This summary aims to give you an overview of the information contained in this Document and should be read in conjunction with the full text of this Document. As this is only a summary, it does not contain all the information that may be important to you. You should read this Document in its entirety before you decide to invest in the [**REDACTED**]. *There are risks associated with any investment. Some of the particular risks in investing in the* [**REDACTED**] *are set out in "Risk Factors." You should read that section carefully before you decide to invest in the* [**REDACTED**]. *Various expressions used in this section are defined or explained in "Definitions" and "Glossary of Technical Terms" in this Document.*

OVERVIEW

Who We Are

We are a manufacturer of transmission and drive components. With strong innovation and manufacturing capabilities, we provide global automotive markets with high-quality products, such as (i) transmission and drive components, including transmission components, new energy power systems and hub bearing components; and (ii) interior and exterior accessories. According to Frost & Sullivan, in terms of revenue in 2024, we were (i) the largest automotive seat HDM supplier in China, with a market share of 32.8%; (ii) the third-largest wheel hub bearing supplier in China, with a market share of 6.9%; and (iii) the largest company in the new energy power system market for new energy vehicles in China, with a market share of 9.5%.

The table below demonstrates our business highlights:

Market Position (1)

Automotive seat HDM
- Ranked **second** in the world, with a market share of **15.1%**
- Ranked **first** in China, with a market share of **32.8%**

Automotive wheel hub bearing
- Ranked **ninth** in the world, with a market share of **2.2%**
- Ranked **third** in China, with a market share of **6.9%**

Small new energy vehicle electric drive
- Ranked **first** in the world, with a market share of **6.4%**
- Ranked **first** in China, with a market share of **9.5%**

Profitability
- Revenue was RMB**5,483.7 million** in 2025
- Profit from operations was RMB**571.8 million** in 2025
- Gross profit margin increased from **16.5%** in 2023 to **20.3%** in 2025

Customer Coverage
- Over **30** global predominant automotive OEMs
- Over **150** global predominant Tier-1 suppliers

R&D Capabilities
- **Seven** R&D centers, **one** academician workstation, **two** post-doctoral research workstation, **three** high-tech enterprise R&D centers and **three** CNAS-accredited laboratories(2)
- **367** patents including **83** invention patents(3)
- **811** R&D technicians, accounting for **16.6%** of the total number of employees(3)

Global Layout(2)
- R&D, production, sales and service systems deployed in **15 cities** in **China**
- **Two** manufacturing bases in **Thailand**
- **One** localized service team in **North America**

Manufacturing Progress
- Grinding Machine: Maximum internal thread processing length-to-diameter ratio **1:12**(4); processing accuracy grade of **C3 to C0**(5)
- HDM: service life **15,000** cycles; gear profile roughness **Ra0.1**; average noise level **30-45** dBA; average loudness **3.2** sones
- Hub Bearing: torque**≤0.6** N.m; service life **≥400,000** km; noise level**<42** dB

Note:

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

(2) As of the Latest Practicable Date.

(3) As of December 31, 2025.

(4) The internal thread length-to-diameter ratio refers to the ratio of the length of the internal thread of the planetary roller screw nut to the diameter of the screw. This parameter significantly influences the performance and machining difficulty of the planetary roller screw.

(5) Under the JIS, the accuracy grades range from C0 to C10, with a smaller number indicating higher accuracy.

Our Products Portfolio

Our products primarily include transmission and drive components as well as interior and exterior accessories. The transmission and drive components business is our strategic priority, which includes transmission components, new energy power systems, and hub bearing components. The interior and exterior accessories business lays a solid foundation for us, enabling us to accumulate a broad and stable customer base through long-term dedicated operations.

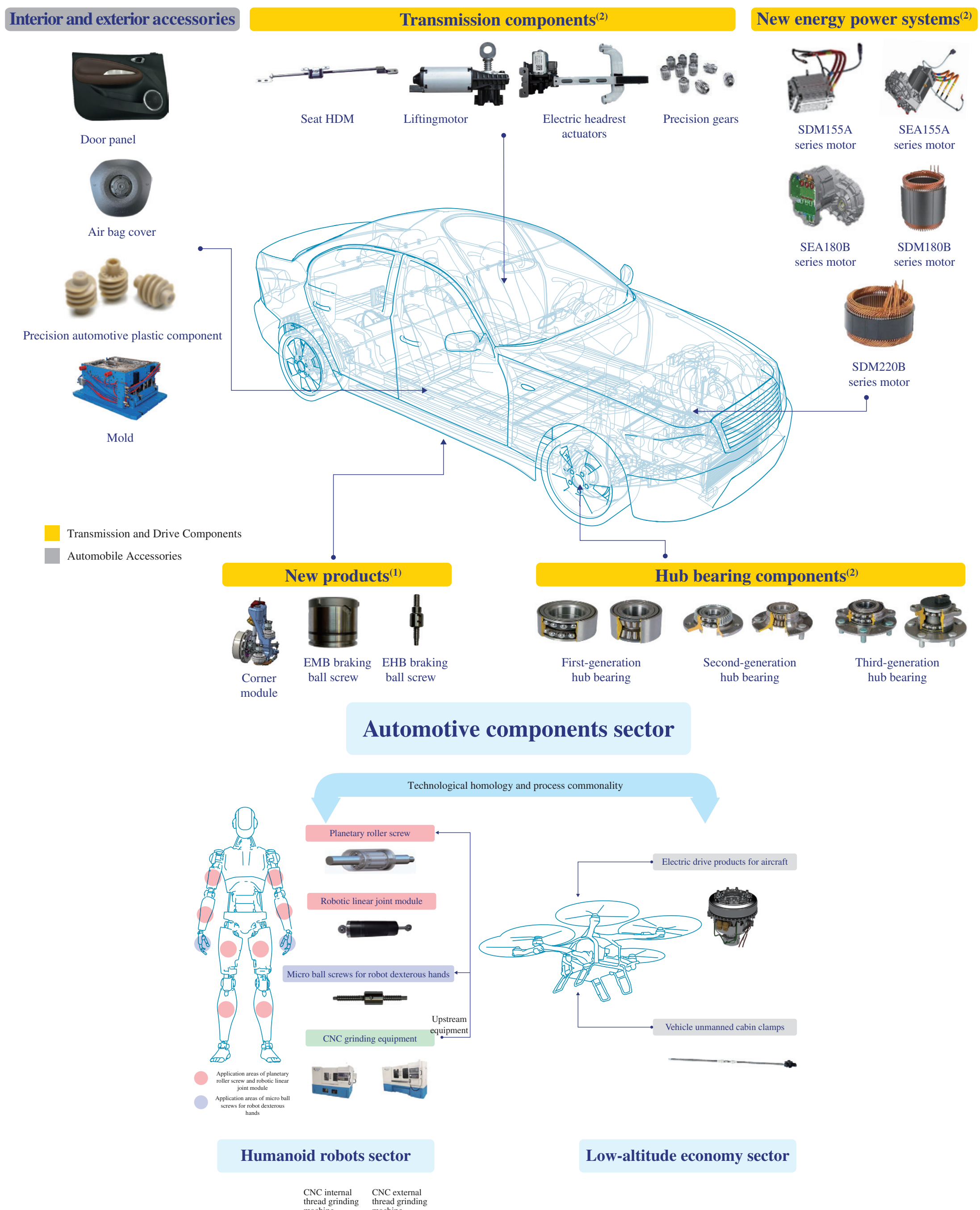
Our transmission and drive components cover core systems enabling power conversion, motion control and vehicle dynamics. Our transmission components convert motor power into linear movement for multi-directional seat adjustment, and enable accurate power transmission through flexible shafts and intelligent control algorithms. The new energy power systems convert electric energy into mechanical power, integrating motor, inverter and reducer functions into compact units to deliver high efficiency, strong power density and seamless propulsion for EVs and aerial mobility solutions. Our hub bearing components ensure stable wheel rotation and power transmission, and reduce friction for safe and efficient driving. Our automotive interior and exterior components enhance vehicle comfort, safety and aesthetics. These products provide structural coverage and ergonomic design, support energy absorption and noise shielding, and deliver advanced vehicle control, precise motion transmission, and high-quality in-car audio performance.

HDM, hub bearing and new energy power systems are subsets of the overall automotive components market, with the corresponding market shares of 0.03% in 2022, 0.3% in 2023 and 0.4% in 2024 in China.

Leveraging our technological homogeneity and process compatibility, we have also extended our product offerings to key components used in the transmission and drive systems of humanoid robots and the low-altitude economy (which refers to economic activities and industries operating in low-altitude airspace). These products had not been commercialized as of the Latest Practicable Date.

SUMMARY

Our product portfolio covers a wide range of offerings and facilitates us to address diverse customer requirements. The following chart illustrates our product portfolio:



Notes:

(1) New products refer to products that are under R&D or have been submitted for sampling but have not yet entered mass production.

(2) Our transmission and drive components primarily include transmission components, new energy power system and hub bearing components.

OUR STRENGTHS

We believe the following competitive strengths contribute to our success: (i) a key player in transmission and drive components with established positions across multiple segments; (ii) commitment to promote de-hydraulification; (iii) strong record of technological innovation and achievement; (iv) product synergy, leading cost efficiency and reliable quality; (v) strategically optimized structure and a durable, high-caliber customer portfolio; (vi) visionary management team with profound industry expertise.

OUR STRATEGIES

We are committed to implement following strategies: (i) to deepen our presence in automotive components and maintain market leadership; (ii) to accelerate proactive R&D and industrialization of transmission and drive components in emerging fields, and continuously promote de-hydraulification development; (iii) to enhance global presence and international competitiveness; (iv) to advance digital management and intelligent manufacturing to improve operation efficiency and reduce production costs; (v) to enhance high-end equipment manufacturing capabilities, including high precision CNC grinding machines, to build core barriers in production; and (vi) to pursue strategic investments and acquisitions to strengthen product and service offerings.

MANUFACTURING FACILITIES

As of December 31, 2025, we operated 20 manufacturing facilities in China, including our plants in Zhaoqing, Qingdao, Linyi, Jining, Wuhu, Wuxi, Ningbo, Shanghai, Tianjin, Chongqing, Suzhou, Liuzhou, Shenyang, Xiangyang and Jingzhou. We are also expanding our production capacity overseas by localizing manufacturing through our facility in Thailand. During the Track Record Period, we had established two manufacturing plants in Thailand. The facility has six production lines, enabling localized production. The following table sets forth the details of our manufacturing facilities as of the Latest Practicable Date.

	Chinese Mainland			Thailand		
	Number of production lines	Total GFA	Markets served	Number of production lines	Total GFA	Markets served
		(sq.m.)			*(sq.m.)*	
Transmission and Drive Components						
– Transmission components	402	62,358	Chinese Mainland, Mexico, Poland, France and India	–	–	–
– Hub bearing components	43	214,997	Chinese Mainland, Mexico, Canada, Germany, Belgium and Denmark	6	19,500	the U.S.
– New energy power systems	11	84,147	Chinese Mainland	–	–	–
Interior and Exterior Accessories	576	293,840	Chinese Mainland, France, Germany, Spain, Czechoslovakia, the U.S. and Mexico	–	–	–

Production Capacity and Utilization

The following table sets forth our production volume, production capacity and utilization rate by product line for the years indicated.

	For the Years Ended December 31,								
	2023			2024			2025		
	Volume	Capacity	Utilization Rate	Volume	Capacity	Utilization Rate	Volume	Capacity	Utilization Rate
	(units '000)	*(units '000)*	*(%)*	*(units '000)*	*(units '000)*	*(%)*	*(units '000)*	*(units '000)*	*(%)*
In Chinese Mainland									
Transmission and Drive Components									
– Transmission components	146,860	155,810	94.3	167,400	176,200	95.0	137,938	186,482	74.0
– Hub bearing components	11,940	15,000	79.6	13,670	15,000	91.1	15,610	16,810	92.9
– New energy power systems	200	230	87.0	430	490	87.8	960	1,020	94.1
Interior and Exterior Accessories	206,070	311,520	66.1	226,620	311,470	72.8	210,598	301,000	70.0
Total	**365,070**	**482,560**	**75.7**	**408,120**	**503,160**	**81.1**	**365,106**	**505,312**	**72.3**
In Thailand									
Transmission and Drive Components									
– Hub bearing components	–	–	–	–	–	–	343	1,138	30.1

Notes:

(1) Under very few circumstances, we may outsource the manufacturing of certain products that involve relatively simpler manufacturing processes to external manufacturers due to cost consideration. When calculating our actual production volume and the utilization rate of our production facilities, such outsourced manufacturing arrangements are not taken into consideration.

(2) The production capacity of each product category is calculated based on the full production rate of the machines used in the production facilities for the relevant product category, after taking into account the working hours of our manufacturing staff as well as the appropriate time required for machinery maintenance and replacement for the relevant product category.

(3) The utilization rate is calculated based on the actual production volume of the relevant product category divided by the production capacity of the same product category.

MAJOR CUSTOMERS AND SUPPLIERS

Our customers are primarily from automobile manufacturing industry including automobile manufacturers, automobile parts manufacturers and wholesalers. Our revenue generated from our top five largest customers were RMB2,188.7 million, RMB2,775.3 million and RMB2,830.4 million for the year ended December 31, 2023, 2024 and 2025, respectively, accounting for approximately 52.9%, 56.5% and 51.6% of our total revenue for the respective periods. Revenue generated from our largest customer were RMB828.5 million, RMB1,314.9 million and RMB1,432.9 million for the year ended December 31, 2023, 2024 and 2025, respectively, accounting for approximately 20.0%, 26.8% and 26.1% of our total revenue for the respective periods. See "Business — Customers, sales and marketing — Our top five customers".

Our suppliers primarily include raw material and component suppliers. Our purchases from our five largest suppliers in each year during the Track Record Period were RMB281.3 million, RMB442.8 million and RMB458.8 million and accounted for approximately 10.2%, 14.0% and 12.8%, of our total purchases for the respective years. Purchases from our largest supplier in each year during the Track Record Period were RMB66.2 million, RMB140.0 million and RMB118.1 million and accounted for approximately 2.4%, 4.4%, and 3.3%, of our total purchases for the respective years. See "Business — Raw materials, components and suppliers — Our top five suppliers".

Pricing

We generally adopt a cost-plus pricing policy for our products and solutions. In determining the selling prices, we take into account a range of factors, including the cost of raw materials, processing cost, labor cost, administrative expenses, financial expenses, selling expenses and a reasonable profit margin. In our pricing process, we also reference prevailing market prices and competitor offerings, and make adjustments based on product type, technology sophistication, market position and customer profile. During the quotation process, we usually conduct multiple rounds of discussions with customers to optimize our pricing proposals while ensuring that the prices adequately reflect our costs and meet our financial targets. We also review and adjust our pricing strategy from time to time to respond to changes in raw material costs, market demand and competitive landscape.

OUR INDUSTRY AND COMPETITIVE LANDSCAPE

The automotive components industry in which we operate is competitive and rapidly evolving. The Chinese automotive parts industry has formed a huge system consisting of over 100,000 enterprises, including about 13,000 enterprises above designated size, presenting an overall "pyramid shaped" market structure. The top of the industry is jointly led by foreign giants such as Bosch and Denso, as well as leading domestic enterprises such as Yanfeng and CATL. They master core technologies and provide system level solutions. The central region is home to a large number of medium-sized enterprises specializing in specific fields, while the bottom is home to a large number of small and medium-sized suppliers, forming a complete and responsive supply chain network. Currently, with the rapid development of new energy vehicles, this pattern is undergoing profound restructuring, and the market position and discourse power of domestic suppliers have significantly improved. We compete with auto parts manufacturers specialized in the production of automotive components and with the manufacturing capability and expertise to cater for the demands of multinational renowned brands and/or well-established automakers, both in China and globally. We compete principally on product quality, pricing, reputation, product design and development skills, manufacturing techniques, research and development, production capacity, delivery and relationship with customers. Despite the fierce competition in our industry, we believe that we are well-positioned to effectively compete in such market.

We have become a trusted and highly competitive automotive parts system suppliers by leveraging our R&D capabilities, product manufacturing capabilities and brand reputation. Additionally, we possess strong market competitive advantages by several factors including, (i) strong R&D and innovation capabilities in automotive parts, (ii) advantages across product categories, (iii) quality advantages, (iv) cost control, and (v) customer-centered approach and high-quality customer base.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables summarize our historical financial information during the Track Record Period and should be read in conjunction with the section headed "Financial Information" of this document and the Accountants' Report set out in Appendix I to this document, together with the respective accompanying notes.

Summary of Consolidated Statements of Profit or Loss

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue	4,138,824	4,910,495	5,483,698
Cost of sales	(3,455,294)	(4,063,384)	(4,370,419)

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Gross profit	683,530	847,111	1,113,279
Other income	62,254	89,334	60,658
Selling and distribution expenses	(35,407)	(32,792)	(43,041)
Administrative expenses	(298,920)	(318,465)	(371,177)
Research and development costs	(175,045)	(168,528)	(220,278)
Expected credit losses (provided) / reversed on financial instruments	(7,474)	(1,058)	3,854
Provision for impairment losses	(69,782)	(32,627)	-
Other net (loss)/gain	(5,929)	157,409	28,542
Profit from operations	153,227	540,384	571,837
Finance costs	(46,818)	(31,742)	(20,344)
Profit before taxation	106,409	508,642	551,493
Income tax	(24,471)	(11,018)	(48,264)
Profit for the year	81,938	497,624	503,229

We derived our revenues primarily from the sales of (i) transmission and drive components and (ii) interior and exterior accessories. The revenues from the sales of transmission and drive components are from (i) transmission components, (ii) hub bearing components and (iii) new energy power systems. We generated almost all of our revenue during the Track Record Period from the sales of transmission and drive components and interior and exterior accessories. To enhance our overall operational efficiency, we also generate revenues purely from rental services arising from our temporary idle premises. Other businesses during the Track Record Period primarily include sales of scrap materials, molds, and gearbox, which were incidental and ancillary to our core business operation.

Our revenue increased in 2024 and 2025 primarily attributable to increased orders from and increase in sales volume to OEMs of EVs, resulting from the booming market of EVs in China.

Profit for the Year

We achieved a net profit of RMB81.9 million, RMB497.6 million and RMB503.2 million with a net profit margin of 2.0%, 10.1% and 9.2% in 2023, 2024 and 2025, respectively. Our net profits increased throughout the Track Record Period, primarily due to the increase in revenue and gross profit generated.

Summary of Consolidated Statements of Financial Position

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets	2,320,587	2,309,432	2,744,857
Current assets	3,634,108	3,961,226	4,277,980
Non-current liabilities	446,406	343,137	231,002
Current liabilities	3,304,355	3,284,861	3,565,536
Net current assets	**329,753**	**676,365**	**712,444**
Net assets	**2,203,934**	**2,642,660**	**3,226,299**

Our net assets increased from RMB2,203.9 million as of December 31, 2023 to RMB2,642.7 million as of December 31, 2024, primarily attributable to profit for the year of RMB497.6 million in 2024, partially offset by (i) dividends declared in respect of the previous year of RMB39.7 million, (ii) repurchase of ordinary shares of RMB30.0 million, and (iii) acquisition of non-controlling interests of RMB29.4 million. Our net assets increased from RMB2,642.7 million as of December 31, 2024 to RMB3,226.3 million as of December 31, 2025, primarily attributable to (i) profit for the year of RMB503.2 million in 2025 and increases in equity reserves arising from the recognition of equity-settled share-based payments, including equity-settled share-based payment expenses of RMB74.0 million and (ii) the exercise of equity-settled share-based payments of RMB78.2 million, partially offset by dividends declared in respect of the previous year of RMB79.6 million.

Summary of Consolidated Cash Flows Statements

	For the Years Ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net cash generated from operating activities	**377,622**	**701,157**	**781,446**
Net cash used in investing activities	**(205,883)**	**(108,307)**	**(554,353)**
Net cash used in financing activities	**(164,149)**	**(432,088)**	**(176,724)**
Net increase in cash and cash equivalents	7,590	160,762	50,369
Cash and cash equivalents at January 1	333,340	346,268	511,444
Cash and cash equivalents at December 31	**346,268**	**511,444**	**561,915**

Key Financial Ratios

Below sets forth our key financial ratios as of the date or for the years indicated.

	As of / For the Years Ended December 31,		
	2023	2024	2025
Gross profit margin(1)	16.5%	17.3%	20.3%
Gearing ratio(2)	63.0%	57.9%	54.1%
Return on equity(3)	3.8%	20.5%	17.1%
Return on assets(4)	1.4%	8.1%	7.6%

Notes:

(1) Represents gross profit for the period divided by revenue for the same year, expressed as a percentage.

(2) Gearing ratio is calculated based on total liabilities as at the respective dates divided by total assets as at the respective dates and multiplied by 100%.

(3) Return on equity is calculated by the profit for the period attributable to owners of our Company divided by the average of opening and closing balances of the total equity and multiplied by 100%.

(4) Return on assets is calculated based on profit for the period attributable to owners of our Company divided by the average of opening and closing balances of the total assets and multiplied by 100%.

[**REDACTED**]

The numbers in the following table are based on the assumptions that (i) the [**REDACTED**] has been completed and [**REDACTED**] H Shares are issued and sold in the [**REDACTED**], (ii) the [**REDACTED**] is not exercised, and (iii) [**REDACTED**] Shares are issued and outstanding following the completion of the [**REDACTED**].

	Based on an [REDACTED] of HK$[REDACTED] per H Share	**Based on an [REDACTED] of HK$[REDACTED] per H Share**
[**REDACTED**] of our H Shares after completion of the [**REDACTED**][2]	[**REDACTED**]	[**REDACTED**]
[**REDACTED**] of our Shares after completion of the [**REDACTED**][3]	[**REDACTED**]	[**REDACTED**]
Unaudited [**REDACTED**] adjusted net tangible assets per Share[4]	[**REDACTED**]	[**REDACTED**]

Notes:

(1) All statistics in the table are based on the assumption that the [**REDACTED**] is not exercised and no changes are made to the issued share capital of our Company between the Latest Practicable Date and [**REDACTED**].

(2) The calculation of market [**REDACTED**] of our H Shares is based on the assumption that [**REDACTED**] H Shares will be in issue immediately upon completion of the [**REDACTED**].

(3) The calculation of market [**REDACTED**] of our Shares is based on the assumption that [**REDACTED**] H Shares will be in issue immediately upon completion of the [**REDACTED**] and [**REDACTED**] A Shares are issued and outstanding immediately upon completion of the [**REDACTED**].

(4) The unaudited [**REDACTED**] adjusted consolidated [**REDACTED**] assets per Share is calculated after making the adjustments referred to in the section headed "Appendix II — Unaudited [**REDACTED**] Financial Information" in this Document.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Shuanglin Group directly held 44.43% of our total issued share capital. As of the Latest Practicable Date, Shuanglin Group was held by Ningbo Zhiyuan and Ninghai Baolai as to 57.14% and 42.86%, respectively. Ningbo Zhiyuan was held by Mr. Wu Jianbin (鄔建斌), an executive Director, chairman of the Board and general manager of our Company, and Ms. Wu Weijing (鄔維靜), a non-executive Director and sister of Mr. Wu Jianbin, and Ms. Wu Xiaojing (鄔曉靜), sister of Mr. Wu Jianbin, as to 90%, 5% and 5%, respectively. Ninghai Baolai was held by Mr. Wu Jianbin, Ms. Wu Weijing and Ms. Wu Xiaojing as to 90%, 5% and 5%, respectively. As of the Latest Practicable Date, Mr. Wu Jianbin and Ms. Wu Weijing also directly held approximately 4.49% and 0.03% of our Company's issued share capital, respectively. Accordingly, the group of Controlling Shareholders were collectively entitled to exercise the voting rights attaching to approximately 48.95% of our total issued share capital as of the Latest Practicable Date, and will be entitled to exercise the voting rights attaching to approximately [**REDACTED**] of our total issued share capital following the [**REDACTED**] (assuming the [**REDACTED**] is not exercised).

By virtue of the Concert Party Agreements, Mr. Wu Jianbin, Ms. Wu Weijing and Ms. Wu Xiaojing are considered as persons acting-in-concert in respect of our Company within the meaning of the Takeovers Codes and will continue to act in concert with each other in the decision-making of our Group. For details of the Concert Party Agreements, see section headed "History, Development and Corporate Structure — Our Shareholders Acting in Concert". Accordingly, upon the [**REDACTED**], Shuanglin Group, Ningbo Zhiyuan and Ninghai Baolai, together with Mr. Wu Jianbin, Ms. Wu Weijing and Ms. Wu Xiaojing, by virtue of the Concert Party Agreements, will be regarded as a group of Controlling Shareholders solely for the purpose of the Listing Rules.

CONNECTED TRANSACTIONS

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

DIVIDENDS

In 2023, 2024 and 2025, dividend of nil, RMB39.7 million, and RMB79.6 million were declared and paid, respectively. As of the Latest Practicable Date, we had not established a specified dividend pay-out ratio. After completion of the [**REDACTED**], our Shareholders will be entitled to receive any dividends we declare. We may distribute dividends by way of shares or cash, or a combination of both shares and cash. Pursuant to our Articles of Association, our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC Law, the relevant regulations applicable to our A Shares, and approval by our Shareholders. We intend to distribute cash dividends to our Shareholders at least on an annual basis, subject to the discretion of our Directors in accordance with our Articles of Association and the applicable laws and regulations in the PRC and Hong Kong. Our future declarations of dividends may not be in line with our historical declaration of dividends and will be subject to the approval of our Shareholders.

RISK FACTORS

Our business and the [**REDACTED**] involved certain risks, which are set out in the section headed "Risk Factors" in this Document. You should read that section in its entirety before you decide to invest in the [**REDACTED**]. Some of the major risks we face include: (i) our business relies on automotive manufacturers. Any downturns in the automobile industry and macroeconomic environment as well as other factors outside of our control could negatively affect our business and financial performance; (ii) increases in the costs and disruption in the availability of raw materials, energy, commodities and product components could adversely impact our financial condition and results of operations; (iii) if we are unable to reduce production costs to offset price reduction pressure from our customers, our operating results and financial condition could be adversely affected; (iv) we face risks of changing policies in new energy vehicle industry; (v) our R&D efforts may not yield intended results as we expand our product offerings to industries such as new energy vehicles, humanoid robots and low altitude aircraft; and (vi) we have invested substantial resources in markets and product lines where we expect growth. Should such expectations not be realized, we may be unable to alter our strategies.

[**REDACTED**]

[**REDACTED**] represent professional fees, [**REDACTED**] and other fees incurred in connection with the [**REDACTED**]. Assuming the [**REDACTED**] is not exercised and based on the [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative [**REDACTED**] range), [**REDACTED**] to be borne by us are estimated to be approximately [**REDACTED**], comprising: (i) [**REDACTED**] of [**REDACTED**]; and (ii) [**REDACTED**] expenses of [**REDACTED**], which are further categorized into: (a) fees and expenses of legal advisors and accountants of [**REDACTED**]; and (b) other fees and expenses of [**REDACTED**], approximately [**REDACTED**] of which was charged or is expected to be charged to our consolidated statements of profit or loss, and approximately [**REDACTED**] of which is expected to be deducted from equity upon the completion of the [**REDACTED**]. The [**REDACTED**] are expected to represent approximately [**REDACTED**] of the gross [**REDACTED**] of the [**REDACTED**], assuming an [**REDACTED**] of [**REDACTED**] (being the [**REDACTED**] of the indicative [**REDACTED**] range) and that the [**REDACTED**] is not exercised. The [**REDACTED**] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

USE OF [REDACTED]

Assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share (being the [**REDACTED**] of the [**REDACTED**] Range of between HK$[**REDACTED**] and HK$[**REDACTED**] per H Share) and the [**REDACTED**] is not exercised, we estimate that we will receive [**REDACTED**] of approximately HK$[**REDACTED**] million from the [**REDACTED**] after deducting the [**REDACTED**] and other estimated expenses paid and payable by us in connection with the [**REDACTED**]. In line with our strategies, we intend to use our [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts set forth below: (i) approximately [**REDACTED**] of the [**REDACTED**], or HK$[**REDACTED**] million, is expected to be used for deepening our global presence by expanding overseas production capacity and establishing our international sales network, thereby enhancing our overall production capabilities and global presence; (ii) approximately [**REDACTED**] of the [**REDACTED**], or approximately [**REDACTED**], will be used for industrial-scale investments in emerging fields, primarily include core components of humanoid robots and NEVs in China; (iii) approximately [**REDACTED**] of the [**REDACTED**], or approximately [**REDACTED**], will be used for expansion of our production capacity and operational efficiency; (iv) approximately [**REDACTED**] of the [**REDACTED**], or approximately [**REDACTED**], will be used for forward-looking technology research in emerging fields, including investments in robotics, smart vehicles and low-altitude economy. We intend to incubate new products that align with our core competencies and build key R&D capabilities in micro-motor control and precision transmission technologies to enhance synergies across all business segments; and (v) approximately [**REDACTED**] of the [**REDACTED**], or approximately [**REDACTED**], will be used for the working capital and general corporate purposes. See "Future Plans and [**REDACTED**]."

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE

Since August 2010, our A Shares has been listed on the ChiNext Market of the Shenzhen Stock Exchange, and as of the Latest Practicable Date, our Directors confirmed that we had no instances of non-compliance with the rules of the Shenzhen Stock Exchange and other applicable PRC securities laws and regulations in any material respects. To the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investor's attention in relation to our compliance record on the Shenzhen Stock Exchange. Our PRC Legal Advisors are of the view that the confirmation of our Directors above with regard to our compliance record is accurate and reasonable.

See "History, Development and Corporate Structure — Our Listing on the Shenzhen Stock Exchange and Reasons for the [**REDACTED**] on the Stock Exchange" and "— Major Shareholding Changes of Our Company — Historical Changes in Shareholding Structure — Listing on the ChiNext Market of the Shenzhen Stock Exchange in 2010" in this Document for more details.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Impacts of Geographical Tension

We have an extensive sales network covering markets in multiple geographic areas. Given our global presence and the strategy to further enhance our global service system, our overseas operations may be affected by international trade policies and ongoing geographical tensions among countries.

The U.S. imposed numerous sanctions and restrictions on China, focused broadly on trade, technology, and national security issues related to Iran and Russia. Our Directors believe that the trade restrictions would not materially and adversely affect our business operations as we did not engage any sanctioned entities in our operations during the Track Record Period and up to the Latest Practicable Date. Moreover, to manage the risks of the trade restrictions, we have established a comprehensive trade compliance and risk management system, overseen by our overseas division which continuously monitors policy changes in key markets including the U.S. and EU. To enhance supply chain resilience, we diversified raw material sourcing across regions and actively develops local Southeast Asian suppliers. Proactive compliance measures include securing U.S. Customs' advance origin rulings for our Thai production base and maintaining complete traceability documentation to mitigate anti-circumvention risks. Furthermore, we collaborate with U.S. clients through long-term contracts featuring tariff cost-sharing clauses and volume adjustment mechanisms, creating a joint buffer against trade policy volatility.

In 2025, the U.S. government imposed a series of tariff on autos and auto parts from many countries, for example, the U.S. government implemented multiple trade policies including reciprocal tariffs (the "U.S. Reciprocal Tariffs"), leading to a tariff up to 145% on imports from China. These tariffs, as well as their scope of application remain subject to further negotiations among countries, and the interpretation, implementation and administration of the tariffs remain uncertain. Our Directors believe that the sales of our automotive transmission and drive components would not be materially and adversely affected by the latest geographic tensions and trade policies because (i) we continue to diversify our product offerings and our automotive transmission and drive components have broad applications encompassing automobiles, (ii) during the Track Record Period and up to the Latest Practicable Date, a portion of our transactions with U.S. customers were conducted through intermediaries, which may qualify for tariff exemptions under the USMCA; and (iii) our international business is well-diversified, with revenue contribution from Chinese Mainland accounting for 86.4%, 90.3% and 91.1% of the total revenue in 2023, 2024 and 2025, respectively, which limited potential risks of overseas customer or market segment.

In addition, to further mitigate impact of potential U.S. tariffs, we will assess the impact of tariff policies, actively negotiate with customers to share potential increased costs and further optimize our production plan by adjusting the production location to regions that are less impacted by tariffs. We have implemented a comprehensive strategy focused on optimizing tariff costs through measures such as product reclassification and increasing local production in Thailand to secure favorable origin status, while concurrently managing overall expenses via production automation and optimized logistics; additionally, a contingency plan is in place to swiftly initiate factory establishment in North America should Thai exports face elevated U.S. tariffs.

According to Frost & Sullivan, China's automobile industry experienced a decline in production and sales in the early 2026, and growth in the new energy vehicle market also slowed. Such market conditions were affected by, among other factors, adjustments to new energy vehicle subsidy arrangements and automobile trade-in incentive policies at the end of 2025, which contributed to short-term market fluctuations. These fluctuations also caused certain automobile manufacturers to experience sales volatility, which in turn affected their procurement and project implementation schedules. As a result, our operating results for the early part of 2026 were subject to temporary fluctuations.

No Material Adverse Change

Save as otherwise disclosed in this Document, 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 December 31, 2025, which is the latest date reported on in the Accountants' Report as set out in Appendix I to this document, and there is no event since December 31, 2025 which would materially affect the information in the Accountants' Report as set out in Appendix I to this Document.