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 and is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this document. You should read the entire document before you decide to [**REDACTED**] *in the* [**REDACTED**]. *There are risks associated with any* [**REDACTED**]. *Some of the particular risks in* [**REDACTED**] *in the* [**REDACTED**] *are set out in "Risk Factors." You should read that section carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**].

OVERVIEW

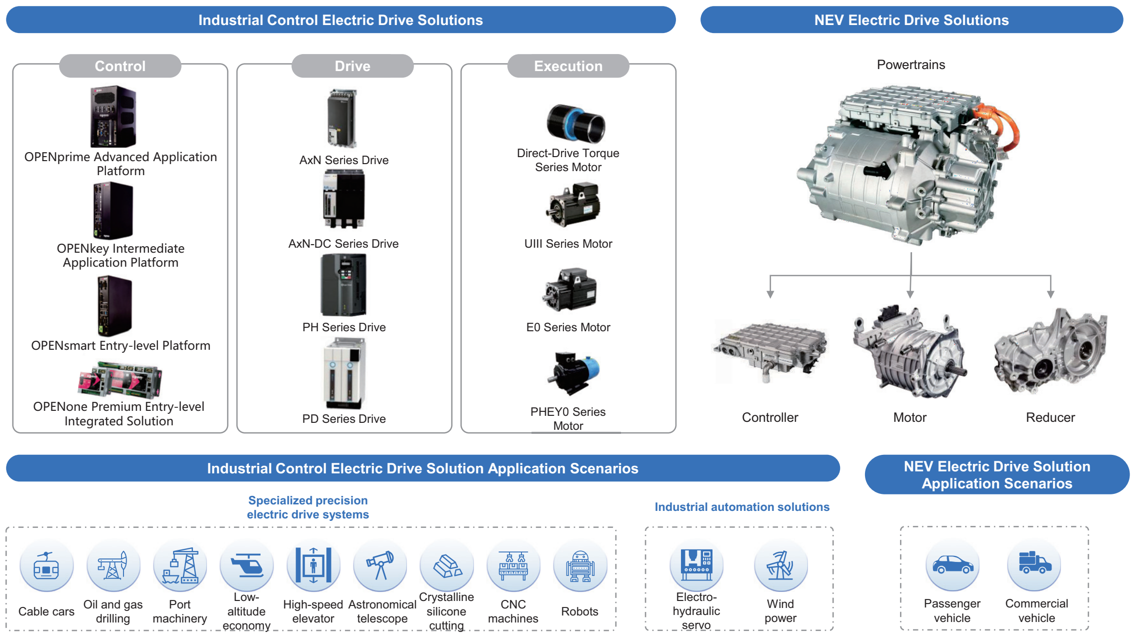
Who We Are

We are an established player in the electric drive solutions market in China with overseas presence. We offer integrated and customized electric drive systems and solutions that power a range of application scenarios worldwide.

Our products and solutions feature high precision, high efficiency, and high torque, and have been widely adopted across multiple foundational industrial sectors. During the Track Record Period, our electric drive solutions have been deployed across two core segments: industrial control and new energy vehicles (NEV). Under the industrial control segment, there are various application scenarios which can be further categorized as specialized precision electric drive systems and industrial automation solutions. We are also expanding into next-generation technologies such as embodied robotics, empowering innovation with precision motion control. We are the third largest provider for specialized electric drive solutions in the industrial control sector in China in terms of the sales revenue in 2025, the seventh largest third-party provider for passenger vehicle electric drive systems in China in terms of both revenue and sales volume in 2025, according to CIC.

Electric drive systems are complex, typically consisting of three layers: control, drive and execution. The control layer functions as the brain that processes commands and makes decisions; the drive layer functions as the joints that manage energy to maximize efficiency and provide precise power needed for the motor; and the execution layer functions as the muscles that converts electrical energy into physical motion. According to CIC, there are only a limited number of electric drive providers in China that are capable of offering integrated solutions covering all three layers. This is mainly due to the significant R&D investment, advanced production capabilities, and specialized technical expertise required to support such integrated solutions across multiple application scenarios. We are among the providers with such capabilities.

The chart below illustrates our key product offering and its major application scenarios during the Track Record Period:



Our products and solutions are typically tailored to address customer needs. We are able to transform customized designs into scalable, high-volume products while maintaining precision and performance, which allows us to hold established positions in multiple application scenarios. According to CIC:

- we ranked second among providers of specialized electric drive solutions in the aerodynamics sector in terms of sales revenue of such solutions in 2024;
- we ranked second among providers of specialized electric drive solutions in the all-electric injection molding machine sector in terms of sales revenue of such solutions in 2024; and
- we ranked third among providers of specialized electric drive solutions in the hydraulic injection molding machine sector in terms of sales revenue of such solutions in 2024.

Over more than two decades since our establishment as a Sino-foreign joint venture, we have integrated international practices with local market experience. Through our operations in China, we have accumulated experience and technological capabilities that we apply in overseas markets. As of December 31, 2025, we had one research and development (R&D) center in Italy, and three sales representative offices in Italy, the US and the UK, respectively. Our products are sold to customers in numerous countries and regions, including Italy, the Netherlands, Belgium, the United States, South Korea, and India, directly competing with leading overseas providers of electric drive solutions in their home markets.

Market Opportunities

Our electric drive systems and solutions address a wide range of application scenarios, positioning us for significant growth in a promising market. According to CIC, the overall market size in terms of sales revenue of electric drive solutions for industrial control sector and the sustainable mobility sector in China, in the aggregate, grew from RMB113.0 billion in 2021 to RMB257.1 billion in 2025, and is expected to reach RMB485.6 billion by 2030, with an anticipated CAGR of 13.6% from 2025 to 2030.

As one of China's technologically advanced providers at the forefront of industrial innovation, capitalizing on our strong R&D capabilities, seamless supply chain management and strong manufacturing capabilities, we are strategically positioned to capture these market opportunities.

COMPETITIVE STRENGTHS

We believe the following strengths position us well to capitalize on future opportunities and deliver continued growth: (1) China-leading and globally-competing technological excellence; (2) extensive and fast-growing application scenarios; (3) a well-established global market presence built upon our enduring pursuit of global excellence; (4) premium customer base and strong customer stickiness; (5) flexible capability to produce customized products at scale; and (6) globally visionary management team and highly qualified talent pool.

FUTURE STRATEGIES

We intend to implement the following strategies: (1) continuing to increase R&D investment to maintain technological leadership; (2) further deepening our globalization strategy; (3) leveraging existing R&D and manufacturing capabilities to continually expand into new application scenarios; (4) building a top-tier talent team by integrating industry-academia-research collaboration mechanisms and globalization strategy; and (5) achieving horizontal capacity expansion and vertical industry chain deployment.

OUR RESEARCH AND DEVELOPMENT

R&D has been our cornerstone since our establishment in 2001. We have developed an innovative R&D platform, Large-Scale Data-Driven Global Optimization Algorithm (GOA), fundamentally revolutionizing the traditional design paradigm of single-point optimization. Our technology is globally driven by our customers' ultimate objectives, such as efficiency, torque density, NVH performance, and cost constraints under specific operating cycle conditions, thereby inherently moving beyond design approaches limited by local compromises. The result is an exquisitely balanced solution that meets stringent performance targets while respecting cost constraints — delivering an e-drive system with peak performance and optimal commercial value. This breakthrough not only addresses core industry challenges but also establishes our competitive moat in forward-design and optimization of e-drive systems.

In 2018, we established our R&D Center in Italy to foster the communication and interaction with world-class scientific research institutions and industry experts abroad. In 2019, we acquired OSAI ITA in Italy and enhance our capabilities in motor drives and controllers. In 2022, we established the Innovation Center in Zhejiang Province which facilitates cross-pollination of core technologies, transfer of product concepts, and industrial synergies across a range of applications, simultaneously empowering us to gain deeper customer insights and identify emerging market opportunities. In 2024, we acquired NGTEC in Italy to gain access to further strengthen our technology advantages in industrial automation. As of December 31, 2025, we had 385 R&D personnel, representing 28.5%% of our total employees as of the same date. Our R&D team is led by several recognized industry leaders and experts, who have an average industry experience of over 20 years and a proven leadership by serving as managerial positions at several top companies in the industry. As of December 31, 2025, more than 71.9% of our R&D personnel hold a bachelor's degree or above.

OUR PRODUCTION

We produce substantially all our products ourselves in our three production facilities located in Hangzhou Bay, Zhuzhou and Ganzhou, to ensure that we consistently deliver products to meet customers' demands in a timely manner. We serve a range of downstream applications with extensive customization requirements, developing tailored solutions to meet specific customer needs while employing platform-based and modular manufacturing approaches to enhance production efficiency and scale. By strategically balancing bespoke engineering with standardized modular architectures, we achieve mass production benefits that drive down costs without compromising customization capabilities.

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers primarily included NEV OEMs and industrial companies. In 2023, 2024 and 2025, revenue generated from our top five customers in each period during the Track Record Period accounted for 46.2%, 55.3% and 56.4% of our total revenue for such period, respectively, and revenue generated from our largest customer in each period during the Track Record Period accounted for 23.6%, 21.7% and 23.7% of our total revenue for such period, respectively.

During the Track Record Period, the key materials that we procured include permanent magnet, enameled wires, silicon steel sheets, housing, flanges, aluminum profiles and PCB-based controllers. In 2023, 2024 and 2025, purchase from our top five suppliers in each period during the Track Record Period accounted for 20.3%, 21.8% and 22.4% of our total purchases for such period, respectively, and purchase from our largest supplier in each period during the Track Record Period accounted for 5.6%, 7.1% and 7.1% of our total purchases for such period, respectively.

COMPETITION

China's electric drive solutions industry is highly competitive. We face competition from both domestic and international market players. According to CIC, the PRC market size for the industrial control electric drive solutions industry is expected to grow from RMB43.0 billion in 2025 to RMB87.4 billion in 2030 with a CAGR of 15.3%. We believe that our ability to be differentiated from our competitors depends on many factors, including, but not limited to, our strong R&D capabilities, seamless supply chain management and strong manufacturing capability. See "Industry Overview" and "Risk Factors — We face competition in the industry in which we operate, and if we are unable to compete effectively, our business, results of operations and financial condition may be materially and adversely affected."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Selected Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets forth selected consolidated statements of profit or loss items for the periods indicated, which are derived from our consolidated statements of profit or loss and other comprehensive income set out in the Accountants' Report included in Appendix I to this document:

	Year ended December 31,		
	2023	**2024**	**2025**
		(RMB'000)	
Revenue	1,242,819	1,500,397	1,624,520
Cost of sales	(1,065,655)	(1,258,379)	(1,352,382)
Gross profit	**177,164**	**242,018**	**272,138**
Other income and gains	37,310	47,587	45,504
Selling and marketing expenses	(39,410)	(48,559)	(54,593)
Administrative expenses	(132,585)	(144,825)	(164,595)
Research and development costs	(120,214)	(121,155)	(134,936)
Reversal of impairment losses/(impairment losses) on financial assets and contract assets, net	200	(102,802)	(1,185)
Finance costs	(30,594)	(24,505)	(24,221)
Other expenses	(1,623)	(25,468)	(564)
Loss before tax	**(109,752)**	**(177,709)**	**(62,452)**
Income tax (expense)/credit	(2,446)	755	566
Loss for the year	**(112,198)**	**(176,954)**	**(61,886)**
Attributable to:			
Owners of the parent	(34,279)	(163,389)	(53,866)
Non-controlling interests	(77,919)	(13,565)	(8,020)

Non-HKFRS Measure

To supplement our consolidated statements of profit or loss which are presented in accordance with HKFRSs, we also use EBITDA (non-HKFRS measure) and adjusted EBITDA (non-HKFRS measure) as additional financial measures, which are not required by, or presented in accordance with, HKFRSs. See "Financial Information — Description of Key Consolidated Statements of Profit or Loss Items — Non-HKFRS Measures" for more details. The following table shows the calculation of our EBITDA (non-HKFRS measure) and adjusted EBITDA (non-HKFRS measure) for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB'000, except for percentages)		
Loss before tax	(109,752)	(177,709)	(62,452)
Add:			
Finance costs	30,594	24,505	24,221
Depreciation of property, plant and equipment	62,908	70,431	84,462
Depreciation of investment properties	452	452	452
Amortization of other intangible assets	7,252	9,200	9,877
Depreciation of right-of-use assets	5,716	5,372	5,779
Less:			
Interest income	(2,099)	(4,768)	(6,606)
EBITDA (non-HKFRS measure)	(4,929)	(72,517)	55,733
Add:			
Share-based payment expenses	917	1,012	3,407
[**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Adjusted EBITDA (non-HKFRS measure)	(4,012)	(71,505)	75,890
Adjusted EBITDA margin (non-HKFRS measure)[1]	(0.3)%	(4.8)%	4.7%

Note:

(1) Adjusted EBITDA margin (non-HKFRS measure) equals adjusted EBITDA (non-HKFRS measure) divided by revenue and multiplied by 100%.

Revenue

The table below set forth a breakdown of our revenue by business line for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB'000, except for percentages)					
NEV solutions	374,704	30.1	731,719	48.8	823,414	50.7
Specialized precision electric drive systems	549,463	44.2	482,795	32.2	509,944	31.4
Industrial automation solutions	276,515	22.2	241,420	16.1	238,578	14.7
Others[1]	42,137	3.5	44,463	2.9	52,584	3.2
Total	**1,242,819**	**100.0**	**1,500,397**	**100.0**	**1,624,520**	**100.0**

Note:

(1) Others primarily comprise the after-sales repair and maintenance services, sales of scrap materials, disposal of slow-moving and obsolete stocks, as well as rental income generated from leasing of the idle office space located in Ningbo Hi-Tech Zone.

During the Track Record Period, our revenue increased from RMB1,242.8 million in 2023 to RMB1,624.5 million in 2025, with a CAGR of 14.3%. This growth was primarily driven by the expansion of our NEV solutions business.

Our products have been sold to customers in more than 40 countries and regions, while the Chinese Mainland serves as our major market. The table below set forth a breakdown of our revenue by geographic region based on locations of customers for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB'000, except for percentages)					
Chinese Mainland	934,631	75.2	1,217,906	81.2	1,340,996	82.6
Italy	133,125	10.7	107,514	7.2	139,667	8.6
Europe (excluding Italy)[1]	88,628	7.1	93,180	6.2	76,573	4.7
United States	58,749	4.7	46,857	3.1	35,377	2.2
South Korea	12,179	1.0	14,757	1.0	16,838	1.0
Other countries and regions[2]	15,507	1.3	20,183	1.3	15,069	0.9
Total	**1,242,819**	**100.0**	**1,500,397**	**100.0**	**1,624,520**	**100.0**

Notes:

(1) Include mainly Belgium, Austria, Germany and the Netherlands.

(2) Include mainly India and Israel.

Gross Profit and Gross Margin

The following table sets forth a breakdown of our gross profit and gross margin by business line for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross Profit/ (Loss)	Gross Margin	Gross Profit/ (Loss)	Gross Margin	Gross Profit/ (Loss)	Gross Margin
	(RMB'000, except for percentages)					
NEV solutions	(77,857)	(20.8)%	(7,820)	(1.1)%	7,642	0.9%
Specialized precision electric drive systems	190,686	34.7%	183,042	37.9%	198,454	38.8%
Industrial automation solutions	36,589	13.2%	37,459	15.5%	33,140	14.0%
Others[1]	27,746	65.8%	29,337	66.0%	32,902	62.6%
Total	**177,164**	**14.3%**	**242,018**	**16.1%**	**272,138**	**16.8%**

Note:

(1) Others primarily comprise the after-sales repair and maintenance services, sales of scrap materials, disposal of slow-moving and obsolete stocks as well as rental income generated from leasing the idle office building located in Ningbo Hi-Tech Zone.

Our gross profit increased during the Track Record Period, primarily driven by the turnaround and reduced gross loss of our NEV solutions business as well as the gross profit growth of our specialized precision electric drive systems business in 2025. Correspondingly, our gross margin improved from 14.3% in 2023 to 16.1% in 2024 and further to 16.8% in 2025.

The table below set forth a breakdown of our gross profit and gross margin by geographic region based on locations of customers for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin
	(RMB'000, except for percentages)					
Chinese Mainland	60,674	6.5%	132,641	10.9%	161,857	12.1%
Italy	54,473	40.9%	48,235	44.9%	60,631	43.4%
Europe (excluding Italy)(1)	29,239	33.0%	29,829	32.0%	24,794	32.4%
United States	25,164	42.8%	20,473	43.7%	15,090	42.7%
South Korea	2,504	20.6%	3,813	25.8%	4,448	26.4%
Other countries and regions(2)	5,110	33.0%	7,027	34.8%	5,318	35.3%
Total	**177,164**	**14.3%**	**242,018**	**16.1%**	**272,138**	**16.8%**

Notes:

(1) Include mainly Belgium, Austria, Germany and the Netherlands.

(2) Include mainly India and Israel.

Loss for the Year

We recorded a net loss of RMB112.2 million, RMB177.0 million and RMB61.9 million in 2023, 2024 and 2025, respectively. Our loss for the year increased by RMB64.8 million, or 57.7%, from 2023 to 2024, primarily due to (i) an increase in impairment losses on financial assets and contract assets, reflecting the write-offs related to the distressed customer, and (ii) an increase in other expenses, partially offset by an increase in revenue driven by the growth of our NEV solutions business. Our loss for the year decreased by RMB115.1 million, or 65.0%, from 2024 to 2025, primarily attributable to (i) revenue growth from our NEV solutions business and specialized precision electric drive systems business; and (ii) lower impairment losses on financial assets and contract assets, as the write-offs related to the distressed customer recorded in 2024 did not recur. For details, see "Financial Information — Period-On-Period Comparison of Results of Operations."

Selected Items from Consolidated Statements of Financial Position

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated, which are extracted from the Accountants' Report included in Appendix I to this document:

	As of December 31,		
	2023	2024	2025
	(RMB'000)		
Total non-current assets	1,130,780	1,240,901	1,265,891
Total current assets	931,732	1,100,917	1,088,620
Total current liabilities	1,373,098	1,468,051	1,547,634
Net current liabilities	(441,366)	(367,134)	(459,014)
Total assets less current liabilities	689,414	873,767	806,877
NET ASSETS	321,602	443,632	380,442

Net Current Liabilities

We recorded net current liabilities of RMB441.4 million, RMB367.1 million, RMB459.0 million and RMB479.7 million as of December 31, 2023, 2024 and 2025 and March 31, 2026, respectively. The fluctuations during the periods were primarily attributable to changes in our interest-bearing bank borrowings, trade and notes receivables, inventories and trade and notes payables, which reflected the expansion of our NEV solutions business and the related procurement and financing activities.

Net Assets

Our net assets increased by RMB122.0 million, or 37.9%, from RMB321.6 million as of December 31, 2023 to RMB443.6 million as of December 31, 2024, mainly attributable to issue of shares of RMB300.0 million, partially offset by loss for the year of RMB177.0 million in 2024. Our net assets decreased by RMB63.2 million, or 14.2%, from RMB443.6 million as of December 31, 2024 to RMB380.4 million as of December 31, 2025, primarily due to (i) loss for the year of RMB61.9 million, and (ii) changes in fair value of equity investments at FVOCI, net of tax, of RMB13.4 million, partially offset by exchange differences of RMB5.1 million, transfer of fair value reserve upon the disposal of equity investments at FVOCI of RMB3.6 million and share-based payment expenses of RMB3.4 million in 2025.

Selected Items from Consolidated Statements of Cash Flows

The following table sets forth selected cash flow statement information for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
		(RMB'000)	
Net cash flows from/(used in) operating activities	7,885	(130,139)	102,733
Net cash flows used in investing activities	(111,180)	(147,654)	(110,926)
Net cash flows from financing activities	77,280	286,681	49,553
Net (decrease)/increase in cash and cash equivalents	(26,015)	8,888	41,360
Cash and cash equivalents at beginning of year	63,147	37,329	46,216
Effect of foreign exchange rate changes, net	197	(1)	118
Cash and cash equivalents at end of the year	**37,329**	**46,216**	**87,694**

We had net cash outflow from operating activities of RMB130.1 million in 2024, primarily due to uncollectible trade receivables from the distressed customer and increased working capital requirements associated with the ramp up of NEV solutions business during the period. For details of our cash flows, see "Financial Information — Liquidity and Capital Resources — Cash Flows."

Our Directors are of the view that, taking into account the financial resources available to us, including cash flow from operating activities, banking facilities and the estimated net [**REDACTED**] from the [**REDACTED**], we have sufficient working capital to meet our present requirements for the next 12 months from the date of this document, and fund our operations until we achieve net profit break-even and record operating cash inflows. Based on the foregoing and the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that would cause it to disagree with the Directors' view with regard to the sufficiency of working capital.

KEY FINANCIAL RATIOS

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

	Year ended/As of December 31,		
	2023	2024	2025
Current ratio(1)	0.68	0.75	0.70
Quick ratio(2)	0.48	0.53	0.53
Gearing ratio(3)	2.61	1.93	2.55
Gross margin(4)	14.3%	16.1%	16.8%
Adjusted EBITDA margin (non-HKFRS measure)(5)	(0.3)%	(4.8)%	4.7%

Notes:

(1) Current ratio equals total current assets divided by total current liabilities of the same date.

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

(3) Gearing ratio equals total debt (including interest-bearing bank borrowings and lease liabilities) divided by total equity of the same date.

(4) Gross margin equals gross profit for the year divided by revenue and multiplied by 100%.

(5) Adjusted EBITDA margin (non-HKFRS measure) is calculated as adjusted EBITDA (non-HKFRS measure) divided by revenue and multiplied by 100%. See "Financial Information — Description of Key Consolidated Statements of Profit or Loss Items — Non-HKFRS Measures" for a reconciliation of loss before tax to adjusted EBITDA (non-HKFRS measure).

RISK FACTORS

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business and industries, (ii) risks relating to doing business in the jurisdictions where we operate and (iii) risks relating to the [**REDACTED**]. See "Risk Factors" for more details.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Wenjie REN, an executive Director, chairman of the Board and the general manager of the Company, and his spouse, Ms. Jin HU, were interested in an aggregate of 78,735,865 Shares, representing 49.48% of our total issued Shares. Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] and the options under the [**REDACTED**] Share Option Scheme are not exercised), Mr. Wenjie REN and his spouse, Ms. Jin HU, will be collectively entitled to exercise voting rights of [**REDACTED**] of our total issued Shares of our Company. Therefore, Mr. Wenjie REN, Ms. Jin HU, Ningbo Hongrui and the Employee Incentive Platforms are considered as a group of Controlling Shareholders of our Company upon [**REDACTED**]. For further details of our corporate structure and the shareholding of our Controlling Shareholder, see "History, Development and Corporate Structure — Corporate Structure" and "Relationship with Controlling Shareholders" in this document.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

In November 2019, the Company and Prima Electro entered into (1) a share purchase agreement (the "**SPA**"), pursuant to which the Company acquired 60% equity interests in OSAI ITA for a consideration of EUR6 million, and (2) a shareholders' agreement (the "**SHA**"), pursuant to which Prima Electro granted us the right to purchase, and we granted Prima Electro the right to sell, the remaining 40% equity interest in OSAI ITA. In July 2022, Prima Electro exercised its put right pursuant to the SHA, and we acquired from Prima Electro the remaining 40% equity interests in OSAI ITA for a consideration of EUR4,547,645. The acquisition of the 60% equity interests in OSAI ITA was properly and legally completed and fully settled on December 12, 2019, and the acquisition of the remaining 40% equity interests in OSAI ITA was properly and legally completed and fully settled on August 1, 2022. Upon completion of the two-step acquisition in 2022, the Company owned 100% equity interests in OSAI ITA. For further details, see "History, Development and Corporate Structure — Major Acquisitions, Disposals and Mergers" in this document.

[**REDACTED**]

DIVIDENDS AND DIVIDEND POLICY

During the Track Record Period, we did not declare or paid any dividends. As of the Latest Practicable Date, we did not have a specific dividend policy or a predetermined dividend payout ratio. The declaration of dividends is subject to the discretion of our Board and the approval of our Shareholders. Our Board may recommend a payment of dividends in the future after taking into account a number of factors, including our earnings, capital requirements, overall financial conditions, contractual and applicable legal restrictions and other factors which they may deem relevant at such time. Any declaration and payment of dividends will be subject to our constitutional documents and the applicable PRC laws and regulations, including the approval of our Shareholders.

According to the PRC Company Law, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund. As confirmed by our PRC Legal Advisor, we will only be able to declare or pay dividends after (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above. We may stop allocate the net profit when the aggregate balance of the statutory common reserve fund has reached more than 50% of our registered capital.

FUTURE PLANS AND USE OF [REDACTED]

Assuming an [**REDACTED**] of [**REDACTED**] per H Share (being the mid-point of the [**REDACTED**] range stated in this document), we estimate that we will receive net [**REDACTED**] from the [**REDACTED**] of approximately [**REDACTED**], after deducting [**REDACTED**] commissions, fees and estimated expenses payable by us in connection with the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised. For further details, see "Future Plans and Use of [**REDACTED**]."

- Approximately 50% of the net [**REDACTED**], or [**REDACTED**], is expected to be used production capacity expansion to meet the fast growing market demands in the electric drive solution industry;
- Approximately 20% of the net [**REDACTED**], or [**REDACTED**], is expected to be used for R&D activities;
- Approximately 10% of the net [**REDACTED**], or [**REDACTED**], is expected to be allocated for strategic investments and/or acquisitions;
- Approximately 10% of the net [**REDACTED**], or [**REDACTED**], is expected to be allocated to expand our global sales channel and enhance our brand presence, to maximize our market reach and better capture the market opportunities;
- Approximately 10% of the net [**REDACTED**], or [**REDACTED**], is expected to be allocated for working capital and other general corporate purposes.

[REDACTED] EXPENSES

Our [**REDACTED**] expenses include mainly [**REDACTED**] commissions, legal and other professional fees paid and payable to professional parties, and printing and other expenses for their services rendered in relation to the [**REDACTED**] and the [**REDACTED**]. We expect to incur a total of approximately [**REDACTED**] of [**REDACTED**] expenses in connection with the [**REDACTED**], representing approximately [**REDACTED**] of the gross [**REDACTED**] from the [**REDACTED**] (based on an [**REDACTED**] of [**REDACTED**] per H Share, being the mid-point of our indicative price range for the [**REDACTED**], and assuming that the [**REDACTED**] is not exercised), among which (a) [**REDACTED**] expenses, including [**REDACTED**] commission and other expenses, are expected to be approximately [**REDACTED**] and (b) [**REDACTED**] expenses are expected to be approximately [**REDACTED**], comprising (1) fees and expenses of legal advisors and accountants of approximately [**REDACTED**] and (2) other fees and expenses of approximately [**REDACTED**]. Out of the expected [**REDACTED**] expenses of [**REDACTED**], approximately [**REDACTED**] is expected to be recognized in the consolidated statements of profit or loss and approximately [**REDACTED**] is expected to be recognized as a deduction in equity directly upon the [**REDACTED**]. During the Track Record Period, we recorded [**REDACTED**] expenses of [**REDACTED**], among which [**REDACTED**] as administrative expenses in our consolidated statements of profit or loss in 2025, and [**REDACTED**] as prepayments, other receivables and other assets in the consolidated statements of financial position as of December 31, 2025.

IMPACT OF COVID-19 PANDEMIC

During the COVID-19 pandemic, we had taken various measures to mitigate the impact of COVID-19. Except for three temporary closures at our headquarter office and Zhuzhou facility in 2022 (each lasting less than two weeks), we maintained operational continuity through remote work arrangements, enhanced workplace safety protocols and effective coordination with our suppliers and contractors. Specifically, our Hangzhou Bay facility completed the digitalized transformation in June 2022. See "Business — Production." Additionally, we reduced business travel and other onsite business development activities by implementing online initiatives in response to government epidemic prevention measures and the evolving COVID-19 situation.

Our Directors are of the view that COVID-19 did not have any material adverse impact on our business and financial condition during the Track Record Period and up to the Latest Practicable Date, based on the following considerations: (i) we did not encounter difficulties in securing timely and sufficient supplies; (ii) we did not experience significant disruption in the development and deployment of our solutions to customers; and (iii) there was no material labor shortage attributable to the COVID-19 pandemic. Nevertheless, we plan to stay alert and closely monitor and evaluate the market situation based on any development of the COVID-19 pandemic in the future. See "Risk Factors — Risks Relating to Our Business and Industries — We face risks related to natural disasters, health epidemics and other disease outbreaks."

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period, we have continued to carry on our principal business of providing electric drive systems and solutions through our three main business lines. During this period, there has been no material change to our business model, revenue structure or cost structure.

Our Directors have confirmed that up to the Latest Practicable Date, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the date of our latest audited financial statements, and there has been no event since December 31, 2025 which would materially affect the information shown in the Accountants' Report set out in Appendix I to this document.

INTERNATIONAL TRADES, TARIFFS, SANCTIONS, EXPORT CONTROL AND OUTBOUND INVESTMENT RULES

During the Track Record Period and up to the Latest Practicable Date, our products were exported from both China and Italy. Both export operations function independently.

Our direct exposure to U.S.-China tariff fluctuations is limited. The U.S. constitutes a minor portion of our revenue (less than 5% of our total revenue in 2023, 2024 and 2025) and supply chain (less than 0.001% of our total cost of raw materials in 2023, 2024 and 2025). Our established European presence provides a competitive buffer, and we are executing a diversification and localization plan to further mitigate such risks.

During the Track Record Period, we conducted limited transactions with regions and entities subject to certain international sanctions. Based on advice from our International Sanctions Legal Advisor, saved as disclosed in this document, as of the Latest Practicable Date, to our best knowledge, none of our customers and suppliers during the Track Record Period were (i) subject to export control restrictions; or (ii) restricted or sanctioned parties listed under the U.S., the European Union, the United Kingdom, the United Nations and Australia regime. In addition, as advised by our International Sanction Legal Advisor, during the Track Record Period, (i) we did not engage in Primary Sanctioned Activity that represent a violation to the International Sanctions; (ii) the risk is low that we will be viewed as having engaged in Secondary Sanctioned Activity or that our activities would result in the imposition of sanctions on the Relevant Persons; (iii) none of the Group members has been designated as a Sanctioned Target, nor is it located, incorporated, organized or resident in a Comprehensively Sanctioned Country; and (iv) our Company is not a Sanctioned Trader.

We have enhanced our internal controls to manage these risks proactively. Our internal controls will be implemented in stages before [**REDACTED**].

With respect to the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the "**Final Rule**") issued by the U.S. Department of the Treasury, which took effect on January 2, 2025, as advised by our legal advisors as to U.S. foreign investment laws, our business does not operate in the sectors targeted by the Final Rules. Therefore, our business activities do not fall within the scope of "prohibited activities" and "notifiable activities" under the Final Rule. Upon the [**REDACTED**], [**REDACTED**] by U.S. persons in our publicly [**REDACTED**] shares on the Stock Exchange would also be exempted by the Final Rule provided such U.S. persons are not afforded any right beyond standard minority shareholder protections.

See "Business — International Trades, Tariffs, Sanctions, Export Control and Outbound Investment Rules" for more details.