low-wind-resistance decorative cover (被動式防刮傷的車輪低風阻裝飾罩)	Seres Auto	Invention	PRC	1/11/2022
41.	A vehicle speed planning method and device, computer equipment and storage medium (一種車輛速度規劃方法、裝置、計算機設備和存儲介質)	Chongqing Seres Phoenix Intelligent Innovation Technology Co., Ltd. (重慶賽力斯鳳凰智創科技有限公司) (“ Seres Phoenix ”)	Invention	PRC	29/1/2024
42.	Range extender power generation control method and device, electronic equipment and storage medium (增程器發電控制方法、裝置、電子設備及存儲介質)	Seres Phoenix	Invention	PRC	1/2/2024

No.	Patent	Owner	Patent category	Place of registration	Filing Date (dd/mm/yyyy) ⁽¹⁾
43.	Target button failure processing method and device, electronic equipment and storage medium (目標按鈕失效的處理方法、裝置、電子設備及存儲介質)	Seres Phoenix	Invention	PRC	2/2/2024
44.	Vehicle clutch control method and device, computer equipment and storage medium (車輛離合器控制方法、裝置、計算機設備和存儲介質)	Seres Phoenix	Invention	PRC	2/2/2024
45.	Endurance prediction method and device for extended-range vehicle, electronic equipment and medium (增程車輛的續航預測方法、裝置、電子設備及介質)	Seres Phoenix	Invention	PRC	2/2/2024

No.	Patent	Owner	Patent category	Place of registration	Filing Date (dd/mm/yyyy) ⁽¹⁾
46.	Vehicle torque control method and device based on vehicle driving mode (基於車輛駕駛模式的車輛扭矩控制方法以及裝置)	Seres Phoenix	Invention	PRC	2/2/2024
47.	Vehicle end data processing method and device, electronic equipment and readable storage medium (車端數據處理方法、裝置、電子設備及可讀存儲介質)	Seres Phoenix	Invention	PRC	2/2/2024
48.	Control method, system and equipment for improving dynamic property by using range extender and medium (使用增程器提升動力性的控制方法、系統、設備及介質)	Seres Phoenix	Invention	PRC	19/2/2024

No.	Patent	Owner	Patent category	Place of registration	Filing Date (dd/mm/yyyy) ⁽¹⁾
49.	Intelligent key system and method for requesting response of intelligent key (智能鑰匙系統以及請求智能鑰匙應答的方法)	Seres Phoenix	Invention	PRC	23/2/2024
50.	Vehicle mass self-adaptive estimation method, computer equipment and storage medium (整車質量自適應估算法、計算機設備和存儲介質)	Seres Phoenix	Invention	PRC	29/2/2024
51.	Range extender control method and device based on gradient recognition, electronic equipment and medium (基於坡度識別的增程器控制方法、裝置、電子設備及介質)	Seres Phoenix	Invention	PRC	20/3/2024

No.	Patent	Owner	Patent category	Place of registration	Filing Date (dd/mm/yyyy) ⁽¹⁾
52.	Heating method and device for controlling battery pack, equipment and storage medium (一種控制電池包的加熱方法、裝置、設備及存儲介質)	Seres Phoenix	Invention	PRC	25/3/2024
53.	Range extender shutdown control method and system, vehicle control unit and vehicle (增程器停機控制方法、系統、整車控制器及車輛)	Seres Phoenix	Invention	PRC	25/3/2024
54.	Electric balance control method and device for extended-range electric vehicle, electronic equipment and medium (增程式電動汽車電平衡控制方法、裝置、電子設備及介質)	Seres Phoenix	Invention	PRC	25/3/2024

No.	Patent	Owner	Patent category	Place of registration	Filing Date (dd/mm/yyyy) ⁽¹⁾
55.	An electric quantity control method and device for extended-range vehicle, vehicle and storage medium (一種增程式車輛電量控制方法、裝置、車輛和存儲介質)	Seres Phoenix	Invention	PRC	26/3/2024
56.	Function mode regulation and control method and device based on full-period user-defined vehicle using scene (基於全週期自定義用車場景的功能模式調控方法和裝置)	Seres Phoenix	Invention	PRC	28/3/2024
57.	Control method and device of extended-range automobile, electronic equipment and readable storage medium (增程式汽車的控制方法、裝置、電子設備和可讀存儲介質)	Seres Phoenix	Invention	PRC	29/3/2024

No.	Patent	Owner	Patent category	Place of registration	Filing Date (dd/mm/yyyy) ⁽¹⁾
58.	Torque control method and device in deceleration and slow-down mode, vehicle and medium (一種減速緩行模式的扭矩控制方法、裝置、車輛及介質)	Seres Phoenix	Invention	PRC	29/3/2024
59.	Torque control method and device, vehicle control unit and new energy vehicle (扭矩控制方法、裝置、整車控制器及新能源汽車)	Seres Phoenix	Invention	PRC	29/3/2024
60.	A dual-motor hybrid electric vehicle control method and device, medium and equipment (一種雙電機混合動力汽車控制方法、裝置、介質及設備)	Seres Phoenix	Invention	PRC	29/3/2024

No.	Patent	Owner	Patent category	Place of registration	Filing Date (dd/mm/yyyy) ⁽¹⁾
61.	Operation mode control method and device of dual-motor hybrid electric vehicle, medium and equipment (雙電機混合動力汽車的運行模式控制方法、裝置、介質及設備)	Seres Phoenix	Invention	PRC	29/3/2024
62.	Vehicle intelligent charging method and device (車輛智能充電方法及裝置)	Seres Phoenix	Invention	PRC	7/5/2024
63.	Range extender control method and device, vehicle-mounted terminal and storage medium (增程器控制方法、裝置、車載終端和存儲介質)	Seres Phoenix	Invention	PRC	14/5/2024

No.	Patent	Owner	Patent category	Place of registration	Filing Date (dd/mm/yyyy) ⁽¹⁾
64.	A power battery charging control method and device, vehicle-mounted equipment and vehicle (一種動力電池補電控制方法、裝置、車載設備及車輛)	Seres Phoenix	Invention	PRC	16/5/2024
65.	Vehicle average energy consumption determination method and device (車輛平均能耗確定方法及裝置)	Seres Phoenix	Invention	PRC	17/5/2024
66.	Control method and device for vehicle air inlet grille (車輛進氣格柵的控制方法及裝置)	Seres Phoenix	Invention	PRC	4/6/2024
67.	Test load box (一種測試負載箱)	Seres Phoenix	Invention	PRC	5/6/2024
68.	Vehicle anti-skid control method and device based on motor rotating speed and vehicle (基於電機轉速的車輛防滑控制方法、裝置及車輛)	Seres Phoenix	Invention	PRC	1/7/2024

No.	Patent	Owner	Patent category	Place of registration	Filing Date (dd/mm/yyyy) ⁽¹⁾
69.	Control method and device of steer-by-wire system, electronic equipment and storage medium (線控轉向系統的控制方法、裝置、電子設備和存儲介質)	Seres Phoenix	Invention	PRC	12/7/2024
70.	Protection control method and device for range extender (增程器的保護控制方法和裝置)	Seres Phoenix	Invention	PRC	12/7/2024
71.	Vehicle-mounted charger measurement and control circuit and method (一種車載充電機測控電路及方法)	Chongqing Jinkang Powertrain New Energy Co., Ltd. (重慶金康動力新能源有限公司) ("Chongqing Jinkang")	Invention	PRC	5/1/2022

No.	Patent	Owner	Patent category	Place of registration	Filing Date (dd/mm/yyyy) ⁽¹⁾
72.	Driving power generation control method and device, storage medium and vehicle control unit (一種行車發電控制方法、裝置、存儲介質和整車控制器)	Chongqing Jinkang	Invention	PRC	27/1/2022
73.	Torque distribution method and system for hybrid electric vehicle (混合動力汽車扭矩分配方法和系統)	Chongqing Jinkang	Invention	PRC	1/3/2022
74.	Motor control method and control system (電機的控制方法及控制系統)	Chongqing Jinkang	Invention	PRC	1/4/2022
75.	Thermal management system and heating method of battery pack (電池包的熱管理系統及加熱方法)	Chongqing Jinkang	Invention	PRC	10/3/2021

No.	Patent	Owner	Patent category	Place of registration	Filing Date (dd/mm/yyyy) ⁽¹⁾
76.	Filter and filtering method applied to motor controller (一種應用於電機控制器的濾波器和濾波方法)	Chongqing Jinkang	Invention	PRC	13/9/2022
77.	Cooling structure of motor and motor (電機的冷卻結構及電機)	Chongqing Jinkang	Invention	PRC	20/12/2021
78.	Motor rotary transformer excitation circuit protection system (一種電機旋變激勵電路保護系統)	Chongqing Jinkang	Invention	PRC	16/12/2021
79.	Extended-range vehicle charging and discharging control method and system (一種增程式車輛充放電控制方法及系統)	Chongqing Jinkang	Invention	PRC	30/12/2020

No.	Patent	Owner	Patent category	Place of registration	Filing Date (dd/mm/yyyy) ⁽¹⁾
80.	Compaction mechanism, motor controller positioning device, positioning method and test system (壓緊機構、電機控制器定位裝置、定位方法及測試系統)	Chongqing Jinkang	Invention	PRC	20/3/2019
81.	Asynchronous motor temperature compensation method and device and asynchronous motor control system (異步電機的溫度補償方法、裝置及控制系統)	Chongqing Jinkang	Invention	PRC	21/2/2019
82.	Discharge power control method for power battery of electric vehicle (電動汽車動力電池放電功率控制方法)	Chongqing Jinkang	Invention	PRC	23/12/2020

No.	Patent	Owner	Patent category	Place of registration	Filing Date (dd/mm/yyyy) ⁽¹⁾
83.	Vehicle battery temperature abnormality processing method and device (車輛電池溫度異常處理方法和裝置)	Chongqing Jinkang	Invention	PRC	26/1/2022
84.	A variable SOC charging system and method for electric vehicle (一種用於電動汽車的可變SOC充電系統和方法)	Chongqing Jinkang	Invention	PRC	29/4/2020
85.	Inverter module heat sink for an electric vehicle (電動車輛逆變器模塊散熱器)	Chongqing Jinkang	Invention	U.S.	23/4/2020
86.	High-voltage filter (一種高壓濾波器)	Chongqing Jinkang	Invention	PRC	25/5/2021
87.	Fault processing method and device for electric automobile, central control system and electric automobile (電動汽車的故障處理方法、裝置、中控系統和電動汽車)	Chongqing Jinkang	Invention	PRC	9/4/2019

No.	Patent	Owner	Patent category	Place of registration	Filing Date (dd/mm/yyyy) ⁽¹⁾
88.	Charging method, system, device and equipment, storage medium and electric vehicle (充電方法、系統、裝置、設備、存儲介質和電動汽車)	Chongqing Jinkang	Invention	PRC	29/3/2019
89.	A battery pack thermal runaway early warning system and method (一種電池包熱失控預警系統及方法)	Chongqing Jinkang	Invention	PRC	5/1/2022
90.	Power supply module and thermal runaway alarm system (供電模塊和熱失控報警系統)	Chongqing Jinkang	Invention	PRC	28/10/2021

Note:

- (1) According to Article 42 of the Patent Law of the People's Republic of China (Revised in 2020) (《中華人民共和國專利法》), the duration of patent rights for an invention shall be 20 years, which shall be commenced from the filing date.

Copyrights

As of the Latest Practicable Date, we have registered the following copyrights which we consider to be or may be material to our business in the PRC:

No.	Copyright	Owner	Date of First Publication ⁽¹⁾ (dd/mm/yyyy)	Development Completion Date ⁽¹⁾ (dd/mm/yyyy)
1.	Rationalization Proposal Platform Software (合理化建議平台軟件)	the Company and Lei Xiangqi (雷相其)	30/11/2022	/
2.	Digital Monthly Report Platform Software (數字化月報平台軟件)	the Company and Wang Xiaohui (王小輝)	30/4/2023	/
3.	Business Travel Resource Query Software (差旅資源查詢軟件)	the Company and Wang Xiaohui (王小輝)	30/1/2023	/
4.	Safety Tips APP Software (安全小貼士APP軟件)	the Company and Wang Xiaohui (王小輝)	30/8/2023	/
5.	Conference Service Platform Software (會議服務平台軟件)	the Company and Lei Xiangqi (雷相其)	30/7/2022	/
6.	Commuter Bus Platform Software (通勤車平台軟件)	the Company and Wang Xiaohui (王小輝)	30/4/2022	/
7.	Jinkang Power Big Data Analysis Application System (金康動力大數據分析應用系統)	the Company and Lu Xiaojiang (盧小江)	10/1/2023	/
8.	Seres HR Big Data Analysis Application System (賽力斯HR大數據分析應用系統)	the Company and Lu Xiaojiang (盧小江)	10/5/2022	/
9.	Seres Automotive Manufacturing Big Data Analysis Application System (賽力斯汽車製造大數據分析應用系統)	the Company and Lu Xiaojiang (盧小江)	30/4/2023	/
10.	Intelligent Meter Data Collection and Real-time Computing Software Based on MQTT Protocol (基於MQTT協議智能電表數據採集和實時計算軟件)	the Company and Lu Xiaojiang (盧小江)	30/11/2022	/

No.	Copyright	Owner	Date of First Publication ⁽¹⁾ (dd/mm/yyyy)	Development Completion Date ⁽¹⁾ (dd/mm/yyyy)
11.	Heterogeneous Data Intelligent Batch Synchronization Technology Software Based on Python and Spark (基於Python和Spark的異構數據智能批量同步技術軟件)	the Company and Lu Xiaojiang (盧小江)	30/11/2022	/
12.	Business Data Link Real-time Synchronization Solution Software Based on Flink CDC (基於Flink CDC的業務數據鏈路實時同步解決方案軟件)	the Company and Lu Xiaojiang (盧小江)	30/11/2022	/
13.	Vehicle Owner Binding Management Software (車主綁車管理軟件)	Seres Phoenix	9/8/2024	/
14.	Periodic Task Scheduling Platform (週期性任務調度平台)	Seres Phoenix	/	24/9/2024
15.	IDVP Regional Controller (Overtaking Light) Vehicle Control Application Software (IDVP區域控制器(超車燈)車控應用軟件)	Seres Phoenix	20/3/2025	/
16.	Project Management System (項目管理系統)	Seres Phoenix	/	1/7/2024
17.	PI4IOE5V6534Q IO Expansion Chip Driver Software (PI4IOE5V6534Q IO擴展芯片驅動軟件)	Seres Phoenix	/	20/6/2024
18.	Domestic Version Vehicle Control Widget Software (國內版車控小組件軟件)	Seres Phoenix	/	10/7/2024
19.	Overseas OTA Download and Installation Software (國外版OTA下載安裝軟件)	Seres Phoenix	9/8/2024	/
20.	Overseas Vehicle Control Security Software (海外版車控安全軟件)	Seres Phoenix	9/8/2024	/
21.	Domain Controller General Platform Software (域控制器通用平台軟件)	Seres Phoenix	/	30/4/2024

No.	Copyright	Owner	Date of First Publication ⁽¹⁾ (dd/mm/yyyy)	Development Completion Date ⁽¹⁾ (dd/mm/yyyy)
22.	A2L File Generation Software Based on ARXML Files (基於ARXML文件生成A2L文件的軟件)	Seres Phoenix	/	1/3/2024
23.	GB32960 Information Collection System (GB32960信息採集系統)	Seres Phoenix	/	30/6/2024
24.	Vehicle Communication Terminal V2X Intelligent Transportation Information Interaction System (車載通信終端V2X智能交通信息交互系統)	Seres Phoenix	/	30/8/2024
25.	Charging Management Software (iOS) (充電管理軟件(iOS))	Seres Phoenix	9/8/2024	/
26.	Smart Cockpit Music Aggregation Player Plugin (智能座艙音樂聚合播放器插件)	Seres Phoenix	/	30/9/2024
27.	Vehicle BOM Management System (車型BOM管理系統)	Seres Phoenix	/	1/7/2024
28.	Navigation Visible and Speakable Software (導航可見即可說軟件)	Seres Phoenix	/	1/1/2024

Note:

- (1) According to Article 23 of the Copyright Law of the People's Republic of China (Revised in 2020) (《中華人民共和國著作權法》) and Article 14 of the Regulation on Computers Software Protection (2013 Revision) (《計算機軟件保護條例》), the period of protection of the software copyright of a legal entity or other organization shall be 50 years, expiring on 31 December of the 50th year after the date of first publication of such software; however, if any such software has not been published within 50 years from its development completion date, it shall be no longer protected.

Domain Names

As of the Latest Practicable Date, we have registered the following internet domain names which we consider to be or may be material to our business:

No.	Domain name
1.	seres.cn
2.	seres.com.cn
3.	global-seres.com
4.	seresmall.com
5.	sokon.com
6.	sokonmotors.com
7.	global-aito.com
8.	aitoauto.com
9.	landian.com.cn
10.	dfsk.com
11.	dfsk.com.cn

Save as in “Further Information about Our Business — Intellectual Property Rights”, as of the Latest Practicable Date, there were no other intellectual property rights which were material to our business.

FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**Interests and short positions of our Directors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations***Interests in our Company*

Save as disclosed in this paragraph headed “Interests and short positions of our Directors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations” below, immediately following the completion of the Global Offering (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised), so far as our Directors are aware, none of our Directors and chief executive has any interests and short positions in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) (i) which will have to be notified to us and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or (ii) which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which will be required to be notified to us and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules:

Name	Position	Capacity/Nature of interest	Description of Shares	Number of Shares ⁽¹⁾	Approximate percentage of shareholding in the A Shares immediately after completion of the Global Offering ⁽²⁾	Approximate percentage of shareholding in the total Share capital immediately after completion of the Global Offering ⁽²⁾
Mr. Zhang Zhengping ⁽³⁾	Executive	Beneficial owner	A Shares	53,437	0.003%	0.003%
Mr. Yin Xianzhi ⁽⁴⁾	Director					
Mr. Yin Xianzhi ⁽⁴⁾	Executive	Beneficial owner	A Shares	65,248	0.004%	0.004%
	Director					
Ms. Shen Wei ⁽⁵⁾	Executive	Beneficial owner	A Shares	116,948	0.007%	0.007%
	Director					
Mr. Zhang Zhengyuan ⁽³⁾	Executive	Beneficial owner	A Shares	45,501	0.003%	0.003%
	Director					
Mr. Zhou Changling	Non-executive	Beneficial owner	A Shares	1,000	Negligible	Negligible
	Director					

Notes:

1. All interests stated are long positions in the Shares.
2. The calculation is based on the total number of 1,633,366,086 A Shares and 100,200,000 H Shares in issue immediately after completion of the Global Offering, assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised.
3. Including the number of A Shares granted to the relevant Director pursuant to the 2024 Employee Stock Ownership Plan (subject to the relevant conditions of the Share Awards).
4. Including 40,948 A Shares granted to the Director pursuant to the 2024 Employee Stock Ownership Plan (subject to the relevant conditions of the Share Awards) and the A Shares held by the Director.
5. Including 40,948 A Shares granted to the Director pursuant to the 2024 Employee Stock Ownership Plan (subject to the relevant conditions of the Share Awards) and the A Shares held by the Director.

Interests in our associated corporation

Name	Position	Name of associated corporation	Capacity/Nature of interest	Number of shares of the associated corporation	Approximate percentage of issued share capital of the associated corporation
Mr. Zhang Zhengping ^(Note)	Executive	SF Motors, Inc.	Beneficial owner	4,000,000	0.40%
	Director				

Note: Including the number of shares of SF Motors, Inc. underlying the stock options granted to him under the stock option plan adopted by SF Motors, Inc. (subject to the relevant conditions of the stock options granted).

Interests of the substantial shareholders in the Shares

Save as disclosed in “Substantial Shareholders”, immediately following the completion of the Global Offering and without taking into account any Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option, our Directors are not aware of any other person (not being a Director or chief executive of our Company) who will have an interest or short position in our Shares or the underlying Shares which would fall to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

Interests of the substantial shareholders in other members of our Group

So far as the Directors are aware, the following persons (other than our Company, and any subsidiaries of our Group) are entitled to exercise, or control the exercise of, 10% or more of voting power at the general meetings of other members of our Group:

Name of the subsidiary	Name of the shareholder	Percentage of interest in the subsidiary
Chongqing Landian Automotive Technology Co., Ltd. (重慶藍電汽車科技有限公司)	Chongqing Qingfeng Technology Development Co., Ltd. (重慶青鳳科技發展有限公司)	33%
	Chongqing Yuantou Cangchu Services Co., Ltd. (重慶園投倉儲服務有限公司)	32%
Beijing Saihang Jushen Intelligent Technology Co., Ltd. (北京賽航具身智能科技有限公司)	Beijing University of Aeronautics and Astronautics (北京航空航天大學)	30%
Chongqing Jiangkang Automotive Technology Co., Ltd. (重慶江康汽車技術有限公司).	Chongqing Shuangfu Construction Development Co., Ltd. (重慶市雙福建設開發有限公司)	40%
Chongqing Seres New Energy Enterprise Management Consultation Partnership (Limited Partnership) (重慶賽新企業管理諮詢合夥企業 (有限合夥)).	Xu Lin (許林)	10%
	Tang Ruyi (唐如意)	10%
	Duan Wei (段偉)	10%

Particulars of Directors’ service contracts

Each of the Directors has entered into a service contract or a letter of appointment with our Company.

Save as disclosed in this paragraph headed “Particulars of Directors’ service contracts”, we have not entered into, and do not propose to enter into any service contracts with any of our Directors in their respective capacities as Directors (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

Other information about our Directors

One of our Directors had previously used the following name: Mr. Zhang Zhengping (張正萍) was formerly known as Zhang Zhengjiang (張正江).

Remuneration of Directors

Save as disclosed in “Directors and Senior Management” and Note 15 to the Accountants’ Report set out in Appendix I to this Prospectus for the three financial years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, none of our Directors received other remunerations or benefits in kind from us.

Disclaimers

Save as disclosed in this Prospectus:

- (a) none of our Directors or our chief executive has any interest or short position in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to us and the Hong Kong Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are listed on the Hong Kong Stock Exchange;
- (b) none of our Directors is aware of any person (not being a Director or chief executive of our Company) who will, immediately following the completion of the Global Offering (without taking into account any H Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option), have an interest or short position in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is interested, directly or indirectly, in 10% or more of the issued voting shares of any member of our Group;
- (c) none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders who own more than 5% of the number of issued shares of our Company have any interests in the five largest customers or the five largest suppliers of our Group for each year/period during the Track Record Period;

- (d) none of our Directors or any of the parties listed in “— Qualifications of Experts” in this Appendix IV is:
 - i. interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this Prospectus, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group; or
 - ii. materially interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to our business; and
- (e) save in connection with the Underwriting Agreements, none of the persons listed in “— Qualifications of Experts” in this Appendix has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group; and
- (f) none of our Directors has entered or has proposed to enter into any service agreements with our Company or any member of our Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

2024 EMPLOYEE STOCK OWNERSHIP PLAN

As of the Latest Practicable Date, our Company has granted outstanding Share Awards under the 2024 Employee Stock Ownership Plan to 246 Grantees for an aggregate of 3,240,729 A Shares, representing approximately 0.19% of the total number of Shares in issue immediately after completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised). Among the outstanding Share Awards, nine Directors and senior management members of the Company and 237 Grantees, who are employees of our Company but not Directors or senior management members of the Company, were granted Share Awards for 449,874 A Shares and 2,790,855 A Shares, respectively. Save as disclosed in this paragraph headed “2024 Employee Stock Ownership Plan”, no Share Awards were granted to any other Directors, senior management members or consultants of our Company under the 2024 Employee Stock Ownership Plan. As the 2024 Employee Stock Ownership Plan does not involve issue of new Shares after the Listing, the terms of the 2024 Employee Stock Ownership Plan are not subject to provisions of Chapter 17 of the Listing Rules except for the disclosure requirement under Rule 17.12 of the Listing Rules. As of the Latest Practicable Date, 68,371 A Shares were held by the 2024 Employee Stock Ownership Plan for potential future grant under the 2024 Employee Stock Ownership Plan. We have applied to the Hong Kong Stock Exchange for a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules. For more details, see “Waivers, Consents and Exemption — Waiver in relation to the 2024 Employee Stock Ownership Plan”.

The following is a summary of the principal terms of the 2024 Employee Stock Ownership Plan.

1. Purposes

The purposes of the 2024 Employee Stock Ownership Plan are to establish and improve the benefit-sharing mechanism for employees and Shareholders, further enhance corporate governance, drive the Company's performance growth, maximize incentives for key employees, strengthen employee cohesion and corporate competitiveness, stimulate employee enthusiasm and creativity, achieve key corporate milestones, and promote the Company's long-term, sustainable, and healthy development.

2. Eligible Grantees

The eligible Grantees of the 2024 Employee Stock Ownership Plan include Directors (excluding independent non-executive Directors), senior management, key employees, and other individuals whom the Board deems necessary to incentivize. All Grantees shall have an employment, contractual, or labor relationship with the Company during the assessment period of the 2024 Employee Stock Ownership Plan.

3. Administration

The 2024 Employee Stock Ownership Plan is managed by the Company with the holders' meeting being its top management authority. A management committee shall be set up at the holders' meeting, and the management committee shall be authorized to perform management functions and supervise the daily management of the 2024 Employee Stock Ownership Plan. The Board is responsible for drafting and amending the plan and handling other related matters of the 2024 Employee Stock Ownership Plan within the scope authorized by the general meeting of Shareholders.

4. Source of Shares

The source of the underlying Shares of the 2024 Employee Stock Ownership Plan shall be ordinary A Shares of the Company repurchased from the secondary market.

5. Total Number of the Shares

The number of A Shares under the 2024 Employee Stock Ownership Plan shall not exceed 3,839,100 A Shares, accounting for 0.25% of the total share capital of the Company on the date of publication of the plan. The total number of A Shares under all valid employee stock ownership plans of the Company shall not exceed 10% of the total share capital of the Company. The maximum number of Shares corresponding to the Share Awards granted to any Grantee under the 2024 Employee Stock Ownership Plan shall not exceed 1% of the total share capital of the Company.

6. Term

The term of the 2024 Employee Stock Ownership Plan is 48 months, commencing from the date when the 2024 Employee Stock Ownership Plan is approved at the Shareholders' general meeting and the Company announces that the registration of the last tranche of target Shares under the 2024 Employee Stock Ownership Plan. Upon expiry, the 2024 Employee Stock Ownership Plan shall be terminated if it is not extended upon expiry.

Upon expiry of the lock-up period under the 2024 Employee Stock Ownership Plan, if all Shares held under the 2024 Employee Stock Ownership Plan have been sold or transferred and all monetary assets (if any) under the 2024 Employee Stock Ownership Plan have been fully settled and distributed, the 2024 Employee Stock Ownership Plan may be terminated in advance.

If any Shares of the Company remain unsold or have not been transferred to the holders of the Share Awards under the 2024 Employee Stock Ownership Plan one month prior to the expiry of the 2024 Employee Stock Ownership Plan, the term of the 2024 Employee Stock Ownership Plan may be extended upon the approval of at least two-thirds of the holders of Share Awards present at the holders' meeting and subsequent approval by the Board.

7. Lock-up period

The lock-up period for the initial and reserved grant of Share Awards under the 2024 Employee Stock Ownership Plan is below:

- (a) as to 50% of the aggregate number of Share Awards to be unlocked following the 12th month after the last batch of Share Awards having been registered under the relevant Grantee(s) as announced by the Company (the “**Registration Date**”); and
- (b) as to 50% of the aggregate number of Share Awards to be unlocked following the 24th month after the Registration Date.

The proportion and the number of Share Awards being unlocked during each period shall be determined based on the performance results of the Company and the personal evaluation results of each Grantee.

No Shares should be traded under the 2024 Employee Stock Ownership Plan during the period of: (i) within thirty days before the publication of the Company's annual report or interim report, or if the publication is postponed due to any special reasons, within thirty days before the original scheduled publication date; (ii) within ten days prior to the publication of the Company's quarterly report, earnings forecast and preliminary results; (iii) within the period from the date of occurrence of a significant event that may have a significant impact on the trading price of the Company's A Shares and its derivatives or the date of entering the decision-making process to the date of disclosure in accordance with the law; and (iv) other periods stipulated by the CSRC and Shanghai Stock Exchange.

8. Details of the outstanding Share Awards granted

As of the Latest Practicable Date, our Company has granted outstanding Share Awards under the 2024 Employee Stock Ownership Plan to 246 Grantees for an aggregate of 3,240,729 A Shares, representing approximately 0.19% of the total number of Shares in issue immediately after completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised). Among the outstanding Share Awards, nine Directors and senior management members of the Company and 237 Grantees, who are employees of our Group but not Directors or senior management members of the Company, were granted 449,874 A Shares and 2,790,855 A Shares, respectively. Details of the outstanding Share Awards granted as of the Latest Practicable Date are set out below:

Names of Grantee	Position in our Company	Date of grant	Number of outstanding Share Awards	Purchase price per share (RMB)	Approximate percentage of issued Shares immediately after completion of the Global Offering
Directors					
Mr. Zhang Zhengping . .	Chairman of the Board, executive Director and president	May 27, 2024	53,437	44.37	0.003%
Mr. Yin Xianzhi	Executive Director and vice president	May 27, 2024	40,948	44.37	0.002%
Ms. Shen Wei.	Executive Director, vice president and Board secretary	May 27, 2024	40,948	44.37	0.002%
Mr. Zhang Zhengyuan . .	Executive Director and assistant vice president	May 27, 2024	45,501	44.37	0.003%
Other senior management					
Ms. Liu Lian	Vice president and Chief financial officer	May 27, 2024	40,948	44.37	0.002%
Mr. Wang Ping	Vice president	May 27, 2024	63,683	44.37	0.004%
Mr. Kang Bo	Vice president	May 27, 2024	45,897	44.37	0.003%
Mr. Huang Qizhong . . .	Vice president	May 27, 2024	45,897	44.37	0.003%
Mr. Zhou Lin	Chief technology officer	May 27, 2024	72,615	44.37	0.004%

Classified by number of underlying shares	Number of grantees	Date of grant	Number of A Shares underlying Share Awards	Purchase price per share	Approximate percentage of issued Shares immediately after completion of the Global Offering
				(RMB)	
Other employees					
10,000 or fewer	149	May 27, 2024 and October 22, 2024	913,971	44.37	0.053%
10,001 to 20,000	60	May 27, 2024 and October 22, 2024	825,080	44.37	0.048%
20,001 or more	28	May 27, 2024 and October 22, 2024	1,051,804	44.37	0.061%

OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries under the laws of the PRC.

Litigation

As of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against any member of our Group, that would have a material and adverse effect on our Group's results of operations or financial conditions, taken as a whole.

Joint Sponsors

China International Capital Corporation Hong Kong Securities Limited satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

China Galaxy International Securities (Hong Kong) Co., Limited, one of the Joint Sponsors, is a wholly-owned subsidiary of China Galaxy Securities Co., Ltd. (中國銀河證券股份有限公司) (“China Galaxy”). Taking into account of the business relationship between China Galaxy and the Company, which might reasonably give rise to a perception that the sponsor's independence would be so affected, China Galaxy International Securities (Hong Kong) Co., Limited is not considered as an independent sponsor pursuant to the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letter entered into between the Company and the Joint Sponsors, the Joint Sponsors' fees payable by us to each of the Joint Sponsors in respect of their services as sponsors in connection with the Listing on the Hong Kong Stock Exchange is US\$500,000.

Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses.

Promoter

The promoters of the Company are all of the seven then Shareholders of our Company as of April 29, 2011 immediately before our conversion into a joint stock limited liability company. Within the two years immediately preceding the date of this Prospectus, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to the promoters in connection with the Global Offering and the related transactions described in this Prospectus.

Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of our Shares being sold or transferred.

No Material Adverse Change

Our Directors confirm that there has been no material adverse change in our financial, operational or trading positions or prospects since June 30, 2025 (being the date to which the latest consolidated financial statements of our Group were prepared).

Restriction on Share Repurchase

For details of the restrictions on share repurchases by our Company, please refer to "Summary of Articles of Association" in Appendix III.

Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given their opinion and/or advice in this Prospectus are as follows:

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	A licensed corporation under the SFO for type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 6 (advising on corporate finance) regulated activities under the SFO
China Galaxy International Securities (Hong Kong) Co., Limited	A licensed corporation under the SFO for type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO
Deloitte Touche Tohmatsu	Certified Public Accountants Registered Public Interest Entity Auditor
King & Wood Mallesons	PRC legal adviser and international sanctions laws legal adviser
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

As of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Consents of Experts

Each of the experts as referred to “— Qualifications of Experts” in this Appendix IV has given and has not withdrawn their respective written consents to the issue of this Prospectus with the inclusion of their reports and/or letters (as the case may be) and the references to their names included in the form and context in which they are respectively included.

Binding Effect

This Prospectus shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

Bilingual Prospectus

The English and Chinese language versions of this Prospectus are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

Save as otherwise disclosed in this Prospectus:

- (a) within the two years preceding the date of this Prospectus: (i) we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any shares of our Company;
- (b) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;
- (c) we have not issued nor agreed to issue any founder shares, management shares or deferred shares;
- (d) there are no arrangements under which future dividends are waived or agreed to be waived;
- (e) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;
- (f) there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business;
- (g) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;
- (h) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;
- (i) save for the A Shares of our Company that are listed on the Shanghai Stock Exchange, and save for the H Shares to be issued in connection with the Global Offering, none of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought;

- (j) our Company and subsidiaries have no outstanding convertible debt securities or debentures;
- (k) our Company is a joint stock limited company and is subject to the PRC Company Law; and
- (l) our Company has adopted a code of conduct regarding Directors' securities transactions on terms as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this Prospectus and delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of each of the material contracts referred to in “Appendix IV — Statutory and General Information — Further Information about our Business — Summary of Material Contracts”; and
- (b) the written consents referred to in “Appendix IV — Statutory and General Information — Other Information — Consents of Experts”.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the Hong Kong Stock Exchange’s website at www.hkexnews.hk and the Company’s website at www.seres.cn during a period of 14 days from the date of this Prospectus:

- (a) the Articles of Association;
- (b) the audited consolidated financial statements of our Group for the three years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025;
- (c) the Accountants’ Report from Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this Prospectus;
- (d) the report from Deloitte Touche Tohmatsu on the unaudited pro forma financial information of our Group, the text of which is set out in Appendix II to this Prospectus;
- (e) the material contracts referred to in “Appendix IV — Statutory and General Information — Further Information about our Business — Summary of Material Contracts”;
- (f) the written consents referred to in “Appendix IV — Statutory and General Information — Other Information — Consents of Experts”;
- (g) the service contracts and letters of appointment referred to in “Appendix IV — Statutory and General Information — Further Information about our Directors and Substantial Shareholders — Particulars of Directors’ Service Contracts”;

- (h) the legal opinions issued by King & Wood Mallesons, our PRC Legal Adviser, in respect of our Group under the PRC law;
- (i) the legal memorandum issued by King & Wood Mallesons, our international sanctions laws legal adviser;
- (j) the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. referred to in “Industry Overview”;
- (k) the PRC Company Law, the PRC Securities Law, the Overseas Listing Trial Measures and the Shanghai Stock Exchange Listing Rules, together with unofficial English translations thereof; and
- (l) the terms of the 2024 Employee Stock Ownership Plan.

DOCUMENT AVAILABLE FOR INSPECTION

A copy of a full list of all the Grantees under the 2024 Employee Stock Ownership Plan will be made available for public inspection at our Company’s Hong Kong legal adviser’s office in Hong Kong at 10/F, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this Prospectus.

