SUMMARY

This summary aims to give you an overview of the information contained in this document. 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 full text of this document. You should read the whole 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 forth in "Risk Factors" in this document. You should read that section carefully before you decide to* **[REDACTED]** *in the* **[REDACTED]**. *Various expressions used in this section are defined in "Definitions" and "Glossary of Technical Terms" to Appendices VII and VIII, respectively, in this document.*

You should note that the acquisition of Yubei Steering has not been completed as of the Latest Practicable Date. As a result, the historical operating results and financial conditions of our Group in 2023, 2024 and 2025 do not include the information of Yubei Steering. In addition, the consolidated financial information of our Group in 2023, 2024 and 2025 only includes the information of Bethel. See "History, Development and Corporate Structure — Major Acquisitions, Disposals and Mergers — Acquisition of Yubei Steering" for more information on the Acquisition of Yubei Steering. To follow applicable regulations and disclosure requirements and for the purpose of presenting necessary key data to assess the financial impacts of the Acquisition of Yubei Steering, this document includes the audited historical financial information of Yubei Steering in 2023, 2024 and 2025 (see "Accountants' Report of the Target Group" in Appendix IB) and the discussion and analysis on the historical financial information of Yubei Steering in 2023, 2024 and 2025 (see "Financial Information — Financial Information of Yubei Steering").

OVERVIEW

Who We Are

We are a leading automotive intelligent chassis system Chinese brand supplier. In 2025, we ranked No. 1 among Chinese brand suppliers by market share in both China's electronic parking brakes system ("**EPB**") and brake-by-wire system ("**BbW**") markets, with market shares of 14.2% and 8.6%, respectively, in terms of revenue, according to F&S.

Since our establishment in 2004, we have focused on research and development ("**R&D**"), manufacturing and providing of automotive intelligent chassis systems. We have built comprehensive in-house R&D capabilities covering core technologies within the entire stack, from braking ("**X-axis**"), steering ("**Y-axis**") and suspension ("**Z-axis**") to intelligent driving systems. We possess end-to-end capabilities across independent R&D, system integration and validation and large-scale production. According to F&S, we are one of the few Chinese brand suppliers capable of providing full-stack XYZ-axes chassis solutions with system-level integration capabilities and among the earliest Chinese brand suppliers to achieve large-scale production and platform based deployment of core automotive intelligent chassis technologies. As automotive intelligence and electrification advance, our solutions can effectively support the translation of intelligent driving commands into stable, efficient and responsive chassis motion and control. They serve as the execution foundation for advanced autonomous driving and are critical to ensuring driving safety and ride comfort.

In addition, according to F&S, automotive intelligent chassis systems and embodied robotics share similar core technologies and strong industrial supply chain synergies. Leveraging our accumulated expertise and experience in automotive intelligent chassis systems, we are well positioned to capture opportunities from this convergence. In 2025, we applied proprietary technologies accumulated from automotive intelligent chassis system R&D and manufacturing to the promising embodied robotics industry, actively advancing the development capabilities of core components for embodied robotics products, including motors, rolling screws and robotics joint modules.

Our Market Position

We are a pioneer in developing and commercializing core automotive intelligent chassis core technologies in China, underscored by the following market positions. According to F&S, we are (i) the first Chinese brand and the world's second supplier to mass-produce EPB; (ii) the world's first supplier to mass-produce dual-control EPB system ("**D-EPB**"); (iii) the first Chinese brand supplier to mass-produce electronic stability control system ("**ESC**"); (iv) the first Chinese brand supplier to launch and mass-produce a One-box BbW; (v) the first Chinese brand supplier to mass-produce a One-box BbW with brake redundancy functionality; (vi) the world's first supplier to achieve breakthroughs in full-dry electronic mechanical braking ("**EMB**") technology and mass production; and (vii) the world's first supplier to obtain the highest safety certificate, namely automotive safety integrity level D ("**ASIL-D**"), for EMB brake-by-wire systems. In 2025, we ranked No. 1 among Chinese brand suppliers by market share in both China's EPB and BbW markets.

We operate in the highly competitive global automotive intelligent chassis system industry, transitioning towards unified chassis solutions that coordinate longitudinal (X-axis) and lateral (Y-axis) control, with increasing integration of vertical (Z-axis) functions. See "Industry Overview."

Our Financial Performance

During the Track Record Period, our revenue and profitability continued to grow. In 2023, 2024 and 2025, we recorded revenue of RMB7,195.9 million, RMB9,635.6 million and RMB11,711.7 million, respectively, representing a CAGR of 27.6% from 2023 to 2025. We achieved a profit of RMB910.7 million, RMB1,222.0 million and RMB1,320.7 million in 2023, 2024 and 2025, representing a CAGR of 20.4% from 2023 to 2025.

OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths have contributed to our success and differentiate us from our competitors: (i) leader among Chinese brand automotive intelligent chassis system suppliers; (ii) strategic positioning in high-growth markets with strong growth momentum; (iii) comprehensive product portfolio and solution synergies enhancing customer value and operational efficiency; (iv) agile and efficient services forging strong and sustainable customer loyalty; (v) vertical integration and precision management developing cost and efficiency edge; and (vi) visionary and experienced management team. See "Business — Our Competitive Strengths."

OUR STRATEGIES

With a global and future-oriented outlook, we have formulated the following development strategies to achieve our mission: (i) deepen innovation and advance commercialization of chassis XYZ-axes systems, building an integrated wire-controlled chassis system; (ii) uphold and advance global expansion; (iii) steadily expand production capacity and upgrade manufacturing processes, leveraging digitalization to empower intelligent manufacturing; (iv) expand into embodied robotics; (v) focused growth in core business with selective investments and integration; and (vi) commitment to ESG and sustainable development. See "Business — Our Strategies."

OUR PRODUCTS

We are a leading automotive intelligent chassis system Chinese brand supplier. We specialize in R&D, manufacturing and providing mechanical braking products, intelligent electronic control products and mechanical steering products. We focus on providing automotive intelligent chassis system solutions and are committed to achieving an integrated and synergistic business across braking, steering, suspension and intelligent driving systems. As of the Latest Practicable Date, our product portfolio mainly includes the following: (i) our mechanical braking products primarily include mechanical disc brakes and calipers and lightweight chassis components; (ii) our intelligent electronic control products primarily include EPB, BbW (comprising WCBS and EMB), EPS, ADAS and ESC; and (iii) our mechanical steering products primarily include mechanical steering columns, mechanical steering intermediate shaft and mechanical steering gears. Our diversified products enable us to supply automotive OEMs with adaptabilities across different vehicle categories and technical configurations. Our main business model involves collaborating with customers to determine technical solutions, followed by a bidding process and conducting customized development and mass production for specific vehicle models and platforms. Leveraging our accumulated technical specialties, we are able to deliver tailored and integrated solutions to each automotive OEM customer. In addition, we are expanding into core components of robotics motion control systems, such as motors, rolling screws and robotics joint modules, benefiting from our technical expertise in precision manufacturing for automotive intelligent chassis system.

RESEARCH AND DEVELOPMENT

Our robust and comprehensive R&D capabilities constitute the cornerstone of our enduring competitive advantage and solidify our industry leadership. Guided by our core strategy of innovation-driven development, we have built an R&D ecosystem featuring a strong central platform, coordinated multi-site innovation and a global presence, which empowers us to achieve continuous breakthroughs across automotive intelligent chassis systems. In particular, we possess synchronous R&D capabilities across our full product portfolio. This allows us to design tailored products for diverse vehicle types and collaborate closely with OEMs throughout R&D processes. As of December 31, 2025, we had approximately 1,535 R&D personnel, accounting for 24.1% of our total workforce. As of December 31, 2025, we and four of our subsidiaries successfully obtained the national high-tech enterprise certification, and we have participated in numerous key national and provincial and ministerial-level scientific research projects.

OUR PRODUCTION

Our comprehensive and advanced production capabilities are the foundation of our business. Leveraging our sophisticated manufacturing technologies and large-scale production capabilities, we deliver consistent high-quality products and response to evolving market demands flexibly and efficiently. We have a full-cycle manufacturing capabilities covering entire production process, including casting, machining and assembly. Through a well-structured division of labor, specialized production and refined operational management, we have formed cost control advantages. We place strong emphasis on the application of automated production equipment and production information systems. Since 2016, we have established our automated caliper production lines and are committed to continuously enhancing our automation and digitalization levels. In addition, we possess independent manufacturing process design capabilities and achieve vertical control over production processes. Such abilities allows us to continuously optimize product performance and efficiency. Our robust management capabilities in raw material procurement, inventory management, logistics and supply chain enable us to accelerate delivery, reduce costs and enhance overall efficiency.

CUSTOMERS AND SUPPLIERS

We have established a broad and growing global customer base. Our customers mainly include leading domestic and international automobile manufacturers. In 2023, 2024 and 2025, revenue generated from our five largest customers in each year during the Track Record Period accounted for 72.9%,76.0% and 74.4% of our total revenue, respectively; and revenue generated from our largest customer in each year during the Track Record Period accounted for 38.7%, 45.1% and 39.0% of our total revenue, respectively.

During the Track Record Period, our major suppliers primarily comprised providers of key raw materials, such as (i) metal raw materials, including aluminum ingots and cast iron; (ii) basic mechanical components; and (iii) electronic materials. In 2023, 2024 and 2025, our purchases from our five largest suppliers in each year during the Track Record Period accounted for 29.2%, 28.9% and 23.0% of our total purchases, respectively; and our purchases from our largest supplier in each year during the Track Record Period accounted for 8.4%, 6.7% and 5.6% of our total purchases, respectively.

RISK FACTORS

There are certain risks and uncertainties involved in **[REDACTED]** in our H Shares, some of which are beyond our control. See "Risk Factors." Some of the major risks we face include: (i) our businesses are dependent on the development of the automotive industry. Adverse changes in automotive sales, production and market demand can materially and adversely affect our business, financial condition and results of operations; (ii) we operate in a highly competitive industry, and we may be unable to continually maintain our leading role in the market; (iii) we are exposed to customer concentration risk; (iv) our OEM customers are not obligated to meet projected purchase volumes at expected prices, and actual orders may fall short of expectations; (v) our business, operating results and financial condition may be adversely affected by continuing pricing pressures and cost-reduction initiatives in the automotive industry; (vi) if we do not successfully adapt our products to ongoing changes and technological advancements in the automotive industry, our business, financial condition and results of operations could be materially and adversely affected; and (vii) we face risks associated with the international sale of our products and our international operations. If we are unable to effectively manage these risks, our results of operation, financial conditions, business and prospects may be materially and adversely affected.

SUMMARY OF KEY FINANCIAL INFORMATION

The summary historical financial information set forth below should be read in conjunction with our audited consolidated financial information as of and for the years ended December 31, 2023, 2024 and 2025 included in the Accountants' Report set out in Appendix IA to this document, together with the accompanying notes. Our consolidated financial information has been prepared in accordance with the International Financial Reporting Standards issued by International Accounting Standards Board and accounting principles generally accepted in Hong Kong.

Summary of Consolidated Statements of Profit or Loss of Our Group

	Year ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands, except for percentages)					
Revenue	**7,195,851**	**100.0**	**9,635,551**	**100.0**	**11,711,707**	**100.0**
Cost of sales	(5,820,901)	(80.9)	(7,861,800)	(81.6)	(9,649,539)	(82.4)
Gross profit	**1,374,950**	**19.1**	**1,773,751**	**18.4**	**2,062,168**	**17.6**
Other income	375,444	5.2	528,442	5.5	444,425	3.8
Other (losses) and gains, net	(4,147)	(0.1)	44,220	0.5	21,565	0.2
Research and development expenses	(449,781)	(6.3)	(575,517)	(6.0)	(605,497)	(5.2)
General and administrative expenses	(178,455)	(2.5)	(239,724)	(2.5)	(306,452)	(2.6)
Selling expenses	(32,230)	(0.4)	(39,889)	(0.4)	(60,295)	(0.5)
Net impairment losses (recognized)/reversed on financial assets	(38,762)	(0.5)	(85,805)	(0.9)	8,915	0.1
Finance costs	(30,061)	(0.4)	(10,150)	(0.1)	(35,705)	(0.3)
Profit before income tax	**1,016,958**	**14.1**	**1,395,328**	**14.5**	**1,529,124**	**13.1**
Income tax expenses	(106,259)	(1.4)	(173,331)	(1.8)	(208,447)	(1.8)
Profit for the year	**910,699**	**12.7**	**1,221,997**	**12.7**	**1,320,677**	**11.3**

Revenue of Our Group

The following table sets forth a breakdown of our revenue by business segment for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands, except for percentages)					
Mechanical braking products	3,348,526	46.5	4,427,473	45.9	5,144,981	43.9
Intelligent electronic control products	3,276,860	45.5	4,507,786	46.8	5,826,441	49.7
Mechanical steering products	480,634	6.7	556,507	5.8	570,912	4.9
Others[1]	89,831	1.3	143,785	1.5	169,373	1.5
Total	**7,195,851**	**100.0**	**9,635,551**	**100.0**	**11,711,707**	**100.0**

(1) Others mainly included spare parts and molds.

The table below sets forth a breakdown of our revenue by geographical location for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands, except for percentages)					
Chinese Mainland	6,321,695	87.9	8,519,344	88.4	10,261,304	87.6
Other countries/regions	874,156	12.1	1,116,207	11.6	1,450,403	12.4
Total	**7,195,851**	**100.0**	**9,635,551**	**100.0**	**11,711,707**	**100.0**

Cost of Sales for Our Group

The following table sets forth a breakdown of our cost of sales by nature for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands, except for percentages)					
Cost of materials	4,719,670	81.1	6,618,023	84.2	7,952,141	82.4
Direct labor	386,623	6.6	511,525	6.5	702,048	7.3
Manufacturing costs	576,055	9.9	528,170	6.7	737,161	7.6
Others[1]	138,553	2.4	204,082	2.6	258,189	2.7
Total	**5,820,901**	**100.0**	**7,861,800**	**100.0**	**9,649,539**	**100.0**

(1) Others mainly included logistic fees, warranty costs, warehousing fees and packaging fees.

Gross Profit and Gross Profit Margin of Our Group

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

	Year ended December 31,					
	2023		2024		2025	
	GP	GPM	GP	GPM	GP	GPM
	(RMB in thousands, except for GPM in percentages)					
Mechanical braking products	680,219	20.3	800,329	18.1	791,287	15.4
Intelligent electronic control products	612,681	18.7	860,606	19.1	1,160,831	19.9
Mechanical steering products	55,104	11.5	60,943	11.0	52,618	9.2
Others[(1)]	26,946	30.0	51,873	36.1	57,432	33.9
Overall/Total	**1,374,950**	19.1	**1,773,751**	18.4	**2,062,168**	17.6

(1) Others mainly included spare parts and molds.

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

	Year ended December 31,					
	2023		2024		2025	
	GP	GPM	GP	GPM	GP	GPM
	(RMB in thousands, except for GPM in percentages)					
Chinese Mainland	1,061,698	16.8	1,404,135	16.5	1,747,851	17.0
Other countries/regions	313,252	35.8	369,616	33.1	314,317	21.7
Overall/Total	**1,374,950**	19.1	**1,773,751**	18.4	**2,062,168**	17.6

Summary of Consolidated Statements of Financial Position of Our Group

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Non-current assets	3,028,359	3,530,723	4,288,469
Current assets	7,718,390	9,255,314	12,987,213
Non-current liabilities	459,992	520,267	3,073,428
Current liabilities	4,232,949	5,325,506	5,787,534
Net assets	6,053,808	6,940,264	8,414,720

Summary of Consolidated Statements of Cash Flows of Our Group

	Year ended December 31,		
	2023	2024	2025
		(RMB in thousands)	
Net cash flows generated from operating activities	678,331	1,057,721	866,962
Net cash flows used in investing activities	(841,430)	(706,217)	(3,756,410)
Net cash flows generated from/(used in) financing activities	162,073	(515,518)	2,596,065
Net decrease in cash and cash equivalents	(1,026)	(164,014)	(293,383)
Cash and cash equivalents at beginning of year	2,163,749	2,169,879	2,005,420
Effect of foreign exchange rate changes, net	7,156	(445)	(5,389)
Cash and cash equivalents at end of year	**2,169,879**	**2,005,420**	**1,706,648**

Summary of Financial Information of Yubei Steering

	Year ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands, except for percentages)					
Revenue	3,028,834	100.0	2,974,505	100.0	3,138,997	100.0
Cost of sales	(2,790,427)	(92.1)	(2,691,964)	(90.5)	(2,766,598)	(88.1)
Gross profit	238,407	7.9	282,541	9.5	372,399	11.9
Other income	57,905	1.9	75,479	2.5	54,706	1.7
Other (losses) and gains, net	(3,762)	(0.1)	88	0.0	(3,672)	(0.1)
Research and development expenses	(81,437)	(2.7)	(79,832)	(2.7)	(125,966)	(4.0)
General and administrative expenses	(99,504)	(3.3)	(107,564)	(3.6)	(117,327)	(3.8)
Selling expenses	(65,640)	(2.2)	(65,126)	(2.2)	(76,626)	(2.4)
Net impairment losses recognized on financial assets	(8,966)	(0.3)	(18,470)	(0.6)	(37)	(0.0)
Finance costs	(6,793)	(0.2)	(6,774)	(0.2)	(7,969)	(0.3)
Share of results of associates and joint ventures, net	55,259	1.8	58,233	2.0	59,700	1.9
Profit before income tax	85,469	2.8	138,575	4.7	155,208	4.9
Income tax credit/(expense)	4,525	0.2	(4,313)	(0.2)	1,744	0.1
Profit for the year	89,994	3.0	134,262	4.5	156,952	5.0

KEY FINANCIAL RATIOS OF OUR GROUP

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

	As of/For the Year ended December 31,		
	2023	2024	2025
Return on equity *(%)*[(1)]	17.1	18.8	17.2
Return on total assets *(%)*[(1)]	9.4	10.4	8.8
Current ratio *(times)*[(1)]	1.8	1.7	2.2
Quick ratio *(times)* [(1)]	1.6	1.5	1.9
Gearing ratio *(%)*[(1)]	43.7	45.7	51.3

(1) See "Financial Information — Key Financial Ratios" for the calculation methodology.

OUR LISTING ON THE SHANGHAI STOCK EXCHANGE

Since April 27, 2018, our A Shares have been listed on the Shanghai Stock Exchange. Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, we had no instance of material non-compliance with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC, 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 Advisors advised us that during the Track Record Period and up to the Latest Practicable Date, we have not been subject to any material administrative penalties or regulatory measures imposed by

PRC securities regulatory authorities and we have complied with the relevant laws and regulations on A share listings applicable to us in all material respects. Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that would cause it to cast doubt on our Directors' confirmation with regard to the compliance record of our Company on the Shanghai Stock Exchange.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, Chairman Yuan was interested in approximately 23.07% of our A Shares, comprising (i) approximately 18.24% of our A Shares directly held by Chairman Yuan, and (ii) approximately 4.83% of our A Shares held by Bethel Investment Management, where Shanghai Henglu (a company wholly owned by Ms. Pan, the spouse of Chairman Yuan) acted as its executive partner and held approximately 6.70% partnership interest in it. Accordingly, Chairman Yuan, Bethel Investment Management, Shanghai Henglu and Ms. Pan constitute our Single Largest Group of Shareholders. For background and biographical details of Chairman Yuan, see "Directors and Senior Management — Executive Directors".

Immediately following completion the **[REDACTED]**, our Single Largest Group of Shareholders will in aggregate hold approximately **[REDACTED]**% of our Shares (excluding A Shares to be issued upon the conversion of the outstanding 2025 Convertible Bonds, and assuming the **[REDACTED]** is not exercised and there are no other changes made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**). Accordingly, upon **[REDACTED]**, they will remain as our Single Largest Group of Shareholders.

[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 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$[REDACTED] per [REDACTED]	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]
Market capitalization of our Shares(1)	HK$**[REDACTED]**	HK$**[REDACTED]**
Market capitalization of our H Shares(1)	HK$**[REDACTED]**	HK$**[REDACTED]**
Unaudited **[REDACTED]** adjusted consolidated net tangible assets per Share(2)	HK$**[REDACTED]**	HK$**[REDACTED]**

(1) The calculation of market capitalization is based on (i) **[REDACTED]** H Shares expected to be issued pursuant to the **[REDACTED]**, assuming the **[REDACTED]** is not exercised; and (ii) 897,639,587 A Shares in issue based on the closing price of our A Shares as of Latest Practicable Date of RMB32.86 (equivalent to approximately HK$37.59) per A Share, representing in aggregate **[REDACTED]** Shares expected to be in issue immediately following the completion of the **[REDACTED]**, assuming the **[REDACTED]** is not exercised.

(2) The unaudited **[REDACTED]** adjusted consolidated net tangible assets per share is arrived at after the adjustment referred to in "Appendix II Unaudited **[REDACTED]** Financial Information."

DIVIDENDS

In 2023, 2024 and 2025, dividends of RMB139.6 million, RMB147.3 million and RMB211.6 million were declared and paid, respectively. We declared and paid dividends for 2025 totalling RMB230.5 million as of Latest Practicable Date. See note 17 of the Accountants' Report in Appendix IA to this document. Our dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by us in the future. Any future determination of dividends distribution, as well as the amount will be made at the discretion of our Board of Directors which will be subject to the corporate shareholder approval processes and may be based on a number of factors, including but not limited to our future operations and earnings, capital requirements and surplus, cash flows and general financial condition, contractual restrictions, taxation and other factors from time to time that the Board of Directors may deem relevant, and will also be subject to our Articles of Association and constitutional documents, as well as applicable laws and regulations. We shall distribute cash dividends once per financial year, provided that (i) the applicable conditions for cash dividend distribution are fulfilled; and (ii) there are no material investment plans or significant capital expenditure arrangements. In general, the total distributed cash dividends for three consecutive years shall no less than 30% of the average annual distributable profits in the consolidated financial statements over those three years. Interim dividends may also be distributed at discretion of our Board when circumstances permit. Any future declarations and payments of dividends may or may not reflect the historical declarations and payments of dividends.

FUTURE PLANS AND USE OF [REDACTED]

We estimate that we will receive net **[REDACTED]** from the **[REDACTED]** of approximately HK$**[REDACTED]**, after deducting the **[REDACTED]** and other estimated expenses paid and payable by us in connection with the **[REDACTED]**, and assuming the **[REDACTED]** is not exercised and an **[REDACTED]** of HK$**[REDACTED]** per H Share (being the mid-point of the indicative **[REDACTED]** range as stated in this document). In line with our strategies, we intend to use the net **[REDACTED]** from the **[REDACTED]** for the following purposes: (i) approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used to enhance our R&D capabilities in automotive intelligent chassis systems, including braking, steering and suspension, and, by leveraging our core technological expertise, expand our product portfolio in emerging business sectors including embodied robotics; (ii) approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used to invest in our domestic production capacity expansion to meet rapidly growing demand in the automotive intelligent chassis systems and establish capabilities in emerging business sectors; (iii) approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used to expand our global manufacturing footprint and enhance localized service capabilities to respond more efficiently to overseas customer needs and support international expansion; and (iv) approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used for working capital and other general corporate purposes. See "Future Plans and Use of **[REDACTED]**."

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Key Operating and Financial Data

We are a public company listed on the Shanghai Stock Exchange and we released our first quarterly report, containing our unaudited consolidated financial statements as of and for the three months ended March 31, 2026 prepared under PRC GAAP.

The sales volume of our mechanical braking products in the three months ended March 31, 2026 reached 5,219,178 units. The sales volume of our intelligent electronic control products and mechanical steering products in the three months ended March 31, 2026 reached 1,657,598 sets and 807,731 sets, representing a 13.4% and 11.2% increase as compared to the same period in 2025, respectively. For the three months ended March 31, 2026, we secured 138 new design wins, representing a 15.0% increase as compared to the same period in 2025. During the same period, we had 21 design wins progressed to the mass production stage. Our financial performance remained relatively stable for the three months ended March 31, 2026. However, our historical operating and quarterly consolidated financial results may not be indicative of any of our future performance.

Acquisition of Yubei Steering

On February 25, 2026, our Company entered into a share transfer agreement with the existing shareholders of Yubei Steering System (Xinxiang) Co., Ltd.* (豫北轉向系統(新鄉)股份有限公司) ("**Yubei Steering**"), all being Independent Third Parties, pursuant to which each of them conditionally agreed to transfer and our Company conditionally agreed to acquire 30.4365%, 15.0817%, 3.6364% and 1.8182% equity interest in Yubei Steering, respectively (the "**Acquisition**"). Pursuant to the supplemental agreement entered into by the parties on April 28, 2026, the considerations were RMB669,602,185, RMB331,797,815, RMB80,000,000 and RMB40,000,000, respectively, which will be settled in cash. As of the Latest Practicable Date, the Acquisition has not been completed. Upon completion, Yubei Steering will be owned as to 50.9727% by our Company and become a non-wholly-owned subsidiary of our Group.

Yubei Steering is a Tier 1 automotive components supplier primarily engaged in the R&D, production and sales of automotive steering systems and key components. Its principal products, including EPS, hydraulic power steering systems and steering system components, demonstrate strong synergies with our current automotive steering products in terms of technology, market coverage and scale. The Acquisition is expected to integrate the complementary technological strengths and resources of Yubei Steering and us, further enhancing and expanding our product portfolio in the automotive safety systems sector, and strengthen our customer service capabilities and overall competitiveness. As of the Latest Practicable Date, Yubei Steering operated six manufacturing facilities located in Henan, Hubei and Jiangsu provinces as set out in "Business — Our Production — Production Facilities." The Acquisition is in line with our development strategy and in the interests of us and its shareholders as a whole. The Acquisition constitutes a major acquisition for our Group subsequent to the Track Record Period. See "History, Development and Corporate Structure — Major Acquisitions, Disposals and Mergers — Acquisition of Yubei Steering."

The following table summarizes the results of operations of Yubei Steering during the Track Record Period. See "Financial Information — Financial Information of Yubei Steering."

	Year ended December 31,		
	2023	**2024**	**2025**
		(RMB in thousands)	
Revenue	3,028,834	2,974,505	3,138,997
Cost of sales	(2,790,427)	(2,691,964)	(2,766,598)
Gross profit	238,407	282,541	372,399
Profit before income tax	85,469	138,575	155,208
Profit for the year	89,994	134,262	156,952

During the Track Record Period and as of the Latest Practicable Date, there were no pending or threatened litigation or other proceedings concerning Yubei Steering that we believe would materially adversely affect the proposed Acquisition as of the Latest Practicable Date. As advised by our PRC Legal Advisors, during the Track Record Period, Yubei Steering was not subject to any material administrative penalties for non-compliance with applicable PRC laws and regulations in China and, as of the Latest Practicable Date, had obtained all necessary material licenses, approvals and permits from the relevant regulatory authorities in respect of its operations in the PRC.

No Material Adverse Change

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 end date of the years reported on in the Accountants' Report as set out in Appendix IA 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 IA to this document.

SUMMARY OF PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP WITH YUBEI STEERING

The following table presents assets, liabilities and equity of the enlarged group with Yubei Steering based on the audited consolidated statement of financial position of our Group and Yubei Steering as of December 31, 2025 as set out in Appendix IA and IB to the document. The unaudited pro forma consolidated statement of assets and liabilities of the enlarged group with Yubei Steering has been prepared for illustrative purpose only and, because of its hypothetical nature, may not give a true picture of the financial position of the enlarged group as of December 31, 2025, or any future date. See Appendix II to this document.

	As of December 31, 2025
	(RMB in thousands) *(Unaudited)*
Non-current assets	6,548,786
Current assets	15,408,458
Non-current liabilities	4,265,006
Current liabilities	8,388,645
Net current assets	**7,019,813**
Net assets	**9,303,593**

[REDACTED]

Assuming an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]** range stated in this document), the **[REDACTED]** which are payable by us are estimated to amount in aggregate to be approximately HK$**[REDACTED]**, accounting for approximately **[REDACTED]**% of the gross **[REDACTED]** from the **[REDACTED]**. The total **[REDACTED]** consist of (i) approximately HK$**[REDACTED]** **[REDACTED]** (including **[REDACTED]**, **[REDACTED]**, SFC transaction levy, Stock Exchange trading fee, and AFRC transaction levy) and (ii) approximately HK$**[REDACTED]** non-**[REDACTED]** fees mainly comprising (a) fees paid to legal adviser(s) and accountant(s) of approximately HK$**[REDACTED]**, and (b) other fees and expenses and fees paid to other professional parties of approximately HK$**[REDACTED]**. Among the total **[REDACTED]**, approximately RMB**[REDACTED]** (HK$**[REDACTED]**) of which is expected to be charged to our consolidated statements of profit or loss, and approximately RMB**[REDACTED]** (HK$**[REDACTED]**) of which is expected to be deducted from equity upon the completion of the **[REDACTED]**. The **[REDACTED]** above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.