SUMMARY

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

OVERVIEW

We are a leader in providing electric drive solutions. Specializing in the research and development, manufacturing, sales, and service of electric drive products and solutions, we provide five core segments tailored for diverse applications worldwide: explosion-proof electric drive solutions, industrial electric drive solutions, HVAC electric drive solutions, E-mobility drive solutions, and robotic components and system applications.

With over four decades of deep expertise in the electric drive solution industry and driven by technological innovation and digital empowerment, we have built core capabilities in motor and drive technologies. At the same time, we are making proactive investments in emerging fields such as electric aviation and embodied intelligence. Through an integrated approach to research and development, manufacturing, and branding, we serve customers in over 100 countries and regions with products and solutions. We have achieved milestones set out as below:

Leader
in electric drive solutions
Largest
provider of explosion-proof electric drive solutions[1]

Rank No. 1 globally[2]
market share holder
in each of 7 major products

21.9%
CAGR of revenue
16.2%
CAGR of net profit
from 2002 to 2024[3]

40%+
of global revenue[4]
originated overseas
businesses cover
all 5 continents[5]

100% coverage
of the world's top 10 HVAC manufacturers, water pump and air compressor manufacturers, and petrochemical enterprises[6]

Global
45 factories[4]
5 R&D centers[4]

1,400+
authorized Patents
2,700+
Patents application[7]

210
established international, national, and industry stands

Preemptively industrializing
embodied intelligence & electric aviation

Notes:

(1) According to Frost & Sullivan, in terms of revenue in 2024.

(2) According to Frost & Sullivan, in terms of revenue in 2024, we are the world's largest provider of seven major electric drive products, including (i) Ex d explosion-proof motors, (ii) medium-to-high voltage explosion-proof motors, (iii) low inrush current motors, (iv) air conditioning plastic-encapsulated electric drive systems, (v) livestock ventilation electric drive systems, (vi) industrial vibrator electric drive systems, and (vii) permanent magnet electric drive systems for air compressors.

(3) According to the annual reports published by us on the Shanghai Stock Exchange, our revenue grew at a CAGR of 21.9% from 2002 to 2024, while our net profit increased at a CAGR of 16.2% from 2002 to 2024, such figures have not been audited or reviewed by the certified public accountant.

(4) For the nine months ended September 30, 2025 or as of September 30, 2025.

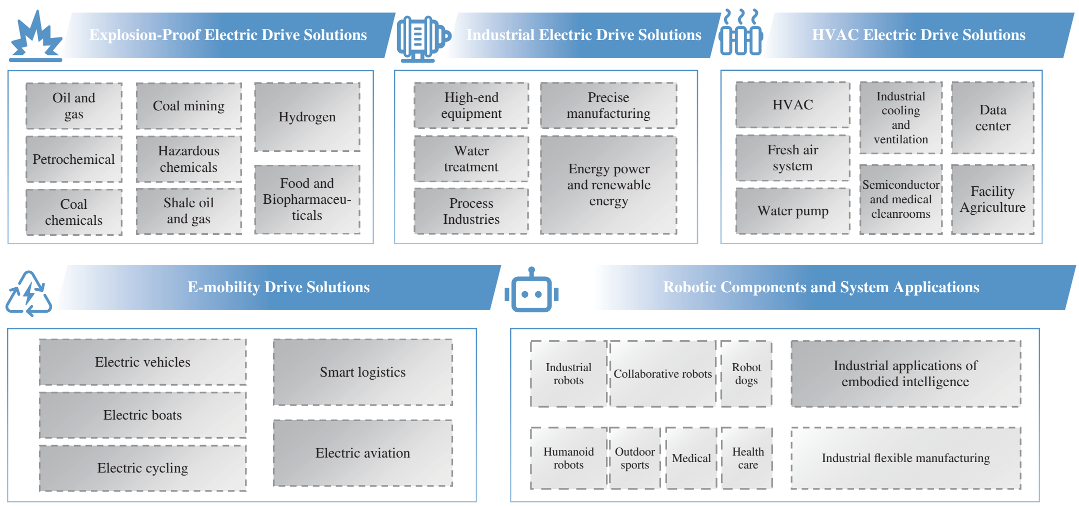
(5) As of September 30, 2025, our products and solutions had been presented across Asia, the Americas, Europe, Oceania, and Africa, spanning more than 100 countries and regions.

(6) According to Frost & Sullivan, we have established business relationships with the world's top ten HVAC manufacturers, water pump and air compressor manufacturers, and petrochemical enterprises (based on revenue in 2024).

(7) As of September 30, 2025, we had over 1,400 patents and we had filed over 2,700 patent applications worldwide.

OUR SOLUTIONS

We are primarily engaged in the research and development, manufacturing, sales, and service of electric drive products and solutions. We offer a comprehensive solution portfolio for customers in diverse and high-growth downstream sectors, addressing their specific needs for equipment operation and motion control across the customer lifecycle. Our business is structured around five segments: (i) explosion-proof electric drive solutions, (ii) industrial electric drive solutions, (iii) HVAC electric drive solutions, (iv) E-mobility drive solutions, and (v) robotic components and system applications. The following diagram illustrates the major downstream application scenarios of our solutions.



Our electric drive solutions mainly consist of electric motors, drives, controllers, software, and related lifecycle services. Each solution is tailored to address the technical, regulatory, and commercial requirements of specific downstream sectors, ranging from HVAC and industrial environments to emerging fields such as electric aviation and intelligent robotics. Among these, explosion-proof, industrial and HVAC electric drive solutions represent our foundational business segments, while E-mobility drive solutions and robotic components and system applications reflect our strategic focus on growth, integration, and software-driven innovation. Depending on customers' specific needs, we offer them with entire electric drive solutions or part of the electric drive systems with a combination of customized or standardized products and services. Our electric drive products and solutions are compatible with other components of the electric drive systems that our customers procure from external suppliers.

The following table sets forth a breakdown of our revenue, gross profit and gross profit margin by segment for the years/periods indicated.

	For the year ended December 31,									For the nine months ended September 30,					
	2022			2023			2024			2024			2025		
	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin
	RMB'000	*RMB'000*	*%*	*RMB'000*	*RMB'000*	*%*	*RMB'000*	*RMB'000*	*%*	*RMB'000*	*RMB'000* (unaudited)	*%*	*RMB'000*	*RMB'000*	*%*
Explosion-proof electric drive solutions	4,143,418	1,231,001	29.7	4,688,458	1,478,022	31.5	4,697,282	1,433,260	30.5	3,546,070	1,135,844	32.0	3,585,592	1,128,074	31.5
Industrial electric drive solutions	3,632,266	971,106	26.7	4,059,869	1,059,658	26.1	4,063,303	1,120,011	27.6	3,010,494	925,271	30.7	3,106,848	944,488	30.4
HVAC electric drive solutions	4,647,235	754,686	16.2	4,361,071	728,017	16.7	4,592,862	756,572	16.5	3,569,634	594,463	16.7	3,927,483	648,612	16.5
E-mobility drive solutions	647,485	86,557	13.4	609,169	41,003	6.7	389,751	4,398	1.1	303,898	1,563	0.5	311,646	19,823	6.4
Robotic components and system applications	355,526	69,918	19.7	406,215	116,680	28.7	451,965	119,070	26.3	285,023	76.038	26.7	311,106	71,749	23.1
Others[(1)]	840,029	290,416	34.6	1,442,045	302,066	20.9	2,051,877	337,736	16.5	1,479,333	242,062	16.4	724,363	118,477	16.4
Total	**14,265,959**	**3,403,684**	**23.9**	**15,566,827**	**3,725,446**	**23.9**	**16,247,040**	**3,771,047**	**23.2**	**12,194,452**	**2,975,241**	**24.4**	**11,967,038**	**2,931,223**	**24.5**

Note:

(1) Primarily comprises revenue derived from sales of energy storage system, electricity from photovoltaic power generation, and raw materials and components. We completed the disposal of several entities that were engaged in the energy storage and photovoltaic power generation related business in March 2025 to an affiliated entity controlled by our Controlling Shareholders. For details, please refer to "History, Development and Corporate Structure — Major Acquisitions, Disposals and Mergers" in this document.

As our fundamental business segments, gross profit margin for our explosion-proof, industrial and HVAC electric drive solutions remained relatively stable during the Track Record Period. Our gross profit margin for our E-mobility drive solutions has shown a declining trend during the Track Record Period, mainly due to intensified competition in the new energy passenger vehicle sector. We have been strategically transitioning to other sectors including new energy commercial vehicles. Gross profit margin for our robotic components and system applications increased significantly to 28.7% for the year ended December 31, 2023 from 19.7% for the year ended December 31, 2022, primarily because: (i) in 2023, we re-negotiated the contract terms with certain customers, under which the customers assumed the transportation costs for delivery, leading to the improvement in gross profit margin; and (ii) we secured several orders with relatively high gross profit margins in Europe in 2023.

The following table sets forth the sales volume and average selling price of our core business segments during the Track Record Period.

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price
	kW/unit ('000)	*RMB*	*kW/unit ('000)*	*RMB*	*kW/unit ('000)*	*RMB*	*kW/unit ('000)*	*RMB*	*kW/unit ('000)*	*RMB*
Explosion-proof electric drive solutions (thousand kW, RMB)	11,418	362.9	14,584	321.5	15,197	309.1	11,393	311.3	11,713	306.1
Industrial electric drive solutions (thousand kW, RMB)	12,702	286.0	14,336	283.2	14,063	288.9	10,442	288.3	11,266	275.8
HVAC electric drive solutions (thousand units, RMB)	69,915	66.5	67,852	64.3	75,830	60.6	57,961	61.6	62,367	63.0
E-mobility drive solutions (thousand unit, RMB)	603	1,073.2	586	1,040.3	440	886.8	340	895.1	366	850.8

Note:

(1) The robotic components and system applications business is characterized by a high degree of customization and integration, with operations primarily centered on project contracting. Robotic components and system applications products involved in different projects exhibit significant variations in technical parameters, functional configurations, physical dimensions, and even overall architecture. As a result, they cannot be measured using uniformly referenced overall sales volume or average selling prices, in line with the market practice.

During the Track Record Period, sales volume of our explosion-proof electric drive solutions maintained steady growth, which has laid a solid foundation for the growth of our revenue. The average selling price of our explosion-proof electric drive solutions has shown a slight downward trend, primarily attributable to a decrease in market price primarily driven by intensified market competition. During the Track Record Period, both the sales volume and average selling price of our industrial electric drive solutions remained relatively stable, reflecting our ability to maintain consistent competitiveness in the market. In 2023, we continued to advance product iteration and launched new products compliant with the IE5 energy efficiency standard, successfully securing a large number of orders in China and the Americas, leading to an increase in sales volumes during the year. As one of our core foundational business segments, our HVAC electric drive solutions have established a strong market reputation and a stable customer base. In 2023, both our sales volume and average selling price slightly decreased compared to 2022, primarily attributable to the slowing growth of customer demand and intensified competition in Asia-Pacific region. During the Track Record Period, average selling price of our E-mobility drive solutions has shown a declining trend, primarily due to intensified competition in the new energy passenger vehicle sector. We are strategically increasing investments in new energy commercial vehicle projects going forward.

OUR STRENGTHS

We believe that the following strengths contribute to our market position, ensuring our success and distinguishing us from our competitors: (i) recognized leadership in electric drive solutions; (ii) strategic global expansion driving strong overseas growth; (iii) strong research and development capabilities, building an industry-leading technology system; (iv) industry leading brands and broad premium customer base; (v) excellent manufacturing and operation, achieving quality and efficiency advantages; and (vi) advanced values and management philosophy.

OUR STRATEGIES

We are dedicated to providing competitive electric drive solutions for customers across various industries. We plan to pursue the following strategies: (i) target Global No. 1 in electric drive solutions; (ii) strengthen our global strategy to capture overseas growth opportunities; (iii) expand into emerging industries, accelerating the commercialization of electric aviation and embodied intelligence; (iv) sustain investment in technology and advance innovation to lead the future of electric drive solutions; (v) advance the digitalization and intelligence of global manufacturing bases; and (vi) drive long-term sustainable development strategy.

RESEARCH AND DEVELOPMENT

We are committed to research and development investment, enhancing our technological and talent reserves to lead industry advancements and build a technology-driven enterprise. For the years ended December 31, 2022, 2023, 2024, and the nine months ended September 30, 2024 and 2025, our research and development expenditure (including capitalized amounts) amounted to RMB818.6 million, RMB857.8 million, RMB872.2 million, RMB682.0 million and RMB692.8 million, respectively. As of September 30, 2025, we had over 1,800 research and development staff globally, including 10 top international experts led by IEEE Fellow and more than 200 members with master's and doctoral degrees. We also operate academician workstations and postdoctoral research stations, providing a strong foundation for technological innovation. Meanwhile, as a national high-tech enterprise with national-level research platforms, we hold over 1,400 patents, have won the Queen's Award of the United Kingdom more than once and numerous provincial/ministerial science and technology awards, and collaborate deeply with prestigious universities.

PRODUCTION

As of September 30, 2025, we had 45 factories around the world, including 14 overseas factories in Germany, Poland, Italy, Vietnam, Mexico and other countries and regions. Out of our

45 factories, we have established 21 manufacturing bases. These bases, consisting of multiple factories, warehouses, and logistic centers, enabling us to provide localized manufacturing support and services to our customers in their respective region. As of September 30, 2025, we had a production team of over 9,400 personnel to support the operation of global manufacturing network.Our factories have obtained necessary certifications under international frameworks. By leveraging advanced technologies such as industrial IoT, digital twins and data analytics, we optimize production processes, enhance operational efficiency, and enable data-driven decision-making throughout the manufacturing lifecycle. For the years ended December 31, 2022, 2023, 2024 and the nine months ended September 30, 2025, utilization rates for (i) our explosion-proof electric drive solutions were 91.4%, 93.3%, 93.8% and 92.5%, respectively; (ii) our industrial electric drive solutions were 94.9%, 95.2%, 94.6% and 96.8%, respectively; (iii) our HVAC electric drive solutions were 90.9%, 91.4%, 92.1% and 91.7%, respectively; and (iv) our E-mobility drive solutions were 83.6%, 86.0%, 86.7% and 87.3%, respectively. For details, please refer to "Business — Our Production — Production Facilities — Production capacity and utilization rate" in this document.

SALES AND MARKETING

We have established a multi-level customer service network worldwide, providing in-depth support to global high-end users. With over 40 years of industry experience serving customers, we have established strong client relationships and a solid reputation in the global electric drive solution market. For the years ended December 31, 2022, 2023, 2024 and the nine months ended September 30, 2025, sales to five largest customers in each year/period during the Track Record Period accounted for approximately 16.1%, 13.8%, 13.8% and 15.4% of our total revenue, respectively, and the sales to our largest customer accounted for approximately 8.1%, 6.9%, 7.3% and 7.9% of our total revenue for the same respective periods.

Our marketing strategy is focused on strengthening customer relationships, enhancing brand influence, and expanding our global market presence through targeted and solution-specific marketing initiatives. Apart from our primary brand "Wolong", we have also strategically acquired renowned global brands, driving us to establish a dedicated and robust brand management framework to maintain clarity, consistency, and strategic alignment across our diverse portfolio.

Leveraging our manufacturing and operating capabilities, we are able to serve global customers with localized production, tailored delivery schedules and in-region technical support. We have established three overseas regional headquarters in Asia-Pacific, Europe, and the Americas to support localized marketing, customer engagement, and technical services. The following table sets forth our revenue by geographic locations for the periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
The PRC	8,724,089	61.2	9,966,838	64.0	10,528,570	64.8	7,856,891	64.4	7,146,715	59.7
Europe, the Middle East and Africa	2,801,541	19.6	2,793,639	17.9	2,551,201	15.7	1,996,209	16.4	1,964,481	16.4
– Germany	860,363	6.0	626,758	4.0	537,476	3.3	410,518	3.4	464,124	3.9
– Italy	504,004	3.5	697,925	4.5	679,403	4.2	459,084	3.8	428,821	3.6
– Poland	267,271	1.9	260,768	1.7	226,839	1.4	145,262	1.2	172,084	1.4
– U.K.	269,755	1.9	279,619	1.8	281,384	1.7	182,933	1.5	181,508	1.5
– Serbia	201,543	1.4	239,144	1.5	193,252	1.2	124,637	1.0	81,011	0.7
– Others	698,605	4.9	689,425	4.4	632,847	3.9	673,775	5.5	636,933	5.3
The Americas	1,708,526	12.0	1,988,485	12.8	2,093,277	12.9	1,532,059	12.6	1,713,429	14.3
– U.S.	1,312,967	9.2	1,575,550	10.1	1,691,810	10.4	1,226,912	10.1	1,399,370	11.7
– Mexico	272,768	1.9	277,917	1.8	255,764	1.6	194,069	1.6	199,405	1.7
– Others	122,791	0.9	135,018	0.9	145,703	0.9	111,078	0.9	114,654	0.9
Asia-Pacific excluding the PRC	1,031,803	7.2	817,865	5.3	1,073,992	6.6	809,293	6.6	1,142,413	9.6
– India	227,679	1.6	226,606	1.5	376,733	2.3	257,981	2.1	362,513	3.0
– Thailand	100,259	0.7	133,240	0.9	164,017	1.0	119,570	1.0	173,162	1.4
– Malaysia	159,788	1.1	79,816	0.5	96,746	0.6	78,431	0.6	91,633	0.8
– Others	544,077	3.8	378,203	2.4	436,496	2.7	353,311	2.9	515,105	4.4
Total	**14,265,959**	**100.0**	**15,566,827**	**100.0**	**16,247,040**	**100.0**	**12,194,452**	**100.0**	**11,967,038**	**100.0**

RAW MATERIALS AND SUPPLIERS

Our raw materials and components primarily include silicon steel, copper wire, permanent magnetic materials, electrical components and bearings. We place great emphasis on constructing our supply chain management system, ensuring efficient supply chain operations, cost efficiency and rapid delivery. We adopt a dual-location supply strategy for major materials worldwide, which enables us to switch supply regions flexibly to respond to various emergencies. For major materials such as silicon steel, copper wire and electrical components, we generally maintain suppliers located at two or more geographically separated locations to mitigate risks of any single-point failures, including but not limited to natural disasters, regional epidemics, geopolitical conflicts and policy changes. Additionally, we have established long-term cooperative relationships with suppliers of these major materials across China, the Americas and Europe, further ensuring supply chain security. We believe our stable relationships with our suppliers will continue to ensure a sufficient and reliable supply of raw materials and components, while also helping to mitigate fluctuations in raw materials going forward. For the years ended December 31, 2022, 2023, 2024 and the nine months ended September 30, 2025, the aggregate purchases from our five largest suppliers in each year/period during the Track Record Period accounted for approximately 19.1%, 16.8%, 16.7% and 17.0% of our total purchase, respectively, and the purchases from our largest supplier accounted for approximately 6.3%, 5.8%, 5.3% and 5.1% of our total purchase for the same respective periods.

COMPETITIVE LANDSCAPE

We mainly operate in the global electric drive solution market, which is relatively fragmented with a diverse mix of suppliers across motors, drives, controllers and integrated solutions. The market remains competitive, and its dynamic varies by segment and application but generally remain competitive. Leading companies are primarily concentrated in Europe, the United States, China and Japan, where robust manufacturing ecosystems, strong research and development capabilities and supportive policies foster both high-end innovation and large-scale production. Our competitive strengths stem from our extensive industry experience, leading market position, and ability to deliver comprehensive customer solutions. This market leadership has been further reinforced by our diverse solution portfolio, leading industry brands, strong customer relationships, robust research and development capabilities, advanced and efficient production capabilities, and visionary management team. As a result, we are well-positioned to sustain our leading status and capitalize on future growth opportunities in the global electric drive solution market.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, our Controlling Shareholders, namely Wolong Holding, Wolong Shunyu, Mr. JC Chen and Ms. YN Chen, collectively controlled approximately 38.84% of the total issued share capital of our Company. See "History, Development and Corporate Structure — Our Shareholding and Corporate Structure" for details. Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), our Controlling Shareholders, comprising Wolong Holding, Wolong Shunyu, Mr. JC Chen and Ms. YN Chen, will collectively control approximately [**REDACTED**]% of the total issued share capital of our Company. For further details about our Controlling Shareholders, please refer to the section headed "Relationship with our Controlling Shareholders" in this document.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables present the summary of our financial information for the periods or as of the dates indicated, and should be read in conjunction with and the section headed "Financial Information" and our financial information included in the Accountants' Report in Appendix I to this document, including the notes thereto.

Summary of Consolidated Statements of Profit or Loss

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

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
Revenue	14,265,959	100.0	15,566,827	100.0	16,247,040	100.0	12,194,452	100.0	11,967,038	100.0
Cost of sales	(10,862,275)	(76.1)	(11,841,381)	(76.1)	(12,475,993)	(76.8)	(9,219,211)	(75.6)	(9,035,815)	(75.5)
Gross profit	**3,403,684**	**23.9**	**3,725,446**	**23.9**	**3,771,047**	**23.2**	**2,975,241**	**24.4**	**2,931,223**	**24.5**
Selling and marketing expenses	(634,055)	(4.4)	(704,073)	(4.5)	(780,321)	(4.8)	(602,258)	(4.9)	(523,107)	(4.4)
Administrative expenses	(1,102,036)	(7.7)	(1,335,540)	(8.6)	(1,305,551)	(8.0)	(971,694)	(8.0)	(963,463)	(8.1)
Research and development expenses	(575,155)	(4.0)	(557,407)	(3.6)	(642,191)	(4.0)	(507,762)	(4.2)	(524,285)	(4.4)
Other income	142,983	1.0	276,609	1.8	199,114	1.2	135,673	1.1	209,748	1.8
Other gains and losses	127,850	0.9	(268,817)(1)	(1.7)	86,180	0.5	(39,864)	(0.3)	71,472	0.6
Impairment losses under expected credit loss ("**ECL**") model, net of reversal	(117,373)	(0.8)	(92,225)	(0.6)	(86,608)	(0.5)	(32,172)	(0.3)	(44,498)	(0.4)
[**REDACTED**] expenses	–	–	–	–	–	–	–	–	(3,786)	(0.0)
Share of results of associates	29,221	0.2	(24,203)	(0.2)	2,056	0.0	8,911	0.1	6,564	0.1
Finance costs	(276,193)	(1.9)	(252,397)	(1.6)	(253,191)	(1.6)	(177,775)	(1.5)	(150,760)	(1.3)
Profit before tax	998,926	7.0	767,393	4.9	990,535	6.1	788,300	6.5	1,009,108	8.4
Income tax expense	(160,224)	(1.1)	(214,515)	(1.4)	(158,280)	(1.0)	(110,617)	(0.9)	(180,544)	(1.5)
Profit for the year/ period	**838,702**	**5.9**	**552,878**	**3.6**	**832,255**	**5.1**	**677,683**	**5.6**	**828,564**	**6.9**

Note:

(1) Primarily represented: (i) impairment losses recognized in respect of an associate based on fair value of RMB211.3 million, primarily attributable to our investment in an A-share listed company, which was our associate at that time; and (ii) compensation to an associate of RMB186.1 million, primarily attributable to the payment of performance compensation to a former associate. For details, please refer to "Financial Information — Description of Selected Components of Statements of Profit or Loss — Other Gains and Losses" in this document.

For the year ended December 31, 2023, our profit for the year decreased by 34.1% to RMB552.9 million from RMB838.7 million for the year ended December 31, 2022. Despite the increase in our revenue during the period, it was insufficient to offset other losses in respect of an associate. In addition, the increase in administrative expenses also contributed to the decrease in the profit for the year in 2023. For the year ended December 31, 2024, our profit for the year increased by 50.5% to RMB832.3 million from RMB552.9 million for the year ended December 31, 2023, primarily attributable to (i) an increase in our revenue driven by the growth of our HVAC electric drive solution segment, and continued expansion in our robotic components and system applications segment; and (ii) the recognition of other gains given that the circumstances that gave rise to other losses in the previous years have been eliminated. For the nine months ended September 30, 2025, our profit for the period increased by 22.3% to RMB828.6 million from RMB677.7 million for the nine months ended September 30, 2024. This growth is primarily attributable to the cumulative effect of: (i) a decrease in selling and marketing expenses, mainly as a result of our key customer-focused strategy; (ii) an increase in other income, mainly driven by increasing government grants; and (iii) the recognition of other gains during the period, compared to other losses recorded in the corresponding period of 2024.

For detailed analysis, please refer to "Financial Information — Description of Selected Components of Statements of Profit or Loss" in this document.

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position for the periods indicated:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total non-current assets	10,897,716	11,584,236	11,958,935	10,648,875
Total current assets	12,550,992	13,080,249	14,358,368	14,517,826
Total assets	**23,448,708**	**24,664,485**	**26,317,303**	**25,166,701**
Total non-current liabilities	3,723,615	4,409,775	3,177,702	2,257,065
Total current liabilities	9,583,539	9,552,302	11,740,077	11,645,516
Total liabilities	**13,307,154**	**13,962,077**	**14,917,779**	**13,902,581**
Net current assets	**2,967,453**	**3,527,947**	**2,618,291**	**2,872,310**
Non-controlling interests	1,151,260	1,294,278	1,364,731	559,691
Total equity	**10,141,554**	**10,702,408**	**11,399,524**	**11,264,120**

Our net current asset increased from RMB2,618.3 million as of December 31, 2024 to RMB2,872.3 million as of September 30, 2025, primarily due to (i) a decrease of RMB598.3 million in trade, bills and other payables, primarily because (a) we completed the construction of our Shangyu headquarters and Nanyang manufacturing base in 2024, and (b) our use of endorsed bills receivables to settle payments with suppliers resulted in a decrease in bills payables; and (ii) an increase of RMB412.3 million in prepayments and other receivables, reflecting the consideration receivables from our disposal of subsidiaries in 2025; which was partially offset by an increase of RMB516.3 million in our bank and other borrowings. Our net current asset decreased from RMB3,527.9 million as of December 31, 2023 to RMB2,618.3 million as of December 31, 2024, primarily due to an increase of RMB2,012.8 million in our bank and other borrowings; which was partially offset by an increase of RMB671.9 million in trade and bills receivables in line with our revenue growth and business expansion. Our net current asset increased from RMB2,967.5 million as of December 31, 2022 to RMB3,527.9 million as of December 31, 2023, primarily due to (i) a decrease of RMB664.4 million in our bank and other borrowings; and (ii) an increase of RMB448.2 million in cash and cash equivalence; which was partially offset by (i) an increase of RMB532.2 million in trade, bills and other payables primarily driven by the growth in procurement of raw materials; and (ii) a decrease of RMB398.2 million in prepayments and other receivables primarily due to the recovery of land disposal proceeds and the reduction in prepaid material expenses.

Our net assets slightly decreased to RMB11,264.1 million as of September 30, 2025 from RMB11,399.5 million as of December 31, 2024, primarily attributable to disposal of subsidiaries RMB849.0 million, which was partially offset by profit for the period of RMB828.6 million. Our net assets increased to RMB11,399.5 million as of December 31, 2024 from RMB10,702.4 million as of December 31, 2023, primarily attributable to (i) profit for the year of RMB832.3 million; and (ii) capital withdrawals by non-controlling interests of RMB50.5 million, partially offset by (i) dividends recognized as distributions of RMB129.8 million; and (ii) repurchase of ordinary shares of RMB60.0 million. Our net assets increased to RMB10,702.4 million as of December 31, 2023 from RMB10,141.6 million as of December 31, 2022, primarily attributable to (i) profit for the year of RMB552.9 million; and (ii) capital injection from non-controlling interests of RMB140.8 million, partially offset by (i) dividends recognized as distributions of RMB195.9 million; and (ii) acquisition of non-controlling interests of RMB55.0 million.

For details of information of key items of our consolidated statements of financial positioned net current assets during the Track Record Period, please refer to "Financial Information — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position" in this document.

Summary of 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 nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Net cash from operating activities	1,322,200	1,438,981	1,450,371	766,214	1,017,470
Net cash used in investing activities	(761,988)	(546,565)	(1,620,616)	(1,003,616)	(583,251)
Net cash (used in)/from financing activities	(680,441)	(517,132)	395,540	493,700	(432,571)
Cash and cash equivalents at beginning of the year/period	2,058,713	2,010,171	2,458,333	2,458,333	2,675,965
Cash and cash equivalents at end of the year/period	2,010,171	2,458,333	2,675,965	2,712,082	2,773,571

For details, please refer to "Financial Information — Liquidity and Capital Resources — Cash Flows" in this document.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the periods indicated:

	As of/For the year ended December 31,			As of/ For the nine months ended September 30,
	2022	2023	2024	2025
Gross profit margin	23.9%	23.9%	23.2%	24.5%
Net profit margin	5.9%	3.6%	5.1%	6.9%
Return on equity	9.3%	5.8%	8.2%	7.9%
Return on assets	3.7%	2.3%	3.3%	3.2%
Current ratio	1.31	1.37	1.22	1.25
Gearing ratio	0.62	0.58	0.61	0.58

RISK FACTORS

Our operations involve certain risks and uncertainties. The more significant risks relating to our business and industry include: (i) our businesses are dependent on various downstream industries. A downturn experienced by any of these industries could adversely affect our business; (ii) we face competition in the global electric drive solution industry. If we fail to compete effectively and successfully, our business, results of operations and financial condition may be materially and adversely affected; (iii) our strategic expansion into emerging industries such as electric aviation and embodied intelligence involves substantial upfront investments, execution complexity, and uncertain market acceptance. Failure to manage these strategic expansions may delay or limit our anticipated profitability improvements and competitive advantages; (iv) rapid technological evolution in electric drive solutions demands continuous innovation and substantial investment. Failure to keep pace with technology advancements or industry standards may result in loss of competitive advantage and customer attraction; and (v) changes in international trade policies, geopolitics and trade protection measures, export control and economic or trade sanctions may materially and adversely affect our business, financial condition and results of operations.

[**REDACTED**]

[**REDACTED**]

Assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative [**REDACTED**] range), we estimate that we will receive [**REDACTED**] of approximately HK$[**REDACTED**] from the [**REDACTED**] after deducting the [**REDACTED**] commissions and other estimated expenses in connection with the [**REDACTED**], and assuming the [**REDACTED**] is not exercised. In alignment with our strategies and development plans, we intend to allocate the [**REDACTED**] for the following purposes: (i) approximately [**REDACTED**]% of the [**REDACTED**] (equivalent to HK$[**REDACTED**]) will be allocated to enhance our research and development capabilities, with a view to upgrading our product platforms, driving technology innovation, and sustaining long-term competitiveness across our five-core electric drive solution lines; (ii) approximately [**REDACTED**]% of the [**REDACTED**] (equivalent to HK$[**REDACTED**]) will be allocated to strengthen our investment and presence in emerging fields, primarily electric aviation and robotics components; (iii) approximately [**REDACTED**]% of the [**REDACTED**] (equivalent to HK$[**REDACTED**]) will be allocated to expand our production capacity and enhance the intelligence, efficiency and international competitiveness of our production infrastructure; (iv) approximately [**REDACTED**]% of the [**REDACTED**] (equivalent to HK$[**REDACTED**]) to the development of our sales and service network, in order to strengthen our brand presence, enhance customer engagement and reinforce distribution capabilities; and (v) approximately [**REDACTED**]% of the [**REDACTED**] (equivalent to HK$[**REDACTED**]) will be reserved for general working capital and operational flexibility, enabling us to respond promptly and prudently to strategic opportunities and unforeseen market change.

For details, please refer to the section headed "Future Plans and [**REDACTED**]" in this document.

IMPACT OF COVID-19

Our past performance has demonstrated our capability to manage risks associated with the global pandemics, such as the COVID-19 pandemic. Throughout the COVID-19 pandemic, we maintained continuous production with no production halts or suspensions, sustained a stable raw material supply chain free from substantial disruptions, and implemented flexible work arrangements to ensure workforce stability. Leveraging our diverse solution portfolio, high-quality solutions and trusting cooperative relationships with key customers, we did not encounter significant order cancellations or unusual pricing pressures arising from the COVID-19 pandemic.

IMPACT OF GLOBAL TRADE TENSIONS

Global trade tensions among the major countries have escalated in recent years. In early 2025, the U.S. government issued multiple executive orders implementing additional tariffs on imports from various jurisdictions, including additional tariffs amounting to an aggregate of 145% on imports from China that took effect on April 10, 2025 (the IEEPA tariffs), and an additional 25% tariff on various categories of steel products. Following the recent economic and trade talks in November 2025, the U.S. and China announced tariff de-escalation measures. In addition, Mexico has continuously increased relevant tariffs on non-Free Trade Agreement countries in recent years, including, among others, China. In December 2025, the Congress of Mexico formally enacted new tariff legislation, which imposes additional import duties on 1,463 products originating from China and other non-free trade agreement countries with effect from January 1, 2026. The applicable tariff rates range from 10% to 50%.

We believe that the aforesaid tariff policies will not have a material adverse impact on our future results of operations and financial conditions on the following reasons: (i) majority of our revenue from the U.S. market is derived from our Mexican facilities and direct export to the U.S. from China is limited. Thus, any potential escalation in China-U.S. relations and any additional tariffs imposed by the U.S. on China will not materially affect such business; (ii) our sales in the Mexican market are minimal and the majority of raw materials used at our Mexican facilities are sourced locally within Mexico; (iii) the majority of our products and solutions sold in Europe are sourced from our local manufacturing facilities in Europe such as Germany, Italy and Poland, with only a small portion imported from China and other regions. The relevant applicable tariff rate imposed on these imports generally range from 0% to 3.7%, and there had been no material change to such tariff policies since 2025. Under our prevailing trade terms with customers in Europe, the customer is responsible for tariff; (iv) we do not engage in procuring raw materials from the U.S. for import into China. Therefore, China's series of tariff policies targeting the U.S. had not and is not expected to have any material impact on our business operations and financial performance; (v) leveraging the leading position in the industry, the high product quality, and long-standing cooperative relationships with key customers, we possess a certain degree of pricing power, enabling us to pass on part of the cost impact from tariffs to its customers; and (vi) as of September 30, 2025, we had 45 factories around the world, including 14 overseas factories in Germany, Poland, Italy, Vietnam, Mexico and other countries and regions, enabling us to provide localized manufacturing support and services to our customers in their respective region. Our globally distributed production and supply chain strategy enhances our resilience against policy changes in individual regions.

We also plan to adopt the following measures to further mitigate the potential impact of tariff, including, among others, diversifying and expanding our customer base, accelerating the layout of our overseas production facilities, diversifying and optimizing our supply chain, strengthening our product competitiveness and customer collaboration, and establishing a dynamic policy monitoring and response mechanism. For detailed analysis on the impact of global trade tensions, please refer to "Business — Impact of Global Trade Tensions" in this document.

Final Rule by the U.S. Department of the Treasury

On October 28, 2024, the U.S. Department of the Treasury ("**Treasury**") Office of Investment Security issued the "Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern" (the "**Final Rule**") to implement an outbound investment program that restricts investments by U.S. persons and U.S.-controlled entities. The Final Rule took effect on January 2, 2025. As confirmed with our International Sanctions Legal Adviser based on information provided by us, (i) we do not engage in any covered activities including any prohibited transactions or notifiable transactions involving semiconductor and microelectronics; (ii) we do not directly or indirectly hold a board seat on, a voting or equity interest in, or any contractual power to direct or cause the direction of the management or policies of any person of a country of concern that engages in "covered activities" from or through which we derive or incur individually or as aggregated more than 50% or at least US$50,000 (or equivalent) of revenue, net income, capital expenditure or operating expenses, on an annual basis, including the Zhejiang Hangshao JV; (iii) we do not participate in a joint venture with a U.S. person that will or plans to engage in a covered activity; and (iv) even if we participate in a covered activity, U.S. investors would not be prohibited or restricted from [**REDACTED**] in the [**REDACTED**] of us after [**REDACTED**], so long as they do not afford the U.S. person rights beyond standard minority shareholder protections with respect to the covered foreign person. For details, please refer to "Risks Relating to our Business and Industry — Changes in international trade policies, geopolitics and trade protection measures, export control and economic or trade sanctions may materially and adversely affect our business, financial condition and results of operations" in this document.

RECENT DEVELOPMENT

See "—Impact of Global Trade Tensions" above. Our Directors confirm that, up to the Latest Practicable Date, there had been no material adverse change in our business, financial condition and results of operations since September 30, 2025, which is the end date of the years/period reported in the Accountants' Report in Appendix I to this document, and there is no event since September 30, 2025 which would materially affect the information as set out in the Accountants' Report in Appendix I to this document.

[**REDACTED**]

OUR LISTING ON THE SHANGHAI STOCK EXCHANGE

Since 2002, our Company has been listed on the Shanghai Stock Exchange. As of the Latest Practicable Date, our Directors confirmed that we had no instances 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 respects since our listing on the Shanghai Stock Exchange, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the Shanghai Stock Exchange. Our PRC Legal Advisers are of the view that the confirmation of our Directors above with regard to our compliance records is accurate and reasonable. Based on the independent due diligence conducted by the Joint Sponsors and our PRC Legal Advisers' view set out above, nothing has come to the Joint Sponsors' attention that would cause them to disagree with our Directors' confirmation with regard to the compliance records of the Company on the Shanghai Stock Exchange.

[REDACTED] STATISTICS

All statistics in the following table are based on the assumptions that (i) the [**REDACTED**] has been completed and [**REDACTED**] H Shares are issued pursuant to the [**REDACTED**], (ii) the [**REDACTED**] is not exercised, and (iii) [**REDACTED**] Shares (excluding treasury shares) are issued and outstanding following the completion of the [**REDACTED**].

	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]	**Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]**
[**REDACTED**] of our Shares [(1)]	HK$[**REDACTED**]	HK$[**REDACTED**]
Unaudited [**REDACTED**] adjusted net tangible asset per Share [(2)]	RMB[**REDACTED**]	RMB[**REDACTED**]
	HK$[**REDACTED**]	HK$[**REDACTED**]

Notes:

(1) The calculation of [**REDACTED**] of our Shares is based on [**REDACTED**] H shares and [**REDACTED**] A Shares (excluding treasury shares), with an average closing price of RMB44.34 during the five trading days of A Shares immediately preceding the Latest Practicable Date, expected to be in issue (representing [**REDACTED**] Shares expected to be in issue and outstanding) immediately following the completion of the [**REDACTED**] (assuming [**REDACTED**] is not exercised). For details, please refer to "Share Capital — Upon the Completion of the [**REDACTED**]" in this document.

(2) Unaudited [**REDACTED**] adjusted consolidated net tangible assets per Share is calculated after making adjustments referred to "Appendix II — Unaudited [**REDACTED**] Financial Information" in this document.

DIVIDEND

Pursuant to our Articles of Association, in principle, we distribute cash dividends once a year. Within any three consecutive years, our distributed cumulative profits in cash shall not be less than 30% of the average distributable profits realized in the latest three years. As of the Latest Practicable Date, we did not have any fixed dividend payout ratio. Pursuant to our Articles of Association, when our Company's distributable profits for the current year are positive, we shall distribute dividends in cash, with the amount accounting for no less than 10% of the distributable profits realized during the year. The specific dividend ratios shall be determined by our Board according to relevant regulations and our operating conditions, and shall be considered and resolved at our general meeting. Future profit distributions may be paid in the form of cash dividends or stock dividends or a combination of cash dividends and stock dividends or other methods permitted by laws and regulations and our Articles of Association. For the years ended December 31, 2022, 2023, 2024 and the nine months ended September 30, 2025, we declared and paid cash dividends of RMB196.3 million, RMB195.9 million, RMB129.8 million and RMB194.6 million, respectively.

[**REDACTED**] EXPENSES

[**REDACTED**] expenses represent professional fees, [**REDACTED**] commissions and other fees incurred in connection with the [**REDACTED**]. We estimate that our [**REDACTED**] expenses will be approximately HK$[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the mid-point of the indicative [**REDACTED**] range, and no exercise of the [**REDACTED**]), representing [**REDACTED**]% of the [**REDACTED**] (based on the mid-point of our indicative [**REDACTED**] for the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised) of the [**REDACTED**]. During the Track Record Period, we incurred [**REDACTED**] expenses of RMB[**REDACTED**] (equivalent to HK$[**REDACTED**]), of which RMB[**REDACTED**] (equivalent to HK$[**REDACTED**]) was charged to the consolidated statements of profit or loss with no allocation of [**REDACTED**] expenses to equity and of which RMB[**REDACTED**] (equivalent to HK$[**REDACTED**]) will be deducted from equity upon [**REDACTED**]. We expect to incur additional [**REDACTED**] expenses of approximately HK$[**REDACTED**], including (i) [**REDACTED**] commission of approximately HK$[**REDACTED**] and (ii) [**REDACTED**] related expenses of approximately HK$[**REDACTED**], which consist of fees and expenses of legal advisors and the Reporting Accountant of approximately HK$[**REDACTED**] and other fees and expenses of approximately HK$[**REDACTED**]. Approximately HK$[**REDACTED**] of HK$[**REDACTED**] is expected to be charged to the consolidated statements of profit or loss and HK$[**REDACTED**] is expected to be charged to the equity. The [**REDACTED**] expenses above are the current estimate for reference only and the final amount to be recognized to our consolidated income statement is subject to audit and the then changes in variables and assumptions.