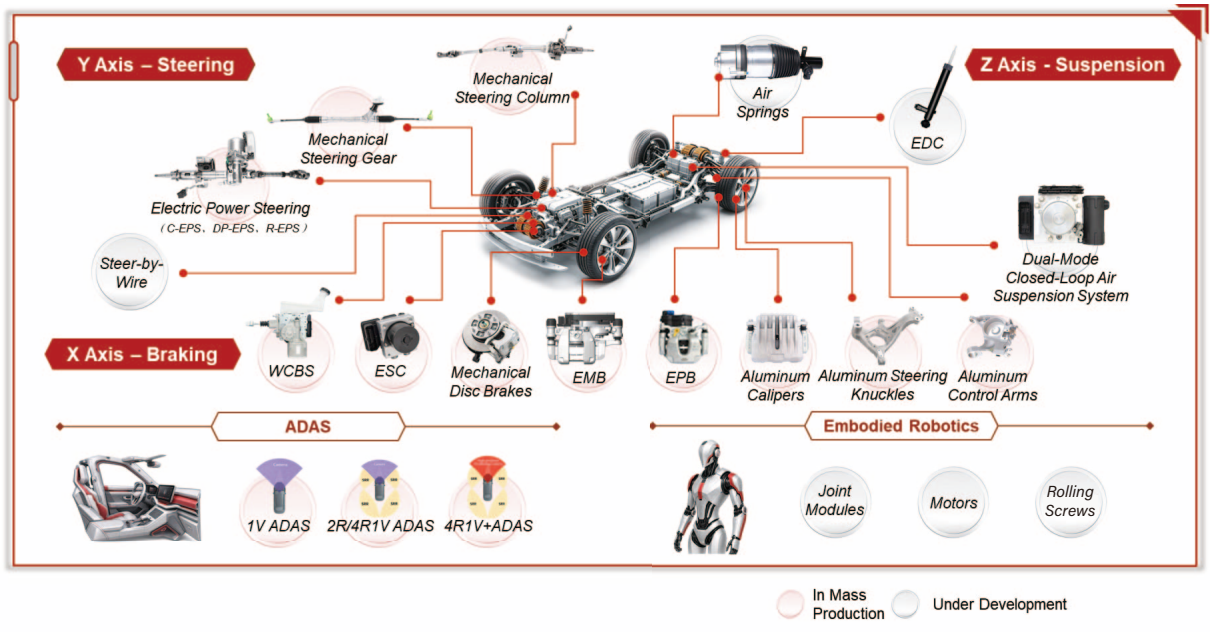
OVERVIEW

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 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.

Our R&D and Technical Capabilities

Since inception, we have consistently prioritized independent innovation. We believe technological innovation is fundamental to our long-term growth and are committed to continuously enhancing our R&D and technical strengths to refine our product portfolio and elevate product quality. Our scientific research capabilities and products have garnered numerous accolades. We have been honored as National Intellectual Property Demonstration Enterprise (國家知識產權示範企業), Anhui Provincial Science and Technology Excellent Innovation Enterprise (安徽省優秀創新型企業) and Top 100 Chinese Auto Parts Enterprises (中國汽車零部件百強企業). In 2022, we received the Innovative Team Award (創新團隊獎)[1] under the China Society of Automotive Engineers Science and Technology Award (中國汽車工程學會科學技術獎) ("**CSAE Science and Technology Award**"), one of the highest technological innovation honors in China's automotive industry; in 2024, our wire-controlled brake systems ("**WCBS**") 2.0H product received the Best Technology Product Award under the Automotive Industry Peak Awards at the China Automotive Industry Quality Conference (中國汽車工業質量大會 — 汽車工業巔峰獎最佳技術產品獎); in 2025, we received the Automotive Industry Peak Award from the International Automotive Quality Standardization Association (國際汽車質量標準化協會 — 汽車工業巔峰獎); and during the Track Record Period, our projects for technologies applied in our various products, including WCBS, received multiple top-three recognitions under the CSAE Science and Technology Awards. We maintain a professional R&D team. As of December 31, 2025, we employed 1,535 R&D personnel, accounting for 24.1% of our total employees. Our research and development efforts have led to continuous technological breakthroughs and product innovation, enabling us to stand out in the industry. As of the Latest Practicable Date, we held 464 granted patents in the PRC (including 124 invention patents, 333 utility models and seven design patents) and 444 domestic patent applications pending (including 354 invention patent applications and 90 utility model applications). In terms of international patents, we held 46 Patent Cooperation Treaty ("**PCT**") international patent applications and 10 granted PCT international patents. As of December 31, 2025, we and four of our subsidiaries had been recognized as National High and New Technology Enterprises and we have participated in numerous key national and provincial and ministerial-level scientific research projects.

Our Global Expansion

We remain steadfast in advancing our global expansion strategy. Since entering international markets in 2009, our products have reached over 50 countries and regions worldwide as of the Latest Practicable Date. As of the Latest Practicable Date, we operated 17 production bases globally in, among others, Anhui, Zhejiang, Hebei, Sichuan and Shandong provinces in China, and Saltillo in Mexico. As

1 According to the official website of the China Society of Automotive Engineers, since its establishment, the award has been granted to one team only per annum to recognize industry leaders who have achieved significant breakthroughs in overcoming technological bottlenecks and ensuring industrial chain autonomy and control.

of the Latest Practicable Date, we operated 17 production bases globally in, among others, Anhui, Zhejiang, Hebei, Sichuan and Shandong provinces in China, and Saltillo in Mexico. In addition, we established our Morocco subsidiary in July 2025 to commence the construction of an additional production base. As of the same date, we had established eight R&D centers located in Anhui, Zhejiang, Jiangsu and Shaanxi provinces and Shanghai, China and Detroit, the United States and Frankfurt, Germany. Moreover, our wholly-owned subsidiary in Singapore, focused on investments, was formally incorporated in March 2024, further deepening our global strategic positioning. Our extensive global footprint enhances our ability to respond to global customer demands, shorten supply chain distances, support synchronized R&D with international partners, improve customer service experiences and loyalty and attract talent worldwide.

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

Leader among Chinese Brand Automotive Intelligent Chassis System Suppliers

We are a leading automotive intelligent chassis system Chinese brand supplier and one of the few Chinese brand suppliers capable of integrating and mass producing automotive chassis systems with intelligent driving systems. We have over 20 years of experience in R&D, manufacturing and providing of automotive intelligent chassis systems. Through continuous independent innovation, we have established comprehensive in-house, full-stack capabilities spanning R&D, testing and validation, and end-to-end mass production, covering core technologies across the entire stack, from braking ("**X-axis**"), steering ("**Y-axis**") and suspension ("**Z-axis**") to intelligent driving systems. These capabilities have enabled us to establish strong barriers and secure our market leadership.

We are among the industry leaders in developing and commercializing core automotive intelligent chassis technologies in China. See "— Overview — Our Market Position." We hold the following positions in technological domains: (i) the first Chinese brand and the world's second supplier to mass-produce EPB; (ii) the first Chinese brand supplier to mass-produce ESC; (iii) the first Chinese brand supplier to launch and mass-produce a One-box BbW; (iv) the world's first supplier to achieve breakthroughs in full-dry EMB technology and mass production; and (v) the world's first supplier to achieve breakthroughs in closed-loop dual-mode air suspension technology and secure mass production design wins.

Through outstanding product performance and technological capabilities, we have established a solid customer base and industry reputation, achieving industry-leading market share that supports our continued development. According to F&S, we are (i) No. 1 Chinese brand supplier of automotive braking system in China in 2025; (ii) No. 3 EPB supplier in Chinese market and No. 1 among Chinese brand suppliers in 2025; (iii) No. 2 BbW supplier in Chinese market and No. 1 among Chinese brand suppliers in 2025; and (iv) No. 1 Chinese brand supplier of automotive lightweight steering knuckles in 2025.

Breakthroughs in key technologies have not only translated into our multiple industry-leading market shares, but also enabled the expansion from individual products to comprehensive intelligent chassis solutions. Supported by our ongoing R&D investment, accumulated technical expertise and diverse product portfolio, we have established a set of competencies that are not easily replicated, well

positioning us to respond to industry trends toward increased intelligence, electrification and lightweighting. As intelligent chassis technologies enter a new stage of domain-control integration, we plan to further enhance our capabilities to provide XYZ-axes full-stack systematical solution and integration capabilities. This will provide robust support for the development of advanced autonomous driving and elevate the brand positioning and value of Chinese enterprises in the global automotive intelligent chassis industry.

Strategic Positioning in High-Growth Markets with Strong Growth Momentum

Leveraging forward-looking technological layout and comprehensive industrial chain capabilities, we have secured competitive positions in multiple high-growth blue-ocean markets, laying a solid foundation for long-term growth.

Accelerating EPB Global Expansion Unlocking New Growth Opportunities. We ranked No. 3 among EPB suppliers in China and No. 1 among Chinese brand suppliers, with a market share of 14.2% in China's EPB market in terms of revenue in 2025, according to F&S. In May 2026, our 500th EPB project entered production. While maintaining domestic market leadership, we actively expanded overseas. The global EPB market is projected to reach RMB62.6 billion in 2026 and is expected to continue its robust growth, presenting us with substantial opportunities for overseas expansion. In December 2022, our EPB products secured the first design win from overseas OEMs. According to F&S, we are among the first Chinese brand suppliers to achieve overseas mass production of EPB products and supply such products to overseas OEMs. As of the Latest Practicable Date, our EPB products have secured multiple overseas design wins, with robust pipeline projects.

Leading Domestic Market Position in Growing BbW Sector, to Further Broaden Its Edge. With a 8.6% market share in China's BbW sector by revenue in 2025, we ranked No. 2 among BbW suppliers in China and No. 1 among Chinese brand suppliers. Our WCBS products have been supplied to seven of China's top ten OEMs in terms of sales volume in 2025. Our products have been installed in models of numerous automotive brands including Chery, Geely, BAIC, Changan, GAC, Dongfeng and Li Auto. BbW sector is rapidly expanding, with domestic substitution gaining strong momentum. According to F&S, in 2025, over 14 million new passenger vehicles in China were factory-equipped with EHB as standard, achieving an approximately 50% adoption rate. By 2030, BbW is projected to be factory-installed as standard in over 90% of passenger vehicles in China. From 2026 to 2030, China's BbW sector is expected to grow at a CAGR of 18.0%. Our WCBS have not only gained a leading position in China but are also advancing globally. Our WCBS have obtained design wins from overseas OEMs, making us one of the first Chinese brands to achieve this milestone. We will commence our initial supply to the European market in 2026, with further overseas expansion to follow.

Proactively Positioning for EMB as Next-generation Technology to Secure Leading Edge. EMB completely eliminates components like brake fluid and hydraulic lines used in traditional braking systems. It delivers faster response, simpler structure and lighter weight while delivering more precise control. At the same time, increasingly stringent requirements are placed on system safety design, redundant architecture, functional safety certification and mass production capabilities. EMB represents an advanced technology solution for BbW and serves as a core supporting product for advanced autonomous driving. We completed initial prototype development and trial validation of EMB in 2023, maintaining a leading position in development progress within the industry. In 2024, we invested in the *Annual Production of 600,000 Sets of EMB: R&D and Mass Production* project, further strengthening R&D capabilities and production capacity and completed the manufacturing and testing of EMB B-samples. As of December 31, 2025, we have secured four design wins. Our EMB achieved mass production in 2026, further consolidating our competitive strengths in next-generation BbW technology.

Steering Systems Undergoing Electronic and Steer-by-wire Upgrades, Laying the Foundation for Future Growth. We have actively expanded into electric power steering ("**EPS**") sector and are advancing steering-by-wire systems ("**SBW**"). Following the expected completion of the acquisition of Yubei Steering (the "**Acquisition**"), we will leverage product synergies between our independently developed products and Yubei Steering's existing offerings to solidify mass production capabilities for column EPS system ("**C-EPS**"), dual-pinion EPS ("**DP-EPS**") and rack EPS system ("**R-EPS**"). This will further enhance our capabilities to provide comprehensive solutions for intelligent chassis, supporting high-level autonomous driving, as well as establishing a foundation for future growth.

Electronic Control Suspension System Innovation Leading the Industry. We introduced an innovative dual-mode closed-loop air supply unit solution. Integrated with self-developed electronic damper control ("**EDC**") and single- and multi-chamber air spring, it enables us to provide solutions ranging from standalone components to electronic control suspension system-level offerings, with performance and costs outperforming industry peers. Our solution is designed on a closed-system architecture while enabling flexible switching to an open-system mode. It achieves higher system integration, lower energy consumption and improved noise control, while maintaining cost efficiency and delivering enhanced overall performance. We plan to achieve mass production of the electronic control suspension system in the second half of 2026 as one of the few China's brand suppliers with integrated R&D and manufacturing capabilities for air springs, air supply units and EDC.

Capitalizing on Emerging Growth Opportunities in Robotics. According to F&S, motors and rolling screws form the foundation, and are core components, for precise motion control system in embodied robotics. These technologies are also highly aligned with those used in automotive intelligent chassis systems. As such, leveraging our technical expertise in R&D, manufacturing for automotive intelligent chassis systems, we are actively developing core robotics motion control components, such as motors, rolling screws and robotics joint modules. We have established subsidiaries dedicated to R&D in these areas to further strengthen our capabilities in embodied robotics products. As of the Latest Practicable Date, we maintained a dedicated R&D team of approximately 40 personnel, with capabilities in R&D of rolling screws, frameless torque motors and robotics joint modules. Such products generate strong synergy with our existing business and are well positioned for accelerated growth as robotics applications gain traction. Our proven automotive component R&D, supply chain management and mass production capabilities, quality system and technological advancements in motion control algorithms provide us unique advantages in robotics component development, which is expected to become a key growth driver.

Comprehensive Product Portfolio and Solution Synergies Enhancing Customer Value and Operational Efficiency

Leveraging our full-stack technological foundation across braking, steering, suspension and intelligent driving systems, together with capabilities spanning core component design, system integration and cross-domain coordination, we have built a comprehensive product portfolio as of the Latest Practicable Date. In the field of XYZ-axes chassis domain control which requires multi-system deep coordination, we have established a clear generational lead.

We have long-standing experience in braking systems with full-chain technological breakthroughs from mechanical braking and electronic braking to BbW. We possess core technologies and design expertise across the entire product portfolio. We were among the earliest Chinese brand suppliers to commercialize mechanical disc brake technologies and subsequently developed strong advantages in calipers, lightweight chassis components and other mechanical braking products, laying a robust foundation for our R&D in EPB, ESC and other electronic control products. Our ESC development builds on (i) accumulated technical know-how in anti-lock braking system ("**ABS**") and (ii) proprietary

capabilities in precision components, such as solenoid valves and printed circuit board assemblies ("**PCBA**"). The development of ESC has enabled us to develop deep expertise in related hardware design capabilities, hydraulic system precision modulation technology, vehicle dynamics control algorithms and system construction capabilities that meet functional safety requirements. Such technological accumulation has laid a solid foundation for our next stage of BbW R&D initiatives. In 2021, we became the first Chinese brand supplier to achieve mass production of a One-box BbW. Building on our extensive experience in mechanical braking, EPB and BbW technologies, we have developed a suite of core technologies, including lightweight, low-drag caliper design, noise, vibration and harshness ("**NVH**") optimization and motor clamping-force control algorithms. Together with our established and comprehensive bench-testing and vehicle-level validation framework, these capabilities serve as the technological foundation for advancing our EMB R&D process. In March 2026, we achieved mass production of full-dry EMB.

Our broad product portfolio enables system-level synergies across XYZ-axes chassis systems, supporting performance optimization, cost efficiency and customer value: (i) ***synergy within braking systems***. ESC and EPB integration reduces the need for a separate EPB controller and supports coordinated braking functions, optimizing system architecture, efficiency and safety. In addition, WCBS integrates D-EPB control functions, providing both driving brake backup and parking brake functions, while reducing electronic control units ("**ECU**") and wiring complexity. This enhances system reliability and performance and has become an industry leading and widely adopted solution; (ii) ***synergy between braking and steering systems***. WCBS precisely modulates brake torque to support NVH optimization and can implement individual wheel braking to provide safety redundancy in the event of steering system failures; and (iii) ***synergy between braking and suspension systems***. Through WCBS algorithm optimization and cross system integration, we reduce the number of sensors and controllers required for suspension systems, lowering system costs while improving response speed.

We provide offerings from individual components to integrated system-level solutions, with the capability to deliver multi-product, multi-system development for a single vehicle model. This allows us to accurately meet diverse customer needs across intelligent chassis and driving applications, while reducing coordination complexity and improving development efficiency. Our system-level integration capability supports customer engagement and new design wins. Meanwhile, our expanding portfolio breadth increases our per-vehicle value coverage and expands both the depth and breadth of our customer base, supporting revenue diversification. Combined with cost optimization and operating leverage from cross-product technological synergies, these strengths enhance our business stability, risk resilience and overall profitability.

Agile and Efficient Services Forging Strong and Sustainable Customer Loyalty

Guided by the principle of customer proximity, we strategically allocate production capacity and R&D resources. Our headquarters, branches, and subsidiaries across China, including Anhui, Shandong, Hebei, Sichuan and Zhejiang provinces and Shanghai, leverage their respective geographical advantages to provide localized supply and timely response to regional customers. Our Mexico production base and North American R&D center effectively serve the North American market, while we established our Morocco subsidiary in July 2025 and Frankfurt research center, which commenced operations in 2026, further extending our reach into Europe. This approach shortens supply chains, facilitates closer R&D collaboration and improves responsiveness to global customers. Simultaneously, our capability for synchronized development and design enables earlier involvement in new vehicle platform development and delivery of customized innovative solutions. Backed by our product quality and service capabilities, we served nine of China's top ten OEMs and eight of the world's top ten OEMs, in terms of sales volume in 2025, reflecting our high-quality customer base and long-standing, stable partnerships.

We have earned recognition from major OEMs and industry participants, supporting our brand reputation and customer relationships. We continue to secure new design wins in North American and European markets, demonstrating our global competitiveness. We have received customer recognitions including "Outstanding Supplier" and "Technical Innovation Award" from Chery, Geely, Changan, GAC, as well as from international leading OEMs, such as GM. We have been granted with over 20 awards granted by OEM customers in 2025 alone. During the Track Record Period, three of our subsidiaries, namely, Bethel Electronics, Bethel Weihai and Wanda Steering were recognized as a Specialized, Refined, Distinctive, and Innovative Small Giant Enterprise (專精特新小巨人企業) by the Ministry of Industry and Information Technology ("**MIIT**"). We were consecutively selected for the Top 100 Chinese Automotive Parts Enterprises and honored with awards under the CSAE Science and Technology Awards.

Vertical Integration and Precision Management Developing Cost and Efficiency Edge

We have independently established a comprehensive and self-sufficient end-to-end manufacturing system, covering production stages from casting and machining to assembly. This enables full process control and disciplined quality and cost management across production stage.

Our in-house design and R&D capabilities extend to products, production lines and selected manufacturing equipment. This vertical integration from process to product empowers us to proactively manage costs through continuous iteration and upgrade of product architecture, production techniques and workflow efficiency. Core components are manufactured in-house, while non-core components are produced partly in-house and partly outsourced, balancing quality control, cost management and resource allocation. In-house production of core components supports product quality and cost control. Outsourcing certain non-core components allows us to focus resources on higher value-added core components and assemblies.

We have implemented intelligent industrial software systems, including manufacturing operations management systems ("**MOM**") for manufacturing, product lifecycle management systems for R&D and intelligent cloud-based warehouse and supplier management systems to support digitalized manufacturing and refined operational management. We adhere to the principles of promoting specialized and localized supply chain layout and continue to enhance management in raw material procurement, inventory control and logistics. This approach shortens product production cycles, accelerates supply speed and improves asset turnover efficiency.

Visionary and Experienced Management Team

Mr. Yuan Yongbin, our Chairman and General Manager, is a renowned expert in the braking systems industry. Preceding the founding of our Group, Chairman Yuan held technical positions for years at globally renowned braking systems companies. Beyond his roles within our Group, Chairman Yuan currently serves as a member of the National Technical Committee for Automotive Standardization (全國汽車標準化技術委員會委員). He has previously served as an expert for the China Working Party of the United Nations World Forum for Harmonization of International Vehicle Regulations (C-WP29) and a member of the Brake Committee of the China Association of Automobile Manufacturers (中國汽車工業協會制動器委員會成員). Under Chairman Yuan's leadership, we have consistently advanced in independent R&D of core technologies and the development of in-house manufacturing capabilities. Over the years, Chairman Yuan has led us in making sound decisions regarding key technological R&D directions and business development strategies, leading us to become an industry leader.

Other members of our management team possess nearly twenty years of experience in the automotive components industry, with extensive expertise in project management and corporate governance. Our management team, with deep market insight and a forward-looking global perspective, accurately assesses industry cycles and the stages of corporate development. Under its leadership, we have successfully seized strategic market opportunities, navigated industry volatility and achieved sustained growth in a highly competitive environment.

OUR STRATEGIES

Deepen Innovation and Advance Commercialization of Chassis XYZ-axes Systems, Building an Integrated Wire-controlled Chassis System

We remain committed to independent innovation and continue to invest in R&D for new products and technologies in chassis XYZ-axes control to accelerate product updates and iterations. We also continue to advance innovation and product development across mechanics, electronic control and brake-by-wire technologies. Mechanical braking products represent one of our mature and core businesses with a sizable and growing business scale and ongoing project inflow. The business segment requires continuous R&D investment and product design and technology upgrades around several key directions, including low-drag, NVH performance and lightweighting. Our EPB and WCBS products continue to demonstrate strong growth momentum. Leveraging our customer base and vehicle applications, we will continue R&D investment and product iteration and upgrade to expand our market share and consolidate our technological leadership. Concurrently, we are advancing the mass production capabilities of EMB as next-generation products, for which we have started mass production in March 2026. We will continue to allocate resources to accelerate commercialization of such pioneering products, enhance R&D and commercialization of DP-EPS, R-EPS and SBW, and further improve our steering system matrix. We are advancing our suspension business layout closely aligned with our chassis integration strategy. We established an in-house team in 2023 to initiate independent R&D and production of electronic suspension products. Our electronic suspension products demonstrate strong technological advantages and cost efficiency and have secured multiple design wins. They are expected to enter mass production in the second half of 2026. We plan to further strengthen our core technological capabilities in key suspension components, including air springs, EDC and air supply units, and advance the commercialization of electronic controlled suspension system.

While we continue to invest in R&D across the actuator in X-axis, Y-axis and Z-axis, we have also allocated resources to develop automotive chassis domain control systems and are advancing an integrated wire-controlled chassis system. These efforts aim to meet OEMs' increasing demand for system integration by leveraging our accumulated expertise across XYZ-axes, as well as our software, hardware and system integration capabilities. Such initiatives are expected to simplify the vehicle electrical/electronic ("**E/E**") architecture, improve whole vehicle development efficiency and enhance vehicle performance, while addressing key requirements of advanced autonomous driving, including precise control, millisecond-level response times and system redundancy. At the algorithm level, we plan to consolidate control algorithms across X-axis, Y-axis and Z-axis into the chassis domain controller and continuously optimize such algorithms to enhance the safety, precision and comfort of overall automotive motion control. At the hardware level, we aim to facilitate coordination and integration among braking, steering and suspension systems.

Uphold and Advance Global Expansion

Since our entry into the international market in 2009, we have consistently and proactively advanced our global expansion strategy. We have expanded our overseas presence by establishing localized manufacturing and R&D capabilities, enabling us to better address differentiated needs of customers across various regions. We have gradually built a global operating network to support our

"Close to Customers, Fast around the Globe" strategy. Looking ahead, we plan to further advance our global capacity and operational footprint, with North America, Europe and Southeast Asia as our key overseas markets. Each region is expected to achieve differentiated localized development, while collectively forming a coordinated global manufacturing network to enhance operating efficiency and development into a global automotive intelligent chassis system supplier.

In terms of manufacturing, following the commencement of mass production at our Mexico production facility in 2023, we have continued to expand our overseas production footprint. Leveraging our established presence in North America, newly secured design wins from European customers, as well as our assessment of overseas market trends, we have established a subsidiary in Morocco to commence the construction of a local manufacturing facility, which will better serve overseas customers. As a next step, we plan to establish a manufacturing facility in Southeast Asia to support the overseas expansion plans of our key customers and meet their requirements for localized production and dynamic supply chain responsiveness.

In terms of R&D, we established a Detroit-based R&D center in 2019 to support product development and customer requirements in North America, and our Frankfurt R&D center has commenced operation in 2026. These R&D platforms are expected to strengthen our coverage in North America and Europe, shorten response and supply cycles for local customers and enhance cross-regional collaboration. Through these efforts, we aim to deepen customer relationships, support the global expansion of Chinese OEM customers and attract new customers globally.

In terms of products and customers, we have established stable cooperative relationships with a number of leading international OEMs. As of December 31, 2025, we had cumulatively secured more than 100 overseas design wins. We have implemented a quality management system compliant with internationally recognized standards, including IATF 16949:2016 and ISO 9001:2015. Such certifications cover R&D and manufacturing processes of multiple products. Our relevant products also comply with applicable European Union regulations and technical standards. Our lightweight chassis components, EPB products and WCBS products have secured multiple oversea design wins and entered mass production, while international OEMs have expressed strong interest in our steering system and EMB products. Going forward, we plan to continue promoting these products in overseas markets, in particular, Europe and North America.

Steadily Expand Production Capacity and Upgrade Manufacturing Processes, Leveraging Digitalization to Empower Intelligent Manufacturing

With the development of automotive intelligence, electrification and lightweighting trends, coupled with the domestic substitution momentum, Chinese brands are poised to seize historic development opportunities. Based on design wins and market forecasts, we will advance production capacity expansion for braking. steering and suspension systems and other products to better meet market demand.

To support capacity expansion and ensure product quality, we prioritize production line upgrades and process innovation. We will continue strengthening automation and advancing production bases modernization by increasing investment in intelligent and advanced equipment and deploying integrated information systems such as intelligent production management systems, enterprise resource planning systems ("**ERP**") and warehouse management systems. This will further improve production efficiency and optimize processes. The integration of such digital systems enables refined, digital management across the entire production chain, ensuring high consistency and traceability from customer demand and production scheduling to manufacturing, warehousing and delivery.

Expand into Embodied Robotics

We believe that embodied robotics has a broad range of application scenarios and substantial potential market demand. The embodied robotics industry exhibits a high degree of similarity with the automotive and components industries in customer base, supply chain and core technologies and is

highly synergistic with our automotive intelligent chassis system solution business. Accordingly, we are committed to seizing the historic opportunities presented by the era of embodied intelligence, deepening our strategic layout in the embodied robotics sector and cultivating a second growth curve, with the objective of becoming a key supplier of core robotics components and integrated solutions.

Our strategy is implemented in phases. In the initial phase, we plan to focus on algorithm development of motion control systems and in-house development of key components for embodied robotics, including rolling screws and frameless torque motor. We also plan to progressively establish development and mass-production capabilities for robotics joint modules, including rotary joints and linear joints. We aim to possess the R&D and manufacturing capabilities of complete embodied robotics motion systems. In the medium- to long-term phase, building upon the above foundations and technological capabilities, we intend to advance the R&D and manufacturing of complete embodied robotics systems at an appropriate time.

We have progressed with initial strategic steps: (i) in 2025, we established two subsidiaries to develop and industrialize core robotics components, mainly rolling screws and motors, supporting R&D for the key components applied in braking, steering, suspension and robotics; (ii) we established a dedicated industrial fund and plan, during the initial phase of our strategy, to make minority equity investments in upstream and downstream enterprises along the embodied robotics industry chain. In 2025, we completed an investment of RMB50 million in Reeman Intelligent Technology (Beijing) Co., Ltd. (睿爾曼智能科技(北京)有限公司), a company specializing in ultra-lightweight embodied robotics arms; and (iii) we completed a capital injection of RMB35 million into Anhui Mojia Zhichuang Robotics Technology Co., Ltd. (安徽墨甲智創機器人科技有限公司). Going forward, we plan to continue deepening our presence in the robotics sector through joint ventures, collaboration, independent R&D, and strategic investments.

Focused Growth in Core Business with Selective Investments and Integration

Guided by the principle of optimizing capital utilization efficiency, we will selectively pursue suitable investment opportunities in China and overseas. We will focus on strengthening and refining our industrial chain in intelligent chassis and autonomous driving, while exploring emerging fields such as embodied robotics that offer synergies with our core business. We will participate through capital investments, joint ventures and collaborations to further diversify our product and technology portfolio and reinforce competitiveness. We believe our extensive industry experience and insights will enable us to identify and assess suitable opportunities. As of the Latest Practicable Date, aside from the foregoing, we have not formally entered into any formal written agreement.

Commitment to ESG and Sustainable Development

In environmental management and technological innovation, we plan to continuously increase R&D investment, concentrating on development and mass production of lightweight chassis components and BbW. Such products directly contribute to automotive energy efficiency and emission reduction, while enhancing the driving range of new energy vehicles.

We actively adopt clean energy and lightweight materials to reduce carbon emissions throughout the product lifecycle. We will also innovate production processes and management practices, invest in environmental equipment like coolant filtration, wastewater treatment, and dust/noise reduction systems and optimize energy management. We will further expand photovoltaic power generation applications and increase the use of renewable electricity to support our environmental objectives.

In terms of social responsibility and talent development, we consider talent as a vital force for independent innovation and core competitiveness. We plan to continue recruiting outstanding talents and fostering a supportive work environment through initiatives such as equity incentives and employee support programs. We aim to continuously elevate our ESG practices through robust governance, ongoing environmental improvements, and the fulfillment of social responsibilities.

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 consists of 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.

The following table below sets forth a breakdown of our revenue by business segment during the Track Record Period:

	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 following below sets forth a breakdown of our sales volume and average selling price ("**ASP**") by business segment during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	Sales volume	ASP	Sales volume	ASP	Sales volume	ASP
	unit or set[(1)]	*RMB/unit or set*	*unit or set[(1)]*	*RMB/unit or set*	*unit or set[(1)]*	*RMB/unit or set*
Mechanical braking products *(units)*	15,885,889	210.8	20,578,287	215.2	22,704,830	226.6
Intelligent electronic control products *(sets)*	3,722,849	880.2	5,212,024	864.8	7,027,747	829.1
Mechanical steering products *(sets)*	2,332,547	206.1	2,886,515	192.8	3,042,261	187.7

(1) Some of our mechanical braking products are sold and measured in units, while other products are in measured sets.

Mechanical Braking Products

Since establishment, we have been dedicated to mechanical braking products and we have established long-term relationships with numerous OEMs. Our mechanical braking product portfolio primarily consists of (i) mechanical disc brakes and calipers; and (ii) lightweight chassis components.

Mechanical Disc Brakes and Calipers

Mechanical disc brakes can be divided into hydraulic and pneumatic disc brakes depending on the power source. Mechanical disc brakes apply pressure from a hydraulic or pneumatic system to the caliper. Upon receiving this pressure, the caliper moves a push rod to press the brake pads against the brake disc, generating friction that slows or stops the disc. We primarily focus on hydraulic disc brakes, including front disc brake assemblies and rear integrated disc parking brake assemblies mainly for passenger vehicles.

We also supply directly to OEMs calipers which are core components of mechanical disc brakes. We have developed a comprehensive caliper portfolio covering multiple product types, including single-cylinder and dual-cylinder calipers. Our ability to independently develop, manufacture and market core components enables us to effectively manage production costs and enhances our pricing competitiveness. It also allows us to expand our sales channels and customer base. Supported by our technical capabilities and efficient low-drag product design, as of the Latest Practicable Date, our mechanical disc brakes and calipers have established a solid customer base, have been supplied for mass production in over 200 different vehicle models.

The table below sets forth our representative mechanical disc brakes and calipers and advantages.

Product Series	Representative products	Core product advantages
Mechanical Disc Brakes		**Low-drag design:** Achieves near-zero drag, helping to improve energy efficiency and reduce consumption.
Calipers		**Broad adaptability across vehicle types:** Comprehensive product matrix with strong capabilities to support a wide range of vehicle categories, including new energy vehicles ("**NEVs**").
		**High reliability:** Delivers reliable performance to enhance overall safety.

Lightweight Chassis Components

With the overall development of the automotive industry toward electrification, intelligence and lightweight, as well as increasingly stringent national fuel consumption and emissions standards, the lightweight automotive components have become a key industry trend and growing requirement for chassis systems. This demand is particularly strong in NEVs. We began developing lightweight chassis components as early as 2012 and commercialized our first aluminum lightweight project in 2014. As of the Latest Practicable Date, our lightweight chassis component products primarily consist of (i) aluminum steering knuckles; (ii) aluminum control arms; and (iii) aluminum calipers.

According to F&S, we are the first Chinese brand supplier to successfully produce lightweight chassis components using the differential pressure casting process, which supports our abilities to develop high-performance lightweight products. This process enhances the internal density, mechanical

strength and dimensional precision of castings. It is also particularly suitable for key automotive components such as steering knuckles and small-size control arms with high performance requirements. Our lightweight products are primarily sold to overseas OEM customers. Following the commencement of operations at our Mexico facility, which focuses on the production of lightweight chassis components, we are meeting strong demand in North America. As of the Latest Practicable Date, we have secured multiple overseas lightweight design wins, including collaborations with several well-known North American OEMs, for which we serve as the exclusive supplier.

The table below sets forth our representative lightweight chassis components and advantages.

Product Series	Representative products	Core product advantages
Aluminum Steering Knuckles		**Significantly lighter:** Approximately 30%–40% lighter than traditional cast-iron components.
Aluminum Control Arms		**Better corrosion resistance:** Naturally rust-proof, ensuring longer part life in harsh environments.
Aluminum Calipers		**Enhanced driving experience:** Lower unsprung mass allows wheels to react faster to the road, giving the driver sharper steering and a much smoother, more controlled ride that improved overall vehicle driving range and braking effectiveness.

Intelligent Electronic Control Products

Automobiles have evolved toward smarter, electric and lightweight vehicles. In particular, growing market demand for NEVs and intelligent driving has led to greater use of electronic control systems in automobiles. Our strategically early deployments in intelligent electronic control products, particularly electronic braking and BbW, have become an important driver of revenue growth in recent years. As of the Latest Practicable Date, our intelligent electronic control products primarily included (i) EPB; (ii) BbW, comprising WCBS and EMB; (iii) EPS; (iv) ADAS; and (v) ESC.

EPB

EPB replaces conventional mechanical parking brake components, such as hand levers and cables, with electronically controlled mechanisms. A complete EPB typically comprises EPB calipers and ECU as control unit. Our EPB mainly adopts a caliper-integrated architecture, under which ECU is directly integrated into ESC or BbW. This integrated system removes the need for a separate ECU. By simplifying wiring and reducing the number of components, this design lowers structural redundancy and overall vehicle weight. The system communicates with engine management system and electronic stability devices via a controller area network ("**CAN**") bus, enabling electronic parking functions. Compared with conventional mechanical braking systems, this system offers more stable and reliable performance, enhancing overall vehicle safety.

Our continuous innovation in EPB design has set industry benchmarks in terms of performance, reliability and application scale. We are not only the first Chinese brand supplier and the world's second supplier to mass-produce EPB, but also one of the world's first suppliers to mass-produce D-EPB. In addition, we have pioneered the use of advanced algorithms to replace traditional physical sensors, enabling a more intelligent and precise hill-start assist function. With over a decade of development, our EPB products not only feature proprietary control algorithms, but also demonstrate technical advantages such as low noise, high transmission efficiency and low-drag performance. These strengths have supported broad customer adoption and extensive application across multiple vehicle models. In 2025, our EPB products have achieved a market share of 14.2% in terms of revenue, ranking No. 1 among Chinese brand suppliers.

The table below sets forth our representative EPB products and advantages.

Product Series	Representative products	Core product advantages
EPB		**Safer and more intelligent driving experience:** Leveraging proprietary intelligent control strategies, our products enhance transmission efficiency and delivers a safer and more intelligent driving experience for users. **Broad adaptability across vehicle types:** Supported by mature product development and mass production capabilities, EPB can be applied across diverse vehicle types, including internal combustion engine, electric and hybrid vehicles.
D-EPB		**Pioneering dual-control redundant architecture tailored to NEVs' stringent safety requirements:** Adopting a dual-control redundant architecture with independent controllers, our D-EPB replaces the conventional mechanical parking lock ("P gear") used in NEVs. This design significantly enhances parking safety under various operating conditions, while enabling OEMs to reduce additional R&D and production costs associated with other extra structures. **Compliance with leading international standards:** In compliance with applicable international regulatory standards, including ECE R13H and GB 21670, our products support high levels of functional safety and regulatory compliance.

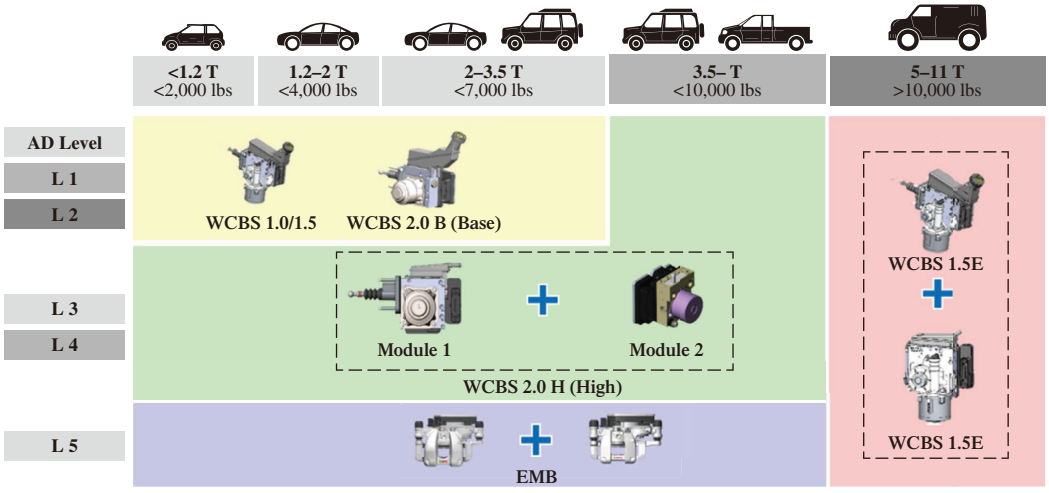
BbW

BbW primarily follows two technological pathways: EHB and EMB. Our BbW has progressively evolved from WCBS under the EHB technology route toward EMB, representing the next-generation of brake-by-wire technology.

Our WCBS deeply integrate traditional hydraulic braking components with modules such as electric drives and sensors, using an electric motor to assist braking and separate wheel braking from pedal input. This design effectively shortens braking distance, enhances control precision and improves

driving safety. Specifically, our WCBS detects brake pedal movement through sensors, converts it into pressure signals using algorithms and controls the electric drive to apply braking force. Through the intelligent electronic control structure, our WCBS offers faster response capabilities, with braking established in less than 200 milliseconds under most circumstances and supports advanced driver-assistance features such as autonomous emergency braking. In July 2019, we became the first Chinese brand supplier to independently develop and launch a One-box WCBS product. In June 2021, we became the first among Chinese brands to mass-produce the One-box WCBS brake-by-wire product, breaking the dominance of overseas suppliers in this segment. Our mass-produced WCBS product integrates EPB control functions and adopts a dual-system design, providing redundant braking and parking functions, which enhances safety and reduces system cost. We are the first braking system supplier to introduce the dual-system design, which has become the industry standard, according to F&S. Furthermore, the decoupling characteristic of WCBS between the pedal and the wheel end allows for not only customizable pedal feel but also energy regeneration functionality in NEVs, improving vehicle driving range.

The following roadmap illustrates our key BbW products, their corresponding SAE autonomous driving ("**AD**") levels and applicable vehicle models.



Our current WCBS products consist of versions 1.0, 1.5 and 2.0. Version 1.5 reduces cost and improves performance compared with version 1.0, while version 2.0 adopts a redesigned transmission mechanism and a more compact architecture. As of the Latest Practicable Date, our EMB achieved mass supply in March 2026 and we are the world's first supplier to achieve breakthroughs in full-dry EMB technology and its mass production. This not only represents a significant innovation in the domestic automotive industry but also demonstrates our forward-looking technology strategy and execution capabilities on a global scale. The key features of each generation of BbW products are summarized below:

- **WCBS 1.0** and **WCBS 1.5:** Our WCBS 1.0 and WCBS 1.5 share a similar architectural design, while WCBS 1.5 adopts more cost-effective components, enabling it to deliver comparable product performance at a lower cost. Specifically, they both adopt a One-box architecture. The system replaces the traditional vacuum booster structure with electronic control, which integrates core functions such as vacuum booster, electronic vacuum pump, master cylinder and ESC into a single module. The system also adopts a decoupled design, enabling greater energy recovery for NEVs. These features improve braking safety and response efficiency while reducing system complexity and manufacturing costs and

improving energy utilization efficiency and driving range. Within the WCBS 1.5 series, we also offer WCBS 1.5E, which is specifically designed for heavy-load vehicles. To support higher load and operational requirements, WCBS 1.5E is installed in pairs, with the two sets operating in tandem to collectively support the braking and driving needs of heavy-load vehicles. With a dual-unit configuration, the WCBS 1.5E series also supports L3+ advanced autonomous driving functions. Our WCBS 1.0 and WCBS 1.5 have been widely adopted by domestic and international OEMs, demonstrating our mature mass production capability.

- **WCBS 2.0:** As our next-generation brake-by-wire platform, WCBS 2.0 effectively upgrades transmission mechanism for better efficiency, coupled with a more compact structure, enhancing vehicle layout flexibility performance, and platform adaptability. WCBS 2.0 has developed into differentiated technological pathways. In particular, WCBS 2.0B optimizes spatial layout and crash performance, while significantly enhancing braking response. It also introduces features such as drag reduction and brake pedal wake-up, which reduce energy consumption and simplify system design. Meantime, WCBS 2.0H is designed for more advanced application scenarios. It adopts a fully decoupled, scalable dual-control redundant architecture comprising two modules, which collectively ensures that pedal feel and ABS functionality remain unaffected in the event of a failure in any control unit. It also supports extended braking and stability functions, as well as additional features such as zero drag and system monitoring capabilities. These features enhance safety, reduce cost and support higher levels of L3 and above autonomous driving.

- **EMB:** As a next-generation brake-by-wire product meeting requirements of advanced level of autonomous driving operations, our EMB product is supported by proprietary structural design patents independently developed by us. It delivers faster response, simpler structure and lighter weight, representing advanced solution for BbW technology. Our EMB product completely eliminates traditional braking components such as brake fluid and hydraulic pipelines and achieves full electronic control. Braking force is generated directly by electric motor-driven actuators at each wheel. This design aligns with the development trend toward intelligent and electric vehicles. We completed initial prototype development and trial validation of EMB in 2023, maintaining a leading position in development progress within the industry. In March 2026, we are the first supplier to start mass production for full-dry EMB.

EPS

EPS is a power steering system that uses an electric motor to assist steering. It adjusts steering assistance in real time based on driving conditions and driver input. We have independently developed a brushless EPS. Through software control, it provides precise steering support under different driving conditions, enhancing vehicle handling and safety. Compared with traditional systems, our brushless EPS offers better energy efficiency and faster response.

As of the Latest Practicable Date, our brushless EPS has been applied in multiple vehicle models and has built a stable customer base. Our EPS portfolio covers multiple product types. Our C-EPS products entered mass production in 2014 and have since been widely adopted. Following the expected completion of the Acquisition of Yubei Steering, we will leverage product synergies between our independently developed products and Yubei Steering's existing offerings to establish full-scale mass production capabilities for C-EPS, DP-EPS and R-EPS. Building on this, we will further advance the development and deployment of rear-wheel steering and SBW technologies, expanding coverage across diverse vehicle platforms and application scenarios.

The table below sets forth representative products and advantages of our and Yubei Steering's EPS products.

Product Series	Representative products	Core product advantages
Our C-EPS		**Compact and cost-efficient design:** The C-EPS integrates the assist motor and reduction gearbox directly onto the steering column, resulting in a compact structure and enabling cost efficiencies for customers. **Adoption of advanced technologies:** It incorporates brushless motors and advanced worm-and-gear transmission technologies, delivering appropriate steering assistance under various driving conditions, including high-speed driving and low-speed maneuvering, thereby enhancing driving safety and stability. **Energy-saving and environmentally friendly:** It meets the energy efficiency and environmental requirements of both new energy vehicles and passenger vehicles.
Yubei Steering's DP-EPS.		**Dual-pinion architecture:** DP-EPS adopts a dual-pinion architecture, in which one pinion is connected to the steering shaft for driver input and the other is connected to the motor for assist. This configuration enables the assist function to operate through an independent transmission path, resulting in more refined steering feel, quicker responses and improved compatibility with advanced driving functions. **Integrated electronic control and motor architecture:** A pioneer in adopting an integrated electronic control and motor architecture, which is compatible with ASIL-D compliant functional safety design and fully supports L3+ advanced AD scenarios. **Full lifecycle stable operation:** The transmission system features flexible helical gear matching and advanced backlash compensation, ensuring smooth, low-NVH performance throughout the lifecycle.

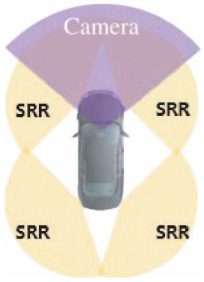
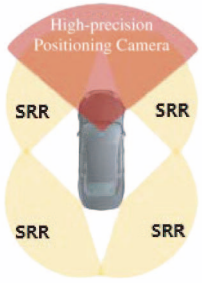
Product Series	Representative products	Core product advantages
Yubei Steering's R-EPS.		**Motor power directly applied on the rack:** R-EPS applies motor assistance directly to the steering rack, providing direct push-and-pull force corresponding to steering inputs. This architecture enables higher output load, improved steering precision and more linear control characteristics, making it suitable for heavier vehicles and facilitating advanced control algorithms. **Integrated electronic control and motor architecture:** Pioneer in the adoption of integrated electronic control and motor architecture which is not only compatible with ASIL-D compliant functional safety design but fully support L3+ advanced AD scenarios. **Advanced performance with more cost-effective solutions:** Equipped with high-precision ball screw mechanism, optimized to reduce friction and noise while enhancing load capacity and durability.

ADAS

Built around a forward-facing camera and integrated with multi-sensor inputs such as corner radars, our ADAS perceives the road, surrounding objects and driving conditions. It works with the braking and other actuation systems to form a closed loop process from perception and decision-making to execution, enabling intelligent driving assistance functions.

We began focusing on vision-based ADAS technology in 2019 and achieved mass production in 2022. We have developed three mature product solutions, namely, 1V, 2R/4R1V and 4R1V+ configurations, all of which adopt a single forward-facing camera and compatible with corner radars. These solutions support Level 2 to Level 2+ intelligent driving requirements. Our products cover diverse needs from mainstream passenger vehicles to premium models and are applicable to urban roads, highway and congested traffic conditions, with broad application coverage across vehicle models. Our ADAS products incorporate advanced technological architectures to enhance overall performance and reliability. As of December 31, 2025, our ADAS products have been applied to nearly 50 mass production projects, demonstrating established commercial deployment capability.

The table below sets forth our representative ADAS products and advantages.

Product Series	Representative products	Core product advantages
1V ADAS	 *monocular camera + forward-facing radar*	• **Compliance with international standards:** Meeting European Intelligent Speed Assistance regulatory requirements as well as information security requirements. • **Cost-effective Solutions:** Targeted at entry-level ADAS applications, offering cost-effective solutions and suitable for basic driver assistance functions.
2R/4R1V ADAS . . .	 *monocular camera + two/four corner radars*	• **Lane-change and safety functionalities:** Enabling lane-change functions and a range of safety features based on corner radar integration. • **Enhanced perception capabilities:** Providing improved environmental and road perception, supporting cruise assistance and enabling functions such as road recognition and lane change detection.
4R1V+ ADAS	 *monocular camera + four corner radars + high-definition map*	• **Highway Autopilot support:** Embedded with Autopilot functions for highway driving, enabling stable and reliable operation under high-speed conditions. • **High-precision positioning enabled by integrated architecture:** Incorporates visual signal-based positioning within a streamlined domain controller architecture, reducing structural complexity and cost.

ESC

ESC is designed to monitor vehicle stability during high-speed lane changes and turning. It helps maintain vehicle stability and traction by coordinating braking force and engine power. ESC can effectively reduce the risk of vehicle instability. An ESC mainly consists of an ECU and a hydraulic control unit. ECU collects data from sensors (including wheel speed, steering angle and vehicle motion) and assesses the vehicle's condition. When the system detects potential instability, it adjusts braking

force at each wheel and controls engine power output. These two controls are coordinated to maintain vehicle stability. We are the first Chinese brand in China to achieve mass production of ESC, according to F&S. Our ESC is compatible with a wide range of hydraulic braking vehicle models.

The table below sets forth our representative ESC products and advantages.

Product Series	Representative products	Core product advantages
ESC		**Low-noise performance with compact design:** The solenoid valves adopt linear control, delivering superior NVH performance, while the compact axial design facilitates efficient integration and packaging within the vehicle chassis. **Broad adaptability with enhanced safety and cost efficiency:** Supported by mature mass-production capabilities, the system can be adapted to diverse vehicle models and driving conditions, enabling cost efficiencies while enhancing vehicle handling safety and driving comfort.

Mechanical Steering Products

Our current mechanical steering products mainly include (i) mechanical steering columns, (ii) mechanical steering intermediate shaft and (iii) mechanical steering gears. The steering column primarily serves to connect the steering wheel with the steering gear. The mechanical steering intermediate shaft transmits steering input from the steering wheel to the steering gear via the steering column. The steering gear converts rotational torque into lateral movement to control wheel direction.

Our mechanical steering column products support multi-directional adjustments and comply with Chinese national safety collision regulatory standards. Our mechanical steering intermediate shaft products support up to 120 Nm torque and are suitable for a wide range of vehicle models, including NEVs. They also support salt spray corrosion resistance testing, ensuring normal operation over extended periods, even under harsh conditions.

Our mechanical steering gear products adopt lightweight integrated die-casting technology, featuring a simplified structure and enhanced rigidity. These products deliver assist force of up to 11,000 N and incorporate a clearance compensation mechanism, which helps improve NVH performance. As of the Latest Practicable Date, our mechanical steering products were supplied to more than ten large and medium-sized OEMs domestically and internationally. Following completion of the scheduled Acquisition of Yubei Steering, we expect to further diversify our product portfolio by incorporating its manufacturing capabilities for hydraulic power steering systems, which utilize hydraulic assistance to reduce steering effort. Yubei Steering's hydraulic power steering products primarily include recirculating ball steering systems ("**RCB**") and hydraulic rack-and-pinion steering systems ("**HRP**"), which represent two different structural approaches to providing hydraulic assistance. RCB typically delivers assistance through hydraulic pressure applied within the steering gear, while HRP provides assistance through hydraulic pressure acting on both sides of the rack within the steering assembly.

The table below sets forth our representative mechanical steering products and advantages.

Product Series	Representative products	Core product advantages
Our Mechanical Steering Column .		**Four-way adjustability:** Equipped with a four-way adjustable mechanical steering column platform, incorporating friction-based and toothed locking mechanisms to enhance driving convenience and ergonomic comfort. **Enhanced driving safety:** Backed by multiple patented collision safety technologies, it provides stable and reliable energy absorption performance, strengthening occupant protection in the event of a collision.
Our Mechanical Steering Intermediate Shaft.		**Forward-design capabilities:** Full-dimensional forward design and development capabilities, with a product portfolio covering mainstream technology routes, including injection-molded and steel-ball sliding types. **Cold extrusion forming technologies:** Breakthroughs in precision cold extrusion forming technologies for inner and outer shafts, with high-precision machining and manufacturing capabilities for core production-line processes.
Our Mechanical Steering Gear . . .		**Independent developed structure:** Independently developed high-performance rack and pinion steering gear. **Improved transmission efficiency:** Effectively improves the transmission efficiency of traditional mechanical rack and pinion steering gears.
Yubei Steering's RCB		**Proprietary Core Transmission Design** Breakthrough wear-resistant sector gear and rack meshing technology, with all key force transmission components independently designed and developed in-house, ensuring enhanced durability and performance stability.
Yubei Steering's HRP		**High Precision and Enhanced Driving Performance** Features low noise, lightweight structure, minimal clearance, precise steering control and strong return performance, ensuring improved responsiveness and driving stability.

Embodied Robotics Products

Our established expertise in design and mass production of automotive intelligent chassis components provides strong synergies for the development of robotics motion control systems. According to F&S, the technologies applied in robotics motion control systems are highly aligned with those used in automotive intelligent chassis systems, which represent our core focus. This overlap enables significant technological transferability across both hardware manufacturing processes and software algorithm development. For instance, our accumulated expertise in electronic control algorithms and precision mechanical engineering, particularly those developed and applied in our EPB and BbW, is readily adaptable to robotics component R&D and manufacturing. In addition, the two industries share a similar supplier base, allowing us to rely on our established supplier network to facilitate sourcing of key raw materials. Accordingly, leveraging our existing technology, manufacturing, quality control and supply chain capabilities, we are expanding into embodied robotics products.

Specifically, we focus on (i) motors, (ii) rolling screws and (iii) robotics joint modules, which form the core of robotics motion control systems. Motors generate rotational power, rolling screws convert it into linear motion and robotic joint modules integrate motors, transmission components (such as rolling screws or reducers) and sensors into a unified actuation unit. The coordinated operation of multiple joint modules under a centralized control system enables precise and stable multi-axes movement.

We have progressed with initial strategic steps: (i) in 2025, we established two subsidiaries to develop and industrialize robotic components, mainly rolling screws and motors, supporting R&D for the key components applied in braking, steering, suspension and robotics; (ii) we established a dedicated industrial fund and plan, during the initial phase of our strategy, to make minority equity investments in upstream and downstream enterprises along the embodied intelligence industry chain. In 2025, we completed an investment of RMB50 million in Reeman Intelligent Technology (Beijing) Co., Ltd. (睿爾曼智能科技(北京)有限公司), a company specializing in ultra-lightweight embodied robotic arms; and (iii) we completed a capital injection of RMB35 million into Anhui Mojia Zhichuang Robotics Technology Co., Ltd. (安徽墨甲智創機器人科技有限公司). As of the Latest Practicable Date, we have established standardized design platforms covering motors, rolling screws, as well as motion control algorithms related to robotics planetary, harmonic, and cycloidal motion control modules, applicable to both robotics rotary and linear joints modules. This platform supports efficient product development and cost control.

Motors

The permanent magnet alternating current motors currently deployed in our automotive intelligent chassis systems and those used in robotics applications are based on the same technology platform, enabling us to rapidly leverage our design and application experience. To address the specific structural and performance requirements of robotics motion control systems, we are actively developing a motor portfolio tailored to different conditions, with varying torque, power and size configurations.

Rolling Screws

Leveraging our precision manufacturing and quality control capabilities, we are developing rolling screws, primarily comprise ball screws, planetary roller screws and miniature screws, as key transmission components for robotics linear motion systems. Our rolling screw products are expected to utilize rollers or balls as rolling elements and to feature low friction, high transmission efficiency and high precision.

Robotics Joint Modules

The modular and integrated design of our BbW products, along with key features such as precise power control, smooth operation and real-time intelligent monitoring, closely aligns with the performance requirements of robotics joint modules. Expanding from this accumulated expertise, we are actively developing joint module solutions for robotics applications. Our robotics joint pipelines primarily include (i) rotary joint modules, which serve as core motion units and enable precise motion control and structural support and (ii) linear joint modules for precise linear motion and force control.

OUR KEY TECHNOLOGIES

Technological strength lies at the core of our leadership in the automotive intelligent chassis system sector and has been instrumental to our success to date. Leveraging our robust R&D capabilities, we closely align with the needs of mainstream OEM customers, continuously enhancing product safety and reliability. In line with the automotive industry's shift toward intelligence and electrification, and the increasing focus on software-defined vehicles, we have taken the lead in deploying key technologies and building next-generation technology reserves. Benefiting from our continuous investment in R&D, a number of our products have pioneered mass production firstly globally or domestically ahead of competitors. Consequently, we have established a robust technological foundation across the XYZ-axes of automotive intelligent chassis system, underpinned by a portfolio of proprietary technologies with high entry barriers. In addition, through integrated control of by-wire chassis systems, we can achieve enhanced performance and lower cost. Going forward, we plan to leverage strong synergies between the automotive components and robotics industries to strategically extend our automotive component technological advantages into the emerging field of embodied robotics products. Set forth below is some of our representative key technologies accumulated in each area:

X-axis Braking System Key Technologies

We have established a clear and continuous technology roadmap in the braking systems domain, evolving from EPB to WCBS and ultimately to EMB. Through this progression, we have built a comprehensive technology portfolio covering mechanical, electro-hydraulic and fully by-wire braking technology paths. We have established as a scalable first-mover advantage in braking system technologies.

At the electro-mechanical braking stage, our EPB is developed based on a standardized actuator design. At the actuator level, EPB adopts a highly integrated monoblock caliper design, in which the parking drive motor assembly is deeply integrated with a lightweight caliper. In addition, our EPB adopts multi-stage clamping control technology (多段加緊控制技術) and hold pressure support hydraulic power steering functions, enabling flexible adaptation to various vehicle models and applications. This integrated and lightweight design effectively reduces system mass and wiring complexity and supports subsequent upgrades toward BbW.

With the transition to BbW, our braking technology has achieved a critical shift from mechanical and hydraulic to electric drive. Our WCBS is built on a highly integrated architecture that combines sensing, control algorithms, brake boosting, electric actuation and hydraulic modules. Braking pressure is generated directly by the motor, enabling complete decoupling between the brake pedal and wheel-end hydraulic pressure. Compared with conventional solutions, this architecture significantly reduces reliance on traditional vacuum and hydraulic components, enhances safety, enables software-defined brake pedal feel, and improves NVH and energy recovery.

Currently we are advancing toward the next-generation BbW technology, namely, EMB. EMB eliminates hydraulic pipelines and relies entirely on electronic signal transmission and electric motor actuation to control braking force, delivering significant benefits in structural simplification, weight reduction and faster response. Our EMB adopts a redundant distributed control architecture centered on a central control unit ("**CCU**"). Through a dual main-backup control unit configuration and high-speed controller area network flexible data-rate, an enhanced in-vehicle communication protocol ("**CAN-FD**"), this architecture enables real-time data exchange and cross-validation for enhanced reliability and safety. With multiple layers of signal and communication redundancy, our solution enables independent and precise braking force control for each wheel. Our EMB employs an integrated caliper with a ball-screw actuation mechanism and a gear reduction system that replaces traditional worm-gear solutions. This configuration achieves higher transmission efficiency and faster response, while reducing mechanical losses and improving durability.

Y-axis Steering System Key Technologies

Upon completion of the proposed Acquisition of Yubei Steering, we will integrate our accumulated technological strengths in BbW, EPS and mechanical steering systems with Yubei Steering's long-standing expertise in steering, establishing the following core technology capabilities in the Y-axis steering field.

In motor and electronic control, Yubei Steering possess key control capabilities for steering systems, ensuring stable and reliable performance across operating conditions while meeting international ISO standards and stringent requirements of OEMs. Functions such as pull-drift compensation (跑偏補償) and speed-dependent return-to-center (速度回正) improve vehicle controllability and enhance driving experience and safety. At the same time, we are proactively developing integrated electronic control and hydraulic systems for commercial vehicles.

In precision mechanical structure design and manufacturing, Yubei Steering have well-established capabilities in R&D and production of core steering components. Its steering systems feature wear-resistant, low-noise and high-load structural designs, worm-and-gear backlash adjustment (蝸輪蝸桿間隙調整) and durable low-noise steering gear solutions, supporting smooth operation over extended service life. These technologies further enhance steering accuracy and vehicle handling stability, supporting the trend toward the passenger-vehicle-like performance of commercial vehicles.

Z-axis Suspension System Key Technologies

We have introduced innovative suspension products, including a dual-mode closed-loop air suspension system and an EDC based on a sensor-fusion architecture. Our air suspension products include a dual-mode closed-loop air supply unit and air springs. The dual-mode closed-loop air supply unit integrates controller, air compressor and distribution valve into a single module, enabling faster suspension adjustment and improved NVH performance, while also supporting advanced functions such as active lateral support and external air discharge. In addition, we possess in-house R&D capabilities for single- and multi-chamber air springs, allowing us to provide complete air suspension system solutions. Our EDC is the first to adopt a sensor-fusion approach integrated with brake control unit, which reduces design complexity and cost, facilitating broader EDC adoption. While ensuring ride comfort, integration with the brake controller effectively reduces signal communication latency.

In addition, through proprietary development and manufacturing of solenoid valves, we have expanded low-speed damping force adjustment range, improving vehicle roll and pitch control and significantly enhancing handling stability and driving safety. By independently developing and manufacturing key components such as air supply units, solenoid valves, control software and controllers for EDC, we effectively control the cost of electronically controlled suspension products.

We expect to commence mass production of electronically controlled suspension products in the second half of 2026. According to F&S, we are one of the few domestic suppliers with comprehensive system capabilities covering closed-loop air supply units, air springs and EDC.

Robotics Key Technologies

Stemming from our accumulated technological expertise in automotive intelligent chassis systems, we have extended our R&D capabilities into robotics to further diversify and strengthen our growth drivers. As of the Latest Practicable Date, we maintained a dedicated R&D team of approximately 40 personnel, with capabilities in R&D of rolling screws, frameless torque motors and robotics joint modules.

At the technology implementation level, we are advancing the integrated development of robotics motion control systems to address industry pain points associated with traditional robotics components, such as bulky size, slow response and insufficient precision. This enables seamless integration and coordinated optimization of motors, rolling screws and robotics joint modules. In parallel, we are actively advancing the technologies in key robotics components, including (i) high power and torque density design of frameless torque motors; (ii) long-life and wear-resistant processes for precision rolling screws with micro-level transmission accuracy; and (iii) highly integrated packaging technologies for robotics joint modules. As of the Latest Practicable Date, we have filed five intellectual property applications relating to our robotics technology advancements.

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. This structure enables a full-cycle innovation process from early exploration of cutting-edge technologies to end-to-end industrial commercialization tailored to the needs of our OEM customers. Combined with our well-established system of internal incentives and external policy support, our R&D platform 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.

We promote a multi-tiered talent incentives and steadily increase R&D investment, providing sufficient resources for R&D. Our R&D team covers hardware and software, including mechanical and electronic engineering, software, algorithms, AI simulation and functional safety. As of December 31, 2025, we had approximately 1,535 R&D personnel, accounting for 24.1% of our total workforce. During the Track Record Period, our R&D expenses amounted to RMB449.8 million, RMB575.5 million and RMB605.5 million in 2023, 2024 and 2025, respectively. Our R&D efforts have yielded continuous technological breakthroughs and product innovations. 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 R&D Centers

We are a National Enterprise Technology Center ("國家級企業技術中心") granted by the National Development and Reform Commission. As of the Latest Practicable Date, we have established eight R&D centers worldwide. Among them, six domestic R&D centers are located in Anhui, Zhejiang, Jiangsu and Shaanxi provinces and Shanghai in China. The Wuhu General R&D Center ("**General R&D Center**") at our headquarters coordinates the overall technology strategy, forward development of

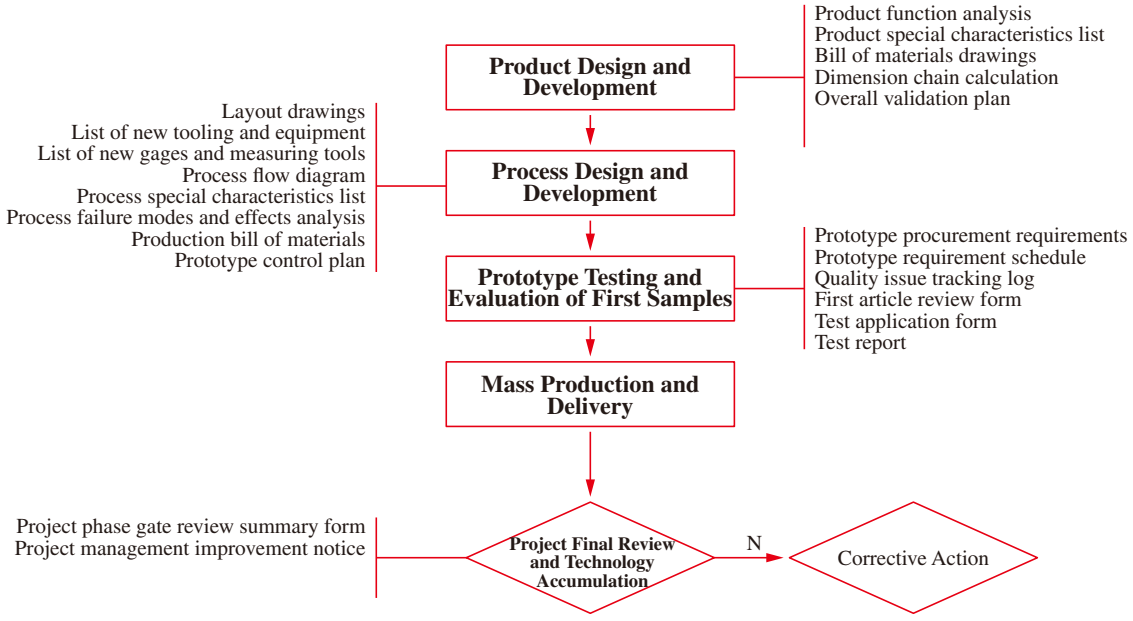
core technologies and products and R&D platform establishment. The General R&D Center formulates and disseminates standardized technical standards, development processes and core algorithms to regional R&D centers, ensuring consistent product standards and quality. In particular, the Testing and Inspection Center of our General R&D Center has been accredited by the China National Accreditation Service for Conformity Assessment, enabling us to independently conduct major tests from product design to production. Our other five domestic R&D centers also leverage their respective geographical advantages to focus on different research priorities generating strong synergies.

To support our global expansion strategy, other than the six domestic R&D centers, as of the Latest Practicable Date, we have established oversea R&D centers in Detroit, United States and Frankfurt, Germany, respectively, to better serve local customers' differentiated needs and ensure compliance with oversea product safety standards. Collectively, our overseas and domestic R&D centers can achieve cross-regional technology cooperation. In particular, (i) our Detroit R&D Center focuses on advanced automotive technologies in North America such as mechanical design, electronic hardware, optics and foundational software. It provides an international perspective for our technology strategy and supports internationally renowned OEM customers in North America; and (ii) our Frankfurt R&D Center, newly in operation in 2026, focuses mechanical design and electronic hardware, primarily serving European OEM customers. It conducts in-depth research into European technical standards targeted chassis technology development, further enhancing our brand presence in Europe.

Our R&D Model

We mainly adopt a customer-driven synchronous R&D model characterized by the establishment of close collaborations with our major domestic and international OEM customers throughout the R&D process. We engage early with OEM customers in new vehicle development and collaborate with their R&D teams from product definition, design, development and verification to mass production, enabling a seamless connection for each key stages of product development chain. Depending on project scope and complexity, our R&D process generally takes six to 24 months from project initiation to final customer acceptance. This proactive strategy is underpinned by our customized production capabilities standardized processes and flexible adaptation mechanisms enables us to deliver optimal performance, controlled costs and short development and delivery cycles. The ownership and right to use of the intellectual property generated from such activities are typically stipulated in contractual arrangements. OEM customers usually obtain the right to use the achievements, while we retain background intellectual property and general technical capabilities.

For our synchronous R&D model with OEMs, we mainly apply a five-step R&D process with clear responsibilities, authorities, deliverables and decision checkpoints as set out below.



Product Design and Development. At the initial stage of new vehicle development, we engage deeply with our OEM customers to integrate their automotive intelligent chassis system requirements, safety regulations and technology roadmap into our product design. After defining key indicators, we collaborate with cross-functional teams to jointly assess feasibility in technology, manufacturing, supply chain and budget and complete project initiation.

Process Design and Development. Based on the project requirements, we collaborate with OEMs to design the overall automotive intelligent chassis system, covering hardware, software and interface compatibility, optimizing the compatibility with different vehicle models and specific safety needs under different conditions. We also conduct regular cross-functional reviews to mitigate technical risks and finalize standardized designs.

Prototype Testing and Evaluation of First Samples. We translate our R&D results into a prototype automotive intelligent chassis system, produce key components and sample units and validate performance, environmental adaptability and safety with OEMs. We iteratively optimize the design based on test results and verify core functions.

Mass Production and Delivery. Upon the completion of engineering calibration, mass production process optimization and with OEM's approval of our designed product parameters, we initiate ramp-up for mass production accompanied by full-process quality control, deliver products in agreed volume and provide after-sales technical support.

Project Final Review and Technology Accumulation. Following project delivery, we review the experience and areas for improvement in the entire R&D and mass production processes. Design solutions, process standards and validation methodologies are systematically documented and incorporated into our technical know-how library for reuse, enhancing the efficiency of collaborative development and strengthening our core technological competitiveness.

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 our 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 operational efficiency.

We adopt a hybrid manufacturing strategy, independently manufacturing core components while selectively outsourcing certain non-core components, enabling a clear allocation of production responsibilities and optimal utilization of our manufacturing capabilities. We continue to expand independent production for components. By independently manufacturing core components, we ensure product quality while effectively controlling production costs. By outsourcing certain non-core components, we focus our resources on high value-added products.

Production Facilities

As of the Latest Practicable Date, we operated 17 production bases globally in, among others, Anhui, Zhejiang, Hebei, Sichuan and Shandong provinces in China, and Saltillo in Mexico. Our localized production improves delivery efficiency and enhances our ability to serve customers across regions. As of the Latest Practicable Date, Yubei Steering operates six manufacturing facilities located in Henan, Hubei and Jiangsu provinces.

The table below sets forth designed annual production capacity, actual production volume and utilization rates by key product line of us and Yubei Steering during the Track Record Period.

	Year ended December 31,								
	2023			2024			2025		
	Designed annual production capacity [1]	Production volume	Utilization rate[2]	Designed annual production capacity [1]	Production volume	Utilization rate[2]	Designed annual production capacity[1]	Production volume	Utilization rate[2]
	unit or set[3]	*unit or set*[3]	%	*unit or set*[3]	*unit or set*[3]	%	*unit or set*[3]	*unit or set*[3]	%
Our Group									
Mechanical braking products *(units)*	18,300,000	15,913,116	87.0	24,980,000	20,800,972	83.3	28,600,000	23,360,971	81.7
Intelligent electronic control products *(sets)*	5,160,000	3,726,946	72.2	6,935,000	4,902,113	70.7	9,095,000	7,365,682	81.0
Mechanical steering products *(sets)*	6,140,000	2,746,690	44.7	6,140,000	2,903,049	47.3	6,140,000	2,931,564	47.7
Yubei Steering									
Intelligent electronic control products *(sets)*	2,035,263	1,439,363.7	70.7	2,508,459	1,654,741.7	66.0	2,600,275	1,901,105.7	73.1
Mechanical steering products *(sets)*	16,627,300	14,060,490	84.5	16,850,838	16,159,909	95.9	18,681,853	16,154,834	86.5

(1) Calculated based on actual annual operating days, daily shift numbers, shift duration, production tact time and overall equipment effectiveness. These factors vary across different production facilities. The number of operating days is calculated based on 12 working months per year and 21 working days per month.

(2) Calculated by dividing the production volume by the designed annual production capacity during the year indicated.

(3) Some of our mechanical braking products are sold and measured in units, while other products of us and Yubei steering are in sets.

Outsourced Production

We outsource certain production and processing to third-party manufacturing contractors. Our outsourced processing during the Track Record Period mainly included (i) surface treatment of caliper brackets and WCBS valve bodies and (ii) surface-mount assembly for electronic products. We manage and monitor outsourced manufacturers under strict supplier management policies. We outsource these processes primarily because certain processes, such as surface treatment, are subject to stringent regulatory approvals. In addition, suppliers in the surface mounting are abundant and, compared with in-house production, third-party manufacturers generally possess scale and cost advantages.

When selecting third-party manufacturing contractors, we primarily consider the following factors: (i) production capacity, flexibility of production lines, delivery cycle and capacity allocation capabilities; (ii) production costs; (iii) quality system certifications, production standards and quality control systems; (iv) qualifications, creditworthiness and financial condition; and (v) compatibility with our technologies and processes. We enter into formal outsourced production agreements. To ensure product quality, we generally implement the following control measures: (i) providing third-party manufacturers with operational standards, including standard operating procedures and guidelines, product manufacturing documentation and inspection specifications; (ii) providing professional training to production personnel of third-party manufacturers; and (iii) conducting special quality inspections on products and components manufactured by third-party manufacturers. All relevant business transactions are recorded and we conduct monthly and quarterly inventory checks and reconciliations to ensure that each process is well controlled.

Salient terms of our contracts with outsourced manufacturing contractors typically include the following: (i) **Specifications and Pricing:** Each purchase order specifies product requirements, including product name, model, configuration, functions, parameters, price, quantity and other specifications. Production and processing fees are negotiated and determined separately for each order. (ii) **Delivery:** The third-party manufacturing contractor is generally responsible for delivering products to locations designated by us. Upon receipt, we inspect products for conformity to samples and stipulated specifications. Products are deemed formally accepted only after inspection and issuance of an acceptance report. For products that fail to meet the required specifications, we reserve the right to reject and return them, or to require replacement or rectification. (iii) **Quality Assurance:** The warranty period is agreed upon in the pricing agreement, or determined with reference to the relevant OEM's vehicle warranty period. (iv) **Confidentiality:** We typically incorporate confidentiality provisions in agreements which generally remain in force for a specified period after termination. and (v) **Termination:** Unless otherwise agreed, the agreement automatically terminates upon expiry of its term.

In 2023, 2024 and 2025, the outsourcing production and processing fees were RMB84.8 million, RMB123.9 million and RMB204.0 million, respectively. To the best of our knowledge, all of the aforementioned production contractors are Independent Third Parties as of the Latest Practicable Date. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disputes with our production contractors.

Production Planning and Execution

We adopt a demand-driven and rolling production planning model and information-based production management systems to achieve end-to-end digitalized management covering sales forecasting, production planning, execution and delivery. Sales forecasts are continuously updated based on customer orders and market trends. Subsequently, master production schedule system ("**MPS**") integrates factors such as inventory levels and production capacity to set overall production schedules for each product across different time periods. Based on such production schedules, material requirements planning system ("**MRP**") breaks down material requirements into detailed demand plans. In the plan execution phase, MOM receives outputs from MPS and MRP and translates them into work orders and instructions for production lines. Through detailed scheduling and production sequencing, MOM ensures that high-level production plans are accurately implemented at specific production lines, workstations and shifts. In the closed-loop data processing phase, MOM automatically feeds back actual production cycle times, yield rates, labor hours and finished-goods warehousing information to sales forecasting system. Such frontline operational data provides critical inputs for the subsequent rolling optimization of MPS and MRP, continuously improving the accuracy of sales forecasting and production planning, and forming a closed-loop management system. With the expansion of our overseas R&D and manufacturing bases, MOM enables standardized and coordinated manufacturing operations across domestic and overseas production facilities through a unified platform architecture, ensuring consistency under our global footprint and effectively supporting specialized division of labor and localized supply.

For execution, we adopt a sophisticated automated production management system and organize production in a just-in-time manner. We enhance and optimize production efficiency in the following ways: (i) implementing a demand-driven, pull-based production system to avoid excess inventory; (ii) utilizing production scheduling systems to balance sequence and batch sizes of different product models, stabilizing production pace and improving equipment and personnel utilization; (iii) establishing a standardized operating system to continuously optimize process layouts, shorten mold changeover times and reduce material handling distances; (iv) forming strategic partnerships with key

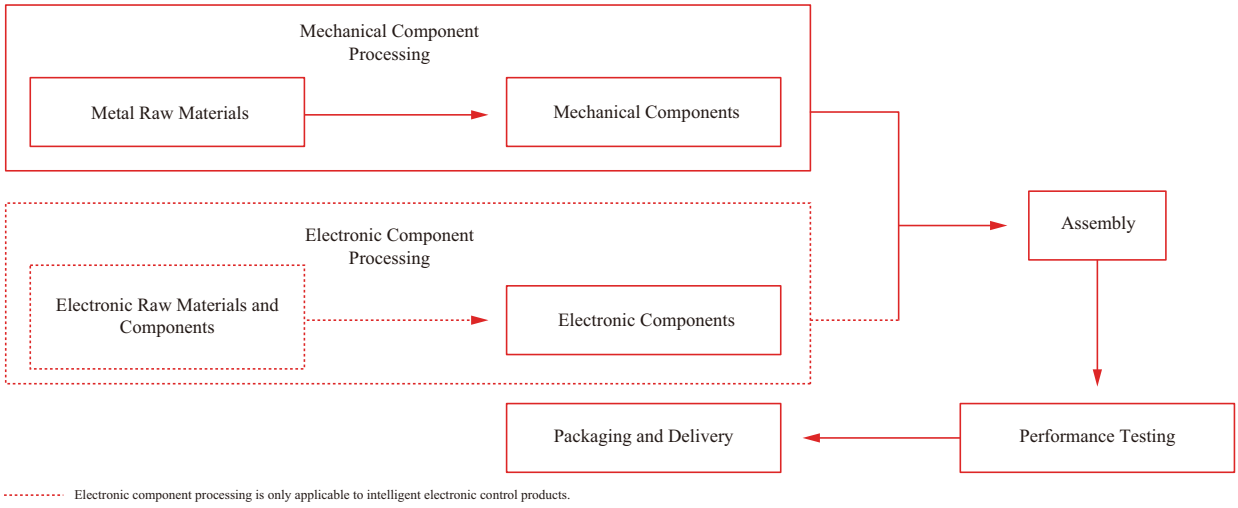
suppliers and implementing just-in-time supply through third-party warehousing and other models, reducing raw material inventories and enhancing supply chain responsiveness; and (v) regularly conducting value stream analyzes to systematically optimize the entire process and shorten delivery cycles.

Production Process

Our automotive intelligent chassis products are designed to meet rigorous quality standards while enabling rapid production expansion to meet customer demand.

Once we secured design wins from OEM customers, we enter into framework sales agreements and arrange customized production processes for each vehicle type. Our manufacturing processes generally involve coordinated management of raw materials processing, assembly, performance, packaging and warehousing and are designed to support a diversified product portfolio across multiple product lines. Across our business segments, the production process typically follows the sequence of component and raw material processing, assembly and performance testing, and packaging and delivery. For certain non-core components, we engage third-party manufacturers on an outsourced basis. See "— Our Production — Outsourced Production."

The following diagram illustrates the key production steps of our manufacturing lines:

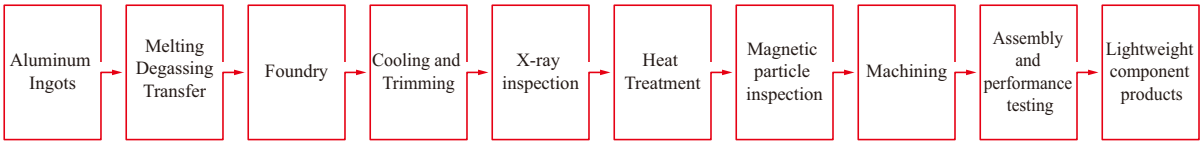


- **Raw materials processing:** For our mechanical disc brake and mechanical steering products, the production process typically begins with machining and surface treatment of metal raw materials to meet specific technical requirements and form mechanical components for further assembly. For our intelligent electronic control products, in addition to mechanical component processing, production also involves the electronic component processing, including data programming and enclosure assembly, to form electronic components ready for assembly. For example, WCBS products require the assembly of dedicated solenoid valve components and ECUs to form an integrated structure.
- **Assembly:** We then integrate the relevant mechanical and electronic components to form the core structure of our products and system solutions.

- **Performance testing:** Upon completion of assembly and prior to packaging and delivery to OEM customers, each product is subject to final inspection and performance testing to ensure compliance with our stringent quality standards. See "—Quality Control—Manufacturing."

- **Packaging and delivery:** Once products pass all required testing procedures, they are packaged and prepared for delivery to designated locations in accordance with the relevant framework sales agreements and customer requirements.

Specifically, for our lightweight chassis components, the following diagram illustrates the steps and technical measures we employ to achieve lightweight structural design and performance.



In manufacturing of our lightweight chassis components, we use advanced differential pressure casting technology, supported by our extensive manufacturing expertise and innovation. Compared to conventional and low-pressure casting processes, the process effectively suppresses gas precipitation during casting, substantially reducing defects such as porosity and pinholes and enhancing cast component density. As a result, tensile strength improves by approximately 10% to 50% over low-pressure casting. It also provides excellent feeding capability, reducing thermal cracking in complex components, while ensuring clear contours and high dimensional accuracy, minimizing the need for further machining.

Production Equipment and Key Production Technologies

To enhance production efficiency, we plan to increase the proportion of mechanized autonomous production through the deployment of high-precision modular equipment and actively promote a standardized operation scale to reduce human intervention errors. At the same time, we have adopted a comprehensive electronic and software-based production control system for high-precision management. Multi-dimensional quality inspection systems and electronic sensors across our production lines enable real-time monitoring and quality assurance. In particular, our production lines primarily adopt the following categories of production equipment to enhance operational efficiency and precision:

- **Automated production and high-precision equipment**: We extensively deploy automated equipment including industrial robots, robotics manipulators, automated guided vehicles and autonomous mobile robots to replace manual operations in processes such as loading and unloading, welding, assembly and material handling. This effort significantly reduces human intervention and human error, shortens production cycles, enhances overall equipment effectiveness and lowers downtime and rework rates. At the same time, by introducing high-rigidity equipment, precision tooling, high-speed spindles and optimized cutting parameters, we achieve high-precision, high-speed forming and machining, increasing production capacity per machine, reducing tooling changeover and setup time, and minimizing secondary processing costs.

- **Modular and flexible manufacturing capabilities:** We employ modular and flexible manufacturing with standardized tooling and quick-change fixtures, allowing multi-product, co-line production and rapid changeovers. This enhances flexibility and maximizes capacity utilization.

- **Digital production control systems:** We have implemented intelligent software and hardware systems across our production lines to enable electronic and intelligent management of production information, effectively reducing product defect rate and management costs. For example, (i) at the software level, our manufacturing execution system platform optimizes planning, materials, equipment, quality and personnel, improving sequencing and rapid response; and (ii) at the hardware level, we utilize machine vision inspection, force sensors, laser measurement and AI-powered inspection to achieve real-time data acquisition and quality assessment during production, reducing sampling time and improving yield and first-pass success rates.
- **Automated warehousing and intelligent logistics:** Through the integration of automated warehousing, intelligent distribution, precision material feeding and material tracking, we achieve highly accurate line-side logistics, reduce material waiting time and logistics lead time, enhance production continuity and per capita efficiency.

SALES AND MARKETING

Guided by our global expansion strategy, and leveraging our leading R&D capabilities in the automotive intelligent chassis system sector, robust intelligent manufacturing capabilities and continuously enhanced brand recognition, we have established a well-developed international sales network. We have established dedicated marketing centers responsible for both domestic and overseas markets. As of December 31, 2025, we had a dedicated sales and marketing team of 57 employees globally. Our sales and marketing personnel possess deep industry knowledge and work closely with customers, partners and internal operational teams to promote our products and solutions in the PRC and overseas markets.

As of the Latest Practicable Date, our products have been sold to over 50 countries and regions worldwide, enabling us to provide in-depth services to customers globally. The following table sets forth our revenue by geographical region during the Track Record Period:

	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**

During the Track Record Period, we operated primarily through a direct sales model to downstream OEM customers. Through years of accumulated expertise in technology, talent and management, we have obtained tier-one supplier qualifications from most leading domestic OEMs and have been recognized by several customers as an outstanding or core supplier. Once admitted into tier-one supplier system of an OEM customer, we can typically obtain new business opportunities through price inquiries and bidding among qualified suppliers. We provide end-to-end automotive intelligent chassis system solutions covering synchronized development and mass production. This enhances our competitiveness when customers select partners for newly launched vehicle models.

The following table sets forth the key operating data as of/for the years ended December 31 as indicated:

	As of/For the Year ended December 31,		
	2023	2024	2025
Design wins secured newly during each year	319	416	605
Expected annualized revenue from design wins secured newly during each year *(RMB in millions)*[(1)]	6,210	6,537	9,508
Number of ongoing projects[(2)]	419	430	571
Number of new projects that achieved mass production	241	309	318

(1) Expected annualized revenue from design wins secured newly during each year refers to the aggregate estimated annual sales revenue expected to be generated by all newly secured design wins obtained by us during each year in the Track Record Period after such programs enter stable mass production. It is calculated by multiplying (i) the unit selling price of the relevant component products sold by us to OEM customers, by (ii) the number of such component products installed per vehicle, and further by (iii) the OEMs' projected sales volume of the relevant awarded vehicle models, and then dividing the result by the total number of years covered from the commencement to the end of mass production over the forecast lifecycle of the relevant vehicle models.

(2) Number of ongoing projects refers to the number of design wins that we have secured but have not been converted into mass production as of December 31 of the relevant year.

Over our more than 20 years of development, we have accumulated more than 50 OEM customers, among which 30 OEMs have maintained partnerships with us for more than five years. We believe that in-depth business cooperation with OEMs under the direct sales model enables us to respond more precisely to their vehicle development requirements and provide customized products and system solutions addressing the specific needs of different vehicle platforms. See "— Research and Development — Our R&D Model" for the cooperation process from initiation, and feasibility validation to tendering, product forward development, and preparation for mass production.

We adopt a demand tracking mechanism with real-time visibility of each OEM demand, enabling us to arrange production accordingly. We rely on our efficient logistics system to ensure on-time delivery. The quality inspection department oversees quality control and provides after-sales technical support, while the marketing department monitors the entire process of order execution, delivery and service and coordinates timely resolution of issues to ensure smooth cooperation. See "— Quality Control."

At the same time, we continuously deepen our mutual trust and cooperative relationship by offering customized pricing mechanisms and flexible contract terms, to efficiently accommodate their differentiated operational requirements and large-scale procurement needs. Moreover, under the direct collaboration with downstream OEMs, we are able to collect real-time feedback from customers across development, validation, mass production and usage stages. As a result, we can rapidly refine products and upgrade technologies in line with customer needs and market trends, further enhancing customer loyalty and our overall competitiveness.

Our Domestic Sales Network

Our domestic downstream customers consist of automotive OEMs, with whom we collaborate mainly under a synchronous development model, pursuant to which we sell automotive components directly to them. OEM customers typically organize a bidding process, and upon a successful bid, we

usually enter into framework agreements with such OEM customers. The framework agreement generally extends until the end of the lifecycle of the relevant vehicle model. Once a product enters the mass production stage, we typically sign a price agreement with the OEM customer on an annual basis.

The typical salient terms of framework agreements with our customers during the Track Record Period are set forth below: (i) **Specifications and Pricing:** The product name, model, quantity and price are specified in the sales contract. However, the quantity of components to be delivered usually reflects the OEM's predicted total demand based on market forecasts and may not necessarily represent the final delivery volume. (ii) **Duration:** The term of the agreement is determined on a case-by-case basis. (iii) **Payment:** The sales contract specifies the payment method (such as full payment, credit or installment payment, or financing payment) and provides the corresponding payment schedule and amounts. (iv) **Delivery:** We typically deliver products directly to our customers. The delivery location, schedule and dates are specified in the sales contract. OEM customers generally require that the chassis products we supply are free from defects and comply with the technical requirements and intended use. In addition, we are generally required to provide updates on development progress and adhere to agreed timelines. (v) **After-Sales Services:** We are required to arrange service personnel to meet customer needs, monitor inventory levels of components and meet the total demand of automotive components during the OEM's vehicle production cycle. In addition, we ensure the availability of spare parts for a certain period following production ends so that OEM customers can meet the demand of end-users throughout the vehicle's service life. (vi) **Transfer of risks:** The risks transfer to customers upon their receipt and acceptance of our products. (vii) **Warranty Period:** The warranty period for our products varies depending on product type and model. However, if any product defects or systemic issues arise due to product or design defects, regardless of whether a vehicle recall occurs, we generally compensate OEM customers for resulting economic losses and assume corresponding liabilities. and (viii) **Termination:** Agreements may be terminated by giving notice to the other party as agreed in the agreement, or other means specified in the agreement.

Our Overseas Sales Network

Our overseas downstream customers primarily consist of leading international OEMs. As of the Latest Practicable Date, our products sold overseas are mainly lightweight chassis components and calipers. We have established a comprehensive overseas sales and supply network, under which relevant products are mainly supplied through two channels. Firstly, certain products are manufactured at our production facilities in the PRC and delivered to customers in North America, Europe and India primarily under FCA trade terms. Secondly, certain other products are manufactured locally at our production facility in Mexico and supplied to the U.S. market, rather than exported from the PRC.

The key terms of sales contracts entered into with our overseas direct customers are generally similar to the standard terms applicable to domestic OEM customers. However, we are typically required to assume the following additional obligations:

- **Import and Export Compliance:** We shall ensure that all products imported into overseas destination markets comply with the applicable import laws and regulations of such export destinations, and we may be required to indemnify customers for losses arising from non-compliance.

- **Customs and Trade Preference Cooperation Obligations:** As the seller, we are required to provide information and documents related to customs and country of origin to assist buyers in obtaining applicable trade or tariff preferences. We shall also ensure compliance with relevant export and origin requirements and cooperate with applicable customs compliance programs.

During the Track Record Period and up to the Latest Practicable Date, (i) there was no material breach of agreement and/or any purchase orders with our major domestic and overseas customers; (ii) we did not experience any material complaints, litigation or incidents concerning the quality or safety of our products or services.

Warranty and After-sales Services

We have established standard procedures for handling quality complaints, product changes and recalls. For each design win, our customers specify warranty and claim provisions in relevant agreements, which are mutually agreed upon and strictly enforced. Our front-end quality control and real-time traceability help effectively prevent batch claims. If product defects cause quality loss, we assume liability in accordance with contract terms. If such defects arise from materials or components provided by third-party suppliers, we have the right to seek recourse from such suppliers in accordance with purchase terms. Specifically, we have formulated and implemented customer satisfaction management measures and established a structured warranty and after-sales service system, including:

- **Multi-channel customer satisfaction management system:** We evaluate customer satisfaction using quantifiable indicators, such as service attitude and response speed. We regularly conduct surveys and use the results, together with employee performance assessments of relevant department evaluations, to improve responsiveness to customer needs.

- **Efficient cross-departmental coordination for customer complaint handling:** We have established a cross-departmental rapid response mechanism. Within two hours of receiving a customer complaint, each department initiates a customer complaint tracking sheet. The marketing center continuously monitors progress. Corrective measures are standardized into processes that can be shared across departments.

- **Refined product recall and after-sales policy:** We have formulated after-sales service management measures and a product recall system, for return processing, analysis, after-sales management appeals, claim reimbursement, and handling of recommendations. The quality assurance department communicates with customers and processes returns, while the logistics department handles transportation, ensuring consistent after-sales management.

Depending on product type, we typically provide a warranty period ranging from three to 36 months for both domestic and overseas customers. After expiry, support remains available to customers at their own expense. In 2023, 2024 and 2025, our warranty costs amounted to RMB51.3 million, RMB64.2 million and RMB73.7 million, respectively. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material product quality warranty claims, product returns or customer complaints, nor were we subject to any material legal claims or administrative penalties arising from product liability or quality control issues, and we did not conduct any product recalls, that had a material adverse effect on our business, financial condition or operating results.

Pricing

The pricing of our products is primarily determined by market competition, taking into account factors such as the maturity of regional markets, product penetration rates, the procurement capacity of OEM customers, industry competitive landscape and product costs. Based on these considerations, we formulate differentiated pricing policies for different countries and regions. We typically conduct systematic reviews of our pricing models at key stages of the OEM vehicle development cycle (including the early development stage, upon completion of development, and prior to official product launch), and regularly reassess and adjust our pricing system in light of real-time market conditions.

Our pricing decisions are centered on cost, quality and technology and are based on a balanced consideration of product development investment, manufacturing costs, quality control standards and technological added value. We determine cooperative relationships through open bidding. After securing a design win from OEMs, we typically confirm the mass production price in subsequent agreements, taking into account initial quotations and any design or cost optimizations achieved during development.

In addition, under applicable agreements, we charge fees for pre-tender engineering, design and R&D, and mold development. We continue to advance process optimization, supply chain integration and technological iteration to control costs while ensuring product quality and performance. This help ensure that our pricing remains competitive and commercially reasonable and aligned with customer needs and our long-term business objectives.

Marketing

We enhance our brand recognition through a diversified marketing approach, including offline industry exhibitions, dedicated technical exchange events with OEM customers, and promotion through official online information platforms, building a professional and reliable brand image in the automotive intelligent chassis system industry.

Our offline marketing and branding activities mainly include participating in major domestic and international industry exhibitions, as well as attending technical exchange day and brand day events at OEM production facilities. These activities enable us to showcase advantages of our core products and highlight our R&D capabilities and precisely align with customers' supporting needs. For instance, we regularly participate in influential industry exhibitions such as the Shanghai Auto Show each year, where we present products and cutting-edge technology solutions to OEM customers, industry partners and stakeholders in the supply chain, enhancing industry influence.

In addition, we actively conduct brand promotion through our online channels, and regularly release updates on product iterations, key technological developments and industry application cases through our official social media account. When launching new products or technical solutions, we also organize special launch events to communicate key features and applications. Our online promotion adheres to a principle of precise reach and focuses primarily on OEM customers and industry professionals, with an emphasis on technology and product competitiveness.

We believe that our integrated marketing approach, supported by product development capabilities and full-process customer services, will continue to strengthen our brand image. We also plan to further enhance brand promotion to further expand relationships with high-quality OEM customers.

SEASONALITY

Our business is subject to seasonal fluctuations that align with automotive production and sale cycles. In particular, sales of our components typically show a low season in the first half of the year and a peak in the second half, especially in the fourth quarter, which largely reflects end-consumers' vehicle purchasing patterns. This seasonality is mainly driven by peak and off-peak periods in vehicle purchases. The second half of the year is usually the peak season for vehicle purchases, which leads OEMs to concentrate their procurement of automotive components during the same period. As a result, our product sales generally follow overall vehicle market trends, with sale performance in the second half of the year typically higher than first-half sales. To ensure efficient utilization of our production capacities, we plan ahead based on expected seasonal demand based on our extensive industry experience and arrange sales and production schedules accordingly. See "Risk Factors — Risks Relating to Our Business and Industry — Our business is subject to seasonal fluctuations."

CUSTOMERS

During the Track Record Period and up to the Latest Practicable Date, we have established a broad and growing global customer base. Our customers mainly include leading domestic and international automobile manufacturers.

In the automotive manufacturing industry, after automotive component suppliers have secured a design win, suppliers typically supply the relevant products throughout the entire lifecycle of the applicable vehicle models, which generally ranges from approximately three to ten years, depending on vehicle type. We maintained a relatively stable portfolio of major customers during the Track Record Period. In 2023, 2024 and 2025, revenue generated from our five largest customers in each year during the Track Record Period was RMB5,246.5 million, RMB7,319.0 million and RMB8,715.0 million, accounting for 72.9%,76.0% and 74.4% of our total revenue in the same years, respectively; and revenue generated from our largest customer in each year during the Track Record Period was RMB2,783.0 million, RMB4,348.9 million and RMB4,572.1 million, accounting for 38.7%, 45.1% and 39.0% of our total revenue in the same years, respectively. According to F&S, our customer concentration level is not uncommon in the automotive component industry primarily due to (i) the stringent and lengthy OEM qualification process, which typically leads to strong long-term relationships once suppliers are selected by OEM customers; and (ii) customized designs are required for specific OEM mass-production programs, resulting in high switching costs and limited substitutability.

We also continue to expand and diversify our customer base, including by pursuing new OEM customers, vehicle platforms and design wins. At the same time, we deepen cooperation with existing customers by increasing content per vehicle through cross-selling and securing design wins for additional models over successive vehicle generations. These efforts help strengthen customer relationships and reduce exposure to demand fluctuations from any single customer.

The table below sets forth details of our five largest customers in each year during the Track Record Period:

Customers	Revenue	Percentage of Total Revenue	Year of Commencement of Business Relationship	Major Produce/Service Type	Customer Background	Payment Term	Settlement Method
	(RMB'000)	*(%)*					
For the year ended December 31, 2023							
Chery Holding Group Co., Ltd ("**Chery Group**")[1]	2,783,016	38.7	2004	Brake products, WCBS, EPB	An OEM with a registered capital of RMB5.82 billion, headquartered in Wuhu, Anhui province	30 days after receiving invoice	Bank transfer or acceptance
Customer A	677,643	9.4	2011	Brake products, WCBS, EPB	A state-owned automobile manufacturer with a registered capital of RMB20 billion, headquartered in Chongqing	60/90 days after receiving invoice	Acceptance
Customer B	614,165	8.5	2014	Brake products, WCBS, EPB	An OEM with a registered capital of RMB1.03 billion, headquartered in Hangzhou, Zhejiang province	75-90 days from the first day of the next month after receiving invoice	Bank transfer or acceptance
Customer C	588,739	8.2	2019	Lightweight chassis components	An international automobile manufacturer headquartered in the United States	47 days from customer's receipt	Bank transfer
Customer D	582,939	8.1	2012	Brake products, WCBS, EPB	An automobile manufacturer with a registered capital of RMB10.20 billion, headquartered in Guangzhou, Guangdong province	60 days from customer's receipt	Bank transfer
Total	5,246,502	72.9					

(1) In 2023 and 2024 and up to January 20, 2025, Chery Group was our connected person as it remained the controlling shareholder of Chery (which wholly owns Chery Technology) until that date. Upon completion of its restructuring on January 20, 2025, Chery Group ceased to hold any shares of Chery. Thereafter, Chery Group became an Independent Third Party of us up to the Latest Practicable Date.

Customers	Revenue	Percentage of Total Revenue	Year of Commencement of Business Relationship	Major Produce/Service Type	Customer Background	Payment Term	Settlement Method
	(RMB'000)	*(%)*					
For the year ended December 31, 2024							
Chery Group[(1)]	4,348,891	45.1	2004	Brake products, WCBS, EPB	An OEM with a registered capital of RMB5.82 billion, headquartered in Wuhu, Anhui province	30 days after receiving invoice	Bank transfer or acceptance
Customer B	992,425	10.3	2014	Brake products, WCBS, EPB	An OEM with a registered capital of RMB1.03 billion, headquartered in Hangzhou, Zhejiang province	75-90 days from the first day of the next month after receiving invoice	Bank transfer or acceptance
Customer C	752,254	7.8	2019	Lightweight chassis components	A major international OEM headquartered in the United States	47 days from customer's receipt	Bank transfer
Customer A	633,728	6.7	2011	Brake products, WCBS, EPB	A state-owned OEM with a registered capital of RMB20 billion, headquartered in Chongqing	60/90 days after receiving invoice	Acceptance
Customer E	591,692	6.1	2012	Brake products, WCBS, EPB	An OEM with a registered capital of RMB19.957 billion, headquartered in Beijing	60 days from the first day of the next month after receiving invoice	Acceptance
Total	7,318,990	76.0					

(1) In 2023 and 2024 and up to January 20, 2025, Chery Group was our connected person as it remained the controlling shareholder of Chery (which wholly owns Chery Technology) until that date. Upon completion of its restructuring on January 20, 2025, Chery Group ceased to hold any shares of Chery. Thereafter, Chery Group became an Independent Third Party of us up to the Latest Practicable Date.

Customers	Revenue	Percentage of Total Revenue	Year of Commencement of Business Relationship	Major Produce/Service Type	Customer Background	Payment Term	Settlement Method
	(RMB'000)	*(%)*					
For the year ended December 31, 2025							
Chery[1]	4,572,074	39.0	2004	Brake products, WCBS, EPB	An OEM with a registered capital of RMB5.82 billion, headquartered in Wuhu, Anhui province	30 days after receiving invoice	Bank transfer or acceptance
Customer B	1,625,249	13.9	2014	Brake products, WCBS, EPB	An OEM with a registered capital of RMB1.03 billion, headquartered in Hangzhou City, Zhejiang Province	75-90 days from the first day of the next month after receiving invoice	Bank transfer or acceptance
Customer E	961,961	8.2	2012	Brake products, WCBS, EPB	An OEM with a registered capital of RMB19.957 billion, headquartered in Beijing	60 days from the first day of the next month after receiving invoice	Acceptance
Customer C	821,863	7.0	2019	Lightweight chassis components	A major international OEM headquartered in the United States	47 days from customer's receipt	Bank transfer
Customer A	733,893	6.3	2011	Brake products, WCBS, EPB	A state-owned OEM with a registered capital of RMB20 billion, headquartered in Chongqing	60/90 days after receiving invoice	Acceptance
Total	8,715,040	74.4					

(1) In 2023 and 2024 and up to January 20, 2025, Chery Group was our connected person as it remained the controlling shareholder of Chery (which wholly owns Chery Technology) until that date. Upon completion of its restructuring on January 20, 2025, Chery Group ceased to hold any shares of Chery. Thereafter, Chery Group became an Independent Third Party of us up to the Latest Practicable Date.

As of the Latest Practicable Date, save for Chery, which indirectly owns a 14.56% equity interest in our Company through Chery Technology, all the other top five customers in each year during the Track Record Period were Independent Third Parties. See "Continuing Connected Transactions." As of the Latest Practicable Date, to our best knowledge, save for one Director who participates in the employee incentive plan of Chery and owned less than 0.1% of its share, none of our other Directors, their respective close associates or any of our Shareholders (who, to the knowledge of our Directors, owned more than 5% of our issued share capital) had any interest in our five largest customers in each year during the Track Record Period.

SUPPLIERS

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, including iron castings, aluminum castings, forgings, extrusions, automotive bearings, friction plates, stampings and precision-machined components; and (iii) electronic materials, primarily consisting of motors, chips, metal-oxide-semiconductor field-effect transistors, printed circuit boards and electronic capacitors. We purchased the majority of our raw materials from suppliers located in China.

We normally enter into long-term framework procurement agreements with our suppliers. The typical salient terms of such agreements during the Track Record Period are set forth below: (i) **Product Specifications:** We generally specify specifications for the products or solutions ordered, including product name, model, configuration and functions. (ii) **Duration:** The supply agreements we enter into with suppliers are typically for an indefinite term without a fixed expiry date. (iii) **Pricing:** Product prices are determined through competitive negotiations. Payment arrangements and credit terms are also determined through separate negotiations. (iv) **Logistics:** Our suppliers are generally responsible for delivering products to designated locations. (v) **Quality Assurance:** We typically require suppliers to strictly comply with our quality requirements and supplier management standards. Suppliers are responsible for the quality of components delivered. In case of quality issues, we reserve the right to claim compensation under the contract. (vi) **Confidentiality:** We enter into confidentiality agreements with our suppliers to protect procurement information. (vii) **Termination:** Agreements may be terminated in accordance with agreed in notice, or by other contractual arrangements.

In accordance with internationally recognized quality management standards, we impose strict quality performance requirements on suppliers through a full-process management system covering pre-qualification, early-stage audits and ongoing monitoring. Prior to engaging new suppliers, we apply a supplier management system integrated with our quality assurance framework, under which suppliers are jointly evaluated by the procurement department, technology center and quality assurance department through capability assessments, sample inspections and trial production. Qualified suppliers are admitted into our supplier network in accordance with our quality system documentation, after which we enter into procurement contracts and pricing agreements, and routine procurement is conducted exclusively through such qualified suppliers. In exceptional circumstances where temporary procurement from suppliers outside the approved supply system is required, prior approval from the head of the procurement department must be obtained, and the relevant materials are subject to more stringent incoming inspection standards. During the Track Record Period and up to the Latest Practicable Date, (i) our supplies did not experience any quality issues that had a material impact on our business; (ii) our manufacturing activities did not experience any significant disruptions due to shortages of key components; and (iii) there was no material breaches of agreements or material legal disputes involving our suppliers.

To mitigate supply chain management risks, we maintain a broad supplier base and closely monitor supplier-related risks. We have established contingency plans and employ rolling forecasts and demand and order management mechanisms to identify and manage potential disruptions. We review our suppliers' production capacities across key stages, including development, validation, production and inventory preparation, and formulate supply assurance plans accordingly. As such, we believe we are not subject to any material concentration risk.

To address price fluctuations of raw materials, basic mechanical components and electronic materials, we regularly monitor market conditions and maintain communication with suppliers. Leveraging our large-scale procurement, we conduct competitive bidding to ensure fair pricing. Supplier quotations are benchmarked against market and peer pricing. We also perform cost analysis based on detailed breakdowns provided by suppliers.

In 2023, 2024 and 2025, our purchases from our five largest suppliers in each year during the Track Record Period were RMB1,637.7 million, RMB1,869.0 million and RMB1,860.8 million, representing 29.2%, 28.9% and 23.0% of our total purchases in the same years. In 2023, 2024 and 2025, our purchases from our largest supplier in each year during the Track Record Period were RMB473.0 million, RMB432.3 million and RMB455.0 million, representing 8.4%, 6.7% and 5.6% of our total purchases in the same years, respectively. The table below sets forth details of our five largest suppliers in each year during the Track Record Period:

Supplies	Purchase Amount	Percentage of Total Purchases	Year of Commencement of Business Relationship	Major Product	Supplier Background	Payment Term	Settlement Method
	(RMB'000)	*(%)*					
For the year ended December 31, 2023							
Supplier A	473,036	8.4	2008	Brake disc	A professional manufacturer of automotive brake systems and pump components with a registered capital of RMB417 million, headquartered in Longkou, Shandong province	60 days after invoice	Bank transfer or acceptance
Supplier B	406,932	7.3	2013	Raw material	A company with a registered capital of RMB401 million, headquartered in Binzhou, Shandong province, primarily engaged in the production, operation and R&D of aluminum alloy materials	N/A	Bank transfer
Supplier C	302,846	5.4	2019	Raw material	A company with a registered capital of RMB2.246 billion, headquartered in Baotou, Inner Mongolia Autonomous Region, principally engaged in the production of high-purity aluminum	N/A	Bank transfer

Supplies	Purchase Amount	Percentage of Total Purchases	Year of Commencement of Business Relationship	Major Product	Supplier Background	Payment Term	Settlement Method
	(RMB'000)	*(%)*					
Supplier D	281,521	5.0	2005	Wheel hub bearing	A company with a registered capital of RMB950 million, headquartered in Chongqing, primarily engaged in the R&D, manufacturing and sales of bearings and automotive components	90 days after invoice	Acceptance
Supplier E	173,388	3.1	2008	Bearing	A company with a registered capital of RMB5 million, headquartered in Wuhu, Anhui province, primarily engaged in the production and sales of various types of bearings	90 days after invoice	Bank transfer or acceptance
Total	1,637,723	29.2					
For the year ended December 31, 2024							
Supplier A	432,262	6.7	2008	Brake disc	A professional manufacturer of automotive brake systems and pump components with a registered capital of RMB417 million, headquartered in Longkou, Shandong province	60 days after invoice	Bank transfer or acceptance
Supplier F	388,921	6.0	2016	Casting blanks and finished castings	A company with a registered capital of RMB68.02 million, headquartered in Huangshi, Hubei province, principally engaged in the R&D, production and sales of precision automotive component castings	60 days after invoice	Bank transfer or acceptance
Supplier D	379,242	5.9	2005	Wheel hub bearing	A company with a registered capital of RMB950 million, headquartered in Chongqing, primarily engaged in the R&D, manufacturing and sales of bearings and automotive components	90 days after invoice	Acceptance

Supplies	Purchase Amount	Percentage of Total Purchases	Year of Commencement of Business Relationship	Major Product	Supplier Background	Payment Term	Settlement Method
	(RMB'000)	*(%)*					
Supplier B	337,121	5.2	2013	Raw material	A company with a registered capital of RMB401 million, headquartered in Binzhou, Shandong province, primarily engaged in the production, operation and R&D of aluminum alloy materials	N/A	Bank transfer
Supplier C	331,413	5.1	2019	Raw material	A company with a registered capital of RMB2.246 billion, headquartered in Baotou, Inner Mongolia Autonomous Region, principally engaged in the production of high-purity aluminum	N/A	Bank transfer
Total	1,868,959	28.9					
For the year ended December 31, 2025							
Supplier A	454,956	5.6	2008	Brake disc	A professional manufacturer of automotive brake systems and pump components with a registered capital of RMB417 million, headquartered in Longkou, Shandong province	60 days after invoice	Bank transfer or acceptance
Supplier F	392,200	4.9	2016	Casting blanks and finished castings	A company with a registered capital of RMB68.02 million, headquartered in Huangshi, Hubei province, principally engaged in the R&D, production and sales of precision automotive component castings	60 days after invoice	Bank transfer or acceptance
Supplier G	374,667	4.6	2025	Raw materials	A company with a registered capital of RMB30 million, headquartered in Baotou, Inner Mongolia Autonomous Region, specializing in the R&D, production and sales of automotive component castings	Weekly settlement	Bank transfer

Supplies	Purchase Amount	Percentage of Total Purchases	Year of Commencement of Business Relationship	Major Product	Supplier Background	Payment Term	Settlement Method
	(RMB'000)	*(%)*					
Supplier D	336,298	4.2	2005	Wheel hub bearing	A company with a registered capital of RMB950 million, headquartered in Chongqing, primarily engaged in the R&D, manufacturing and sales of bearings and automotive components	90 days after invoice	Acceptance
Supplier H	302,715	3.7	2024	Raw materials	A company with a registered capital of RMB100 million, headquartered in Inner Mongolia Autonomous Region, primarily engaged in the manufacturing and processing of non-ferrous metal alloys	Weekly settlement	Bank transfer
Total	1,860,836	23.0					

As of the Latest Practicable Date, none of our Directors, their respective close associates or any of our Shareholders (who, to the knowledge of our Directors, owned more than 5% of our issued share capital) had any interest in our five largest suppliers in each year during the Track Record Period.

OVERLAPPING CUSTOMERS AND SUPPLIERS

Chery Group in 2023 and 2024 and Chery in 2025, as our largest customer, respectively, were also our suppliers. We sold automotive components and parts to them, and our purchases from them were primarily related to reimbursements for after-sales warranty services. We also incurred IP license fees from Chery in 2025. In 2023 and 2024, our purchase amounts from Chery Group amounted to RMB7.8 million and RMB12.8 million, representing 0.1% and 0.2% of our total purchases for the respective years, respectively. In 2025, our purchase amount from Chery amounted to RMB59.0 million, representing 0.7% of our total purchases for the same year. We also recorded purchases related to reimbursements for after-sales warranty services from each of our other five largest customers in each year during the Track Record Period, namely Customer A, Customer B, Customer C, Customer D and Customer E. Such reimbursement amounts from each of these customers accounted for less than 0.1% of our total purchases for the respective years. According to F&S, reimbursement for after-sales warranty services from OEMs to automotive component suppliers is a common industry practice and arrangement.

Our Directors confirm that, with respect to the overlapping customers and suppliers, sales and procurement transactions between us and such counterparties are not mutually incidental or conditional, and all sales and procurement transactions between us and such overlapping customers and suppliers are conducted in the ordinary course of business, based on our genuine business needs and on an arm's length basis and in accordance with normal commercial terms. Save for Chery, all of the

aforementioned companies are Independent Third Parties as of the Latest Practicable Date. See "Continuing Connected Transactions." To our best knowledge, none of our five largest suppliers in each year during the Track Record Period was also our customer.

QUALITY CONTROL

We have established, implemented and maintained a comprehensive quality and safety management structure for automotive intelligent chassis systems. As of the Latest Practicable Date, the majority of our manufacturing plants have obtained IATF 16949 automotive quality management system certification, with the scope of certification covering R&D and manufacturing processes of our full product portfolio.

In the procurement process, we have formulated the Procurement Control Procedures and the Supplier Management Manual to strictly enforce supplier admission requirements and performance monitoring. All outsourced components are subject to incoming inspection upon delivery. During the production process, we implement a three-tier inspection mechanism comprising self-inspection, cross-inspection and specialized inspection. Error-proofing measures are deployed at critical processes.

Research and Development

In the course of our R&D, we develop products in accordance with applicable laws, regulations and industry practices. We conduct a series of rigorous testing and validation procedures to ensure product quality and manage costs. We conduct extensive testing under various environmental conditions to meet diverse driving requirements of users worldwide.

Manufacturing

During the manufacturing process, we implement rigorous quality control measures and utilize advanced inspection equipment to ensure that all products meet high quality standards. In addition, our production facilities are equipped with robust systems to monitor key production processes, ensuring the consistent delivery of reliable products. We also adopt a range of intelligent manufacturing systems, including MOM, to enhance quality control. These systems enable real-time monitoring of product quality and tracking of equipment status and production progress. Through integrated data collection and analysis, we achieve digitalized quality control across the production process, allowing us to promptly identify abnormalities. Once any product defects are identified, our quality control department analyzes relevant quality or technical issues and implement corrective and preventive measures. We have established our evaluation standards, and our quality assessment department is responsible for reviewing product quality and production processes. We also conduct regular internal audits and management reviews to ensure that our quality control system remains effective and adequate.

Supply Chain

In terms of supply chain management, we have formulated comprehensive policies and procedures to ensure the quality of metal raw materials, basic mechanical components and electronic materials procured from our suppliers. We have established a stringent supplier admission system. See "Business — Suppliers." In addition, we have implemented quality control procedures across the following stages: (i) **Quality admission requirements:** We strictly adhere to quality management standards such as IATF 16949 and ISO 9001, require all suppliers to meet the standard requirements, establish quality management systems in accordance with guidelines such as the latest version of the Product Quality Planning and Control Plan issued by the Automotive Industry Action Group, and obtain third-party certification. (ii) **Early-stage quality audits:** After suppliers are selected, we conduct audits of quality management system, processes, production capacity and special processes. Following the execution of formal agreements, suppliers are required to provide sample components together with performance

testing reports. Only after successfully passing all quality indicators will suppliers be formally authorized to commence mass production. (iii) **Quality tracking management:** Once raw materials enter our production lines, we maintain tracking records and monitor quality on an ongoing basis. We also conduct at least one annual audits of suppliers to ensure continuous supervision of supplier quality.

See "— Sales and Marketing — Warranty and After-sales Services" and "Risk Factors — Risks Relating to Our Business and Industry — Undetected defects of our products could adversely affect our business, financial condition and results of operations."

LOGISTICS AND WAREHOUSE

We have established a comprehensive and flexible warehousing and logistics network centered around our production facilities and locations of key customers, enabling us to support stable production schedules of customers and enhance on-time delivery. Where our collaboration with OEMs has reached stable and large-scale production, we primarily rely on self-operated warehouses located within the service radius of major OEMs to store and distribute mainly finished products, and, to a lesser extent, semi-finished goods and raw materials, enhancing efficiency and inventory control. However, where our cooperation with OEM customers is at an early stage or still ramping up, we utilize selected third-party warehouses in close proximity to OEM facilities as transit hubs. Through the combined use of self-operated and third-party warehouses, we balance cost efficiency and effectively meet diverse delivery needs across OEM customers, vehicle platforms and application scenarios, thus ensuring stable and efficient supply. For products stored in our own warehouses, we have adopted standardized warehouse management procedures covering receipt, storage, picking, packaging and delivery. We conduct regular physical inventory counts and reconciliations to ensure accuracy. For products stored at third-party warehouses, we implemented strict partner selection and risk control measures to ensure proper management and record accuracy.

In business operations, we engage third-party logistics service providers to transport products from our production facilities to locations specified by our OEM customers. Where practicable, we prioritize cooperation with logistics providers located close to warehouses to minimize logistics and transportation costs. We usually adopt open tendering when engaging logistics providers to ensure multiple service providers and diversified transportation risks, supporting timely delivery to OEM customers. Our products sold to overseas OEM customers are generally shipped under agreed contractual terms, primarily FCA trade terms.

The typical salient terms of our agreements with third-party logistics providers during the Track Record Period are set forth below: (i) **Term:** Our contracts with third-party logistics service providers are typically entered into for a term of one year. (ii) **Principal Rights and Obligations:** Third-party logistics service providers must strictly perform transportation, loading/unloading, and distribution tasks in accordance with contracts and regulations to ensure timeliness, safety and integrity. They are responsible for vehicle safety, driver management, in-transit monitoring, and abnormal reporting during transportation, and ensure the completeness, authenticity and timely return of cargo handover documents. For cargo damage, loss or delays caused by their own improper operations, they are responsible for corresponding liabilities and compensation. Third-party logistics service providers must comply with the logistics specifications of both OEMs and us (such as packaging, timeliness and factory entry requirements) and cooperate with us to complete work such as audits, inspections, emergency support and peak-season capacity support. (iii) **Risk Transfer and Settlement Methods:** The loading and unloading of goods are generally undertaken by us and OEM customers. Third-party logistics service providers are responsible for delivering the goods to the recipient, who, upon receipt, signs the freight bill, which is then returned to us as the basis for settlement. (iv) **Transportation**

Standards: Third-party logistics service providers shall transport goods according to our specified methods and requirements. (v) **Termination:** Agreements may be terminated in accordance with agreed notice provisions or other contractual arrangements.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disruptions or damages in relation to product delivery.

Inventory Management

Our inventory primarily includes raw materials, finished goods and semi-finished goods. As of December 31, 2023, 2024 and 2025, our inventory amounted to RMB1,037.1 million, RMB1,420.0 million and RMB1,807.4 million, respectively. Our inventory turnover days were 63.5 days, 59.7 days and 63.4 days in 2023, 2024 and 2025, respectively. To effectively balance inventory levels with production requirements, we have implemented inventory management policies to monitor inventory across our production facilities and warehouses, while maintaining relatively lean inventory levels. To enhance inventory control, we have implemented systems to record and monitor the inflow and outflow of materials on a regular basis, so as to maintain optimal inventory levels sufficient to support production needs while minimizing waste and obsolescence. Our inventory control policies support efficient management and enable timely response to market demand. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material delays in product delivery due to inventory shortages.

INTELLECTUAL PROPERTY

We believe that our proprietary domain names, patents, copyrights, trademarks, trade secrets and other intellectual property rights are essential to our business operations. We devote substantial time and resources to the development and protection of our intellectual property rights. We rely on patent, copyright, trademark and trade secret laws and contractual protections to safeguard our intellectual property rights.

To protect our intellectual property rights, we have established a comprehensive internal management system, which specifies the full-process governance of various intellectual property rights, covering all business aspects including R&D, production and marketing. We provide protection through: (i) **results discovery and application protection:** we conduct patent literature searches at the early stage of R&D project initiation, regularly assess potentially patentable innovations throughout the development process and promptly advance intellectual property applications to ensure that all protectable results are duly secured; (ii) **continuous post-grant protection:** we have established a dual supervision and verification mechanism involving internal specialists and external agencies to prevent the lapse of rights due to procedural deficiencies. We also conduct regular evaluations of the value of our granted intellectual property rights and promote the commercialization, licensing and transfer of patents to enhance their economic value; (iii) **end-to-end infringement prevention measures:** to prevent potential infringement by competitive products and third parties, we have established an infringement reporting channel and regularly conduct training for employees to strengthen their awareness of intellectual property protection; (iv) **comprehensive infringement response measures:** upon identification of any infringement of our intellectual property rights, we promptly initiate responses and conduct special investigations, followed by post-incident reviews to prevent recurrence of similar issues; and (v) **stringent confidentiality and anti-leakage protection mechanism:** we have established strict end-to-end information leakage prevention measures, including granting file access on a need-to-know basis, prohibiting the use of external storage devices on work computers and entering into confidentiality agreements with key personnel.

As of the Latest Practicable Date, we held 464 granted patents in the PRC (including 124 invention patents, 333 utility models and seven design patents) and 444 domestic patent applications pending (including 354 invention patent applications and 90 utility model applications). In terms of international patents, we held 46 Patent Cooperation Treaty ("**PCT**") international patent applications and 10 granted PCT international patents. See "Appendix V — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual property rights."

During the Track Record Period and up to the Latest Practicable Date, we were not subject to any material infringement of our intellectual property rights or allegations of infringement by third parties. See "Risk Factors — Risks Relating to Our Business and Industry — If we fail to protect, or incur significant costs in defending, our intellectual property, trade secrets and other proprietary rights, our business, financial condition and results of operations could be adversely affected" and "— Third parties may assert or claim that we are infringing upon their intellectual property and proprietary rights, which could divert our management attention, cause us to incur additional costs and prevent us from selling or using the technology to which such rights relate."

INFORMATION TECHNOLOGY

Our information technology ("**IT**") systems are critical to supporting efficient operations and maintaining competitiveness. We have established a systematic IT system that covers all material aspects of our operations, including quality control, customer service, R&D, production and business operations. Our IT team is responsible for system development, upgrade and maintenance, as well as customized development for our business needs.

We deploy a suite of key IT systems across different operational stages. We have fully implemented MOM on our mass production lines, including enterprise-wide network management, infrastructure operations and maintenance and certain development functions. We also utilize ERP to mainly support financing management. Real-time process data during production, material flows, records of scrap and rework, and equipment utilization are digitally recorded, which can minimize manual input, ensure traceability and support data-driven continuous improvement. We have also established a closed-loop supply chain system, ensuring accurate and reliable data transmission and stringent control over changes. During the Track Record Period, we launched a unified application programming interface management platform to improve system integration efficiency and reduce redundant development. Our warehousing and logistics are system-managed, and we conduct regular inventory checks. During the Track Record Period and up to the Latest Practicable Date, we did not experience any IT system failures or downtime that may cause a material adverse effect on our business operations. Looking ahead, we will continue to advance our data systems, with a particular focus on data warehouse development and data integration, further enhancing our digital operational capabilities.

DATA PRIVACY AND PROTECTION

Data Collection and Data Protection Policies

During the Track Record Period and up to the Latest Practicable Date, as nearly all of our customers are OEMs, we did not collect personal data beyond necessary delivery and contact information, in accordance with applicable PRC data privacy and security laws and regulations and with prior customer consents. We have no access to vehicle data generated by end customers during their use of vehicles equipped with our automotive intelligent chassis systems. Our processing of personal information is primarily limited to personal information of necessary contacts involved in business cooperation with customers, suppliers and other business partners.

We have implemented a strict information security management system to ensure compliance with relevant PRC laws and regulations. We conduct regular reviews to identify and manage any technological vulnerabilities, fulfilling our primary responsibility for data privacy and security. For example, we apply end-to-end data protection measures, including firewalls and antivirus software for network security, encryption of core data, multi-factor authentication and strict access controls, as well as regular vulnerability scanning and penetration testing to minimize the risk of data breaches.

We have implemented a series of stringent data protection policies and measures to ensure the data security of our information systems, and to ensure that the collection, processing, storage and use of personal data comply with applicable laws. These policies and measures include:

- **Personal Information Processing Compliance Protection**: Through personal information protection clauses in cooperation agreements, we clearly set out the scope, methods, purposes and rights relating to the processing of personal contact information, ensuring that personal information processing activities are legal and compliant.
- **Data security monitoring and risk assessment:** We conduct regular assessments of data protection risks, identify potential privacy vulnerabilities and implement corrective measures. We also provide routine cybersecurity training for all employees to enhance employee awareness.
- **Confidentiality Systems and Strict Access Controls:** We strictly base employees' system access permissions on their job responsibilities. For example, engineers normally can only access project-related data, and sales personnel can only access the customer accounts they are responsible for. Any request for system access or modification must be submitted through a formal centralized approval process. We have a dedicated register to track and manage all permissions, ensuring timely updates when permissions are changed or revoked.
- **Supervision and audit:** We regularly review the implementation of our privacy protection policies. We continuously optimize our privacy protection policies and technical measures to address evolving regulatory requirements and security threats.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any breaches of any mandatory requirements of applicable laws and regulations relating to the collection, storage, use and protection of personal data that may have a material impact on our business, nor did we experience any material incidents involving data leakage or data loss.

Data Storage and Cross-Border Transfer

All data collected or generated in the course of our ordinary operations in the PRC are stored in the domestic server. Data generated by our overseas production facilities and R&D centers is accessed through virtual servers, and we do not transfer any personal information or important data collected or generated in the course of our ordinary operations in the PRC to locations outside the PRC. As confirmed by our PRC counsel with regard to data compliance, during the Track Record Period and up to the Latest Practicable Date, we have complied with applicable PRC laws and regulations relating to cybersecurity, data security and personal information protection in all material respects.

COMPETITION

See "Industry Overview."

EMPLOYEES

As of December 31, 2025, we had 6,358 full-time employees in the PRC and overseas. The table below sets forth the number of our full-time employees by function as of December 31, 2025.

Function	Number of employees	Percentage (%)
Production	3,750	59.0
Sales	57	0.9
R&D	1,535	24.1
Technical	605	9.5
Finance	82	1.3
Administration	329	5.2
Total	**6,358**	**100.0**

We believe our employees are key to our success. When recruiting employees, we consider a range of factors, including their industry experience in the automotive intelligent chassis system sector, educational background and role requirements. We offer competitive remuneration packages, comprising fixed salaries and allowances based on positions and responsibilities. We enter into individual employment contracts covering remuneration, benefits, scope of employment and termination terms. In accordance with PRC social insurance regulations, we provide statutory social insurance. See "Risk Factors — Risks Relating to Doing Business in the Jurisdictions Where We Operate — We face certain legal and regulatory risks relating to social insurance and housing provident fund."

Our employees receive training to enhance technical skills and awareness of quality, occupational health and safety, and applicable laws and legal requirements. As of the Latest Practicable Date, we maintain a labor union and maintained good employee relations. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material labor disputes, work stoppages or strikes that may cause any disruption to the operations of our Group, nor any material workplace accidents or injuries; and we complied in all material respects with applicable health and workplace safety laws and regulations.

INSURANCE

As of the Latest Practicable Date, we primarily maintain property and employer's liability insurance. According to F&S, this is generally consistent with companies of comparable scale in the same industry in China. We believe that our insurance coverage is adequate and in line with industry practice. Our management reviews the adequacy of our insurance coverage from time to time and procures additional policies where necessary. We will continue to review and assess our risk profile and adjust our insurance coverage as appropriate to ensure alignment with our operational needs and prevailing industry practices. See "Risk Factors — Risks Relating to Our Business and Industry — Our business, operating results and financial condition could be adversely affected if our insurance coverage is insufficient to cover all losses or potential claims by our customers." During the Track Record Period and up to the Latest Practicable Date, we did not make any material insurance claims in connection with our business.

PROPERTIES

Our headquarters is located in Wuhu, Anhui province, the PRC. We own and lease several properties in the PRC and overseas.

PRC Properties

Owned Properties

As of the Latest Practicable Date, our Company and major subsidiaries owned 40 properties in the PRC for which we have obtained real estate ownership certificates, with a total gross floor area of approximately 310,731.6 square meters. These properties are primarily used for office, R&D, production and dormitory. As of the Latest Practicable Date, our Company and major subsidiaries have not obtained the building real estate certificates for certain properties with an aggregate gross floor area of approximately 45,795.7 square meters in the PRC, primarily due to outstanding application materials. These properties are primarily used as staff dormitories and production facilities in our manufacturing operations. We believe that such title defects would not materially and adversely affect our business operations, taking into account that the relatively small proportion of the aggregate gross floor area of such properties compared to our total gross floor area. As advised by our PRC Legal Advisors, such lack of real estate ownership certificates would not have any material adverse effect on our business or results of operations since (i) such properties have obtained the relevant construction permits and the underlying land has been duly granted land use right certificates; and (ii) from the commencement of the use of such properties, the buildings have been used in the ordinary course of business and we have not been subject to any administrative penalties for violations of laws and regulations relating to building and construction during the Track Record Period.

Save as the property interests disclosed in Appendix VI to this document, no single property interest that forms part of property activities has a carry amount of 1% and no single property interest that forms part of non-property activities has a carry amount of 15% of our total assets as of December 31, 2025. Accordingly, pursuant to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempted from compliance with the requirements of section 342(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

Leased Properties

As of the Latest Practicable Date, our Company and our major subsidiaries leased eight properties in the PRC, with an aggregate gross floor area of approximately 27,335.1 square meters. These leased properties are primarily used for office, production and other purposes. Pursuant to the applicable PRC laws and regulations, property lease contracts must be registered with the local branch of the Ministry of Housing and Urban Development of the PRC. As of the Latest Practicable Date, our Company and our major subsidiaries had not yet completed the registration of the eight property lease contracts that are entered into in the PRC. As advised by our PRC Legal Advisors, failure to complete the lease registration will not affect the validity of the lease agreements according to PRC law, but we may have a maximum penalty of RMB10,000 imposed on us for each non-registered lease if we fail to complete the registration of any of our future lease agreements after we are requested to do so by the competent PRC government authorities. As of the Latest Practicable Date, we had not been ordered to make corrections by the competent local counterpart of Ministry of Housing and Urban Development. See "Risk Factors — Risks Relating to Our Business and Industry — Failure to comply with property-related laws and regulations regarding certain of our owned or leased properties could adversely affect our business."

Overseas Properties

As of the Latest Practicable Date, we owned two buildings in Saltillo, Coahuila, Mexico, with an aggregate land use right area of approximately 121,000 square meters, primarily for production.

In addition, we leased two properties in Michigan, the United States and Frankfurt, Germany, with an aggregate gross floor area of approximately 453 square meters, primarily for R&D and office purposes. Our management believes these leases were entered into according to applicable local laws and are valid and legally binding.

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time be subject to various legal or administrative claims and proceedings in the ordinary course of business, which may result in costs and diversion of management time and resources, regardless of outcome. During the Track Record Period and up to the Latest Practicable Date, neither we nor our Directors were involved in any pending or threatened legal proceedings that may, individually or in aggregate, have a material adverse effect on our business, financial condition or results of operations. See "Risk Factors — Risks Relating to Our Business and Industry — Our reputation, business, operating results and financial condition could be adversely affected if we are involved in legal proceedings or commercial disputes."

We are subject to regulatory requirements in the jurisdictions in which we operate. We are committed to monitoring the regulatory environment and have implemented adequate internal procedures and guidelines to manage our operations so as to mitigate potential non-compliance or misconduct. During the Track Record Period and up to the Latest Practicable Date, we were not subject to or involved in any non-compliance incidents that may result in fines, enforcement actions or other penalties, which could cause a material adverse effect on our business, financial condition and results of operations. During the Track Record Period and up to the Latest Practicable Date, we have complied in all material respects with all applicable laws and regulations in the jurisdictions in which we operate.

LICENSES, APPROVALS AND PERMITS

During the Track Record Period and up to the Latest Practicable Date, we have obtained all licenses, approvals and permits that are material and necessary for our business operations in the jurisdictions in which we operate, and such licenses, approvals and permits are valid and in full force and effect. The table below sets forth our material licenses, approvals and permits in the PRC:

No.	License/Permit/Approval	Issuing Authority	Holder	Expiry Date
1	Registration Receipt for Pollution Source (Fixed Source)	N/A[(1)]	Bethel	2028.08.21
2	Radiation Safety License	Department of Ecology and Environment ("**DEE**") of Anhui province	Bethel	2029.12.24
3	Customs Registration of Importers and Exporters of Goods	Wuhu Customs	Bethel	2068.07.31

No.	License/Permit/Approval	Issuing Authority	Holder	Expiry Date
4	Registration Receipt for Pollution Source (Fixed Source)	N/A[(1)]	Bethel Electronic	2028.11.08
5	Customs Registration of Importers and Exporters of Goods	Wuhu Customs	Bethel Electronic	2068.07.31
6	Pollutant Discharge Permit	DEE of Weihai city	Weihai Bethel	2029.09.28
7	Radiation Safety License	DEE of Weihai city	Weihai Bethel	2026.12.30
8	Customs Registration of Importers and Exporters of Goods	Weihai Customs	Weihai Bethel	2068.07.31
9	Registration Receipt for Pollution Source (Fixed Source)	N/A[(1)]	Zhejiang Wanda	2031.04.29
10	Customs Registration of Importers and Exporters of Goods	Qianjiang Customs Xiaoran Office	Zhejiang Wanda	2068.07.31
11	Registration Receipt for Pollution Source (Fixed Source)	N/A[(1)]	Zhejiang Shuangli	2030.10.26
12	Pollutant Discharge Permit	DEE of Suining city	Suining Bethel	2030.09.21
13	Registration Receipt for Pollution Source (Fixed Source)	N/A[(1)]	Wuhu Wanda	2030.02.25

(1) As stated on each registration receipt, there is no issuing authorities.

We may renew our licenses, permits and approvals from time to time to comply with applicable laws and regulations, and, as of the Latest Practicable Date, we did not anticipate any material obstacles to maintaining or renewing the licenses, permits and approvals required for our business operations.

RISK MANAGEMENT AND INTERNAL CONTROL

Our Board and senior management are responsible for establishing and overseeing the implementation and effectiveness of our internal control framework. This framework is robustly structured to ensure our ongoing compliance with applicable laws and regulations governing our business operations and corporate governance, thereby avoiding recurrence of compliance deficiencies. We believe that our existing internal control mechanisms and procedures are adequate in terms of scope, feasibility and operational effectiveness.

In the course of our ordinary business operations, we are inevitably exposed to various risks, including operational risks, market risks and financial risks. We implement a robust and adaptive risk management strategy and ensure that our operations remain resilient against potential adverse factors, securing our competitive position and financial stability. See "Risk Factors — Risks Relating to Our Business and Industry."

To effectively manage risks, we have adopted or intend to adopt the following measures: (i) by maintaining stable relationships with existing suppliers and customers, we continue to diversify our customer and supplier base to mitigate reliance on any single counterparty; (ii) subject to commercial feasibility, we actively expand our supplier network; (iii) our management team closely monitors market trends and raw material price movements to maintain competitive sourcing; (iv) we maintain robust IT controls to ensure business continuity and data integrity; (v) we regularly review and adjust remuneration structures to attract and retain talent; (vi) we provide regular anti-corruption and anti-bribery compliance training and implement disciplinary measures; (vii) we strengthen reporting and record-keeping, conduct regular inspections and maintain emergency response procedures; (viii) our Directors closely monitor liquidity and may secure financing when necessary; and (ix) we have established an audit committee to oversee financial reporting and internal controls.

Furthermore, we have engaged an internal control consultant to review the effectiveness of our internal controls, identify areas for improvement, provide recommendations and review the implementation status of these remedial actions. To ensure the above compliance culture is embedded into everyday workflow and sets the expectations for individual behavior across the organization, we regularly review our risk management policies and procedures, adopt strict accountability and conduct ongoing compliance training. We are of the view that our internal control system is adequate and effective for our current operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

ESG Governance

We are committed to protecting the environment, putting people first, creating value, and enhancing corporate governance for sustainable development. We have established a robust and comprehensive ESG governance structure to ensure effective management and regulatory compliance. The Board serves as the highest decision-making authority, responsible for reviewing and approving ESG targets, internal manuals and annual reports. To enhance oversight, the Board has delegated authority to the Strategy and Sustainability Committee (the "**Committee**") to manage overall ESG matters. This includes identifying and assessing ESG-related risks and opportunities, monitoring progress against strategic goals and reviewing sustainability disclosures. The Committee held at least two meetings annually to review key ESG issues and ensure the comprehensive identification of material ESG risks relevant to our operations.

The ESG management team acts as the primary decision-making body for operational ESG matters, focusing on formulating sustainability strategies and supervising their implementation. Execution is carried out by ESG-related departments, including the Board office, human resources department, quality assurance department, production department and the R&D Center. These functional units translate our sustainability blueprint into concrete actions, undergoing regular supervision and adjusting workflows based on management recommendations.

We integrated ESG performance into our executive compensation framework, which covers key dimensions such as carbon reduction, energy efficiency, technological innovation and safety performance. This framework ensures that our long-term value creation is aligned with responsible corporate citizenship.

Materiality Assessment

In accordance with the Shanghai Stock Exchange Listed Company Self-Regulatory Guidelines No. 14 — Sustainable Development Report (Trial), we have established an "Identification-Research-Evaluation-Review" framework to assess material ESG topics. Tailored to our specific industry characteristics and operational profile, we identified six primary stakeholder groups: government and regulatory authorities, employees, customers, shareholders and investors, suppliers and the community.

By maintaining regular communication and adopting a dual materiality assessment, we have clarified the potential impacts of key issues on both the environment and our business value. In our 2025 ESG annual report, we discussed 20 material ESG topics, comprising seven environmental, eight social and five governance issues.

Environmental Issue

Our operations adhere to a range of environmental protection laws and regulations concerning air, water and waste pollution, issued by the governments of the PRC. See "Regulatory Overview." During the Track Record Period and up to the Latest Practicable Date, we complied with all applicable environmental laws and regulations and had not received any fines or penalties associated with a breach of any environmental laws or regulations.

Greenhouse Gas ("GHG") Emissions

Scope 1 direct emissions are generated from manufacturing activities and company-owned vehicles, while Scope 2 indirect emissions result from purchased electricity and steam. For Scope 3, we have calculated Category 6 business travel emissions following the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard (2011). While our total GHG emissions increased during the Track Record Period, this growth was primarily aligned with our strategic business expansion. We remain committed to optimizing our carbon footprint as we continue to scale our operations.

The following table sets forth a breakdown of our GHG emissions during the Track Record Period.

		Year ended December 31,		
GHG Emissions	**Unit**	**2023**	**2024**	**2025**
Scope 1 emissions.	tons-CO2e	18,119.40	30,071.21	34,528.90
Scope 2 emissions.	tons-CO2e	82,745.40	109,681.68	124,158.96
Scope 3 emissions.	tons-CO2e	54.51	149.39	246.61
GHG emissions (Scope 1,2&3).	tons-CO2e	100,919.31	139,902.28	158,934.47
GHG emissions intensity (Scope 1,2&3).	tons-CO2e/RMB in millions	13.50	14.08	13.23

Energy Management

We have implemented the Production Workshop Energy Saving and Consumption Reduction Management Measures to manage our energy conservation actions. Under this framework, managers of each production workshop serve as the primary responsible persons for setting targets and daily supervision, while the equipment department oversees company-wide inspection and assessment. Our strategy integrates systematic management with clean energy exploration to continuously improve utilization. Key initiatives include: (i) **Equipment Control:** Enforcing strict temperature standards (Summer ≥24 ℃; Winter ≤18 ℃) for air control system and deploying intelligent sensor lighting systems;

(ii) **Equipment Upgrades:** Advancing automation and replacing high-energy assets with efficient alternatives, such as variable-frequency hydraulic systems; (iii) **Operation Optimization**: Monitoring equipment utilization per shift to dynamically adjust the operation of air compressors and heating, ventilation, and air conditioning systems based on real-time production needs; and (iv) **Renewable Energy**: Deploying distributed solar photovoltaic facilities at our Wuhu and Weihai bases, providing a strong foundation for our green, low-carbon transition.

Water Management

We source water primarily from municipal networks and encountered no sourcing difficulties during the Track Record Period and up to the Latest Practicable Date. To ensure conservation, we conduct regular inspections of supply lines to prevent leakage and have installed high-efficiency, sensor-based water fixtures in office areas.

Water data during the Track Record Period is shown as follows:

		Year ended December 31,		
Water Consumption	**Unit**	**2023**	**2024**	**2025**
Total water consumption . .	tons	574,300.00	684,500.00	926,000.00
Total water consumption intensity	tons/RMB in millions	76.84	68.89	77.08

Air Emissions, Wastewater and Waste Management

We have established a systematic management framework for pollutants and waste, implementing full-process controls to minimize our environmental footprint. Regarding air emissions, we prioritize low-volatile organic compounds materials and ensure organized discharge for processes involving volatile organic compounds. Our integrated wastewater treatment station utilizes advanced processes, including oil separation, flocculation and Up-flow Anaerobic Sludge Blanket to treat production effluent centrally. We reduce the disposal of wastewater by recycling cutting fluids through specialized purification and scientific re-ratioing for production reuse.

In accordance with Waste Management Policy, non-hazardous waste is transferred to qualified third parties for recycling and further treatment. Hazardous waste follows a rigorous protocol involving classified collection, strict inventory management, and disposal by certified partners. Oily wastewater is treated onsite to meet discharge standards, while chemical containers, such as sulfuric acid bottles, are returned to suppliers for recovery. This approach ensures regulatory compliance while promoting a circular economy.

Hazardous and non-hazardous waste data during the Track Record Period is shown as follows:

		Year ended December 31,		
Waste	**Unit**	**2023**	**2024**	**2025**
Total hazardous waste	tons	2,072.98	2,839.76	3,623.79
Total hazardous waste intensity	tons/RMB in millions	0.28	0.29	0.30
Total non-hazardous waste.	tons	18,201.18	25,848.83	33,555.69
Total non-hazardous waste intensity	tons/RMB in millions	2.44	2.60	2.79

Climate Change

Recognizing climate change as a strategic priority, we have identified six climate-related risks—comprising four transition risks and two physical risks—alongside three significant climate opportunities.

Regarding acute risks, we acknowledge extreme weather events such as typhoons and floods, could damage equipment and disrupt operations through power or water outages. To mitigate these impacts, we have implemented EHS Emergency Preparedness and Response Control Procedure and equipped key operational sites with backup power generation. To address chronic risks like rising average temperatures, which increase cooling demands and energy consumption, we have integrated climate resilience into our site selection and design standards for new facilities, prioritizing regions with higher environmental stability.

In terms of transition risks, we closely monitor evolving environmental policies and legal requirements to optimize our management systems. Upon **[REDACTED]**, we will publish ESG reports in full compliance with the ESG Code under Appendix C2 of the Listing Rules. To navigate technological risks—driven by the rapid shift toward vehicle electrification and lightweighting—we conduct rigorous feasibility assessments, business scenario testing, and cost-benefit analyzes before scaling new technologies, ensuring our R&D investments remain competitive. To address market risks and the growing demand for low-carbon products, we have initiated life cycle carbon footprint assessments to identify key emission reduction areas. Furthermore, to safeguard our reputation against increasing public and investor scrutiny, we maintain transparent communication of our climate actions through our annual ESG reports and official channels.

We also captured climate-related opportunities to enhance our long-term competitiveness. We improve resource efficiency through the setting of annual energy-saving targets, which strengthens our cost control. To leverage energy source opportunities, we are expanding the installation of distributed rooftop solar systems, increasing our clean energy self-sufficiency while reducing reliance on fossil fuels. Finally, to seize global market opportunities for low-carbon automotive components, we develop tailored solutions that meet diverse international standards, highlighting our leadership in sustainable supply chains and low-carbon innovation to serve the global transition.

Environmental Targets

We actively align with the Paris Agreement and China's "3060 Dual Carbon Goals" by establishing definitive climate-related targets. We have set a strategic management objective to continuously expand photovoltaic usage and increase the proportion of clean energy in our mix. In 2025, we successfully achieved our energy-saving target, reducing energy consumption per unit of output value by 5% compared to 2024. Beyond the energy saving imitative mentioned in above sections, we further reduced our GHG emissions by prioritizing the procurement of low-carbon materials, such as "green electricity aluminum," reinforcing our commitment to a sustainable value chain.

The following table sets forth the future environmental targets:

Target Category	Reduction Targets by 2030
Scope 1&2 GHG emissions intensity reduction target	Based on the year 2024, Scope 1&2 GHG emissions per unit of output value will be reduced by 15%
Water consumption intensity reduction target	Based on the year 2024, water consumption per unit of output value will be reduced by 6%

Social Issue

Employment and Labor Standards

We are committed to foster a diverse, inclusive and respectful working environment. Our Employee Handbook explicitly includes anti-harassment provisions, strictly prohibiting any form of harassment through physical actions, verbal communication or written text. We maintain a zero-tolerance policy toward child and forced labor, requiring full compliance with all applicable labor laws. During recruitment, we conduct rigorous identity verification to prevent such practices and remain steadfast in upholding equal pay for equal work and fair treatment for all employees. During the Track Record Period and up to the Latest Practicable Date, we did not recorded any material incidents of workplace discrimination or harassment.

Occupational Health and Safety

Company maintains a robust safety culture governed by comprehensive frameworks, including our Environmental and Occupational Health and Safety Management Manual and specialized environment, health and safety procedures. We conduct regular hazard inspections, maintaining classified ledgers to manage risks effectively. To ensure rapid crisis mitigation, we adhere to a emergency response target of "one-minute on-site response, three-minute team deployment, and five-minute resolution." We also invest in safety leadership training for management and mandate rigorous professional certification for specialized operators to ensure all personnel are equipped and qualified to maintain a high-standard operational environment. During the Track Record Period and up to the Latest Practicable Date, there were no significant incidents or fatalities related to occupational safety or employee disputes.

Supply Chain Management

We have implemented a comprehensive Supplier Management Manual covering the entire lifecycle of supplier engagement, supported by a robust database that tracks component status and supplier performance levels. We mandate that all suppliers comply with applicable local laws and ensure that outsourced parts meet regulatory requirements.

Our procurement contracts now incorporate specific sustainability requirements, including occupational health and safety, carbon emissions, and waste management. To ensure compliance, we utilize a specialized module to systematically evaluate and monitor environmental and social performance. Furthermore, we conduct regular risk assessments based on probability and impact to refine our mitigation strategies. During the Track Record Period, all raw material suppliers signed "Integrity Agreements" and all component and material suppliers signed "Declarations of Non-Use of Prohibited Substances," ensuring a transparent, compliant and resilient supply chain.

Anti-Corruption

We have established an anti-corruption policy framework, with the Board held the ultimate responsibility for all anti-corruption matters. We integrate oversight data from inspections, audits, and financial monitoring to foster a supervisory synergy. We also implemented audit plans and proactively monitor the ethical conduct of our business partners and suppliers annually. During the Track Record Period and up to the Latest Practicable Date, we have complied with all applicable anti-corruption laws and regulations and have not recorded any material corruption incidents.

To ensure transparency, we maintained multiple whistleblowing channels accessible to both internal employees and external stakeholders. Our Implementation Measures for Supervision and Reporting strictly safeguard whistleblowers through robust protection mechanisms. We also conduct multi-level anti-corruption training to reinforce a culture of integrity across the organization.

AWARDS AND RECOGNITION

During the Track Record Period and up to the Latest Practicable Date, we received awards and recognitions for our products, technologies and innovation. Our major awards are set out below:

Year	Award	Award-Winning Entity	Awarding Entity
2023	Outstanding Braking System Supplier — the 19th Top 100 China Auto Parts Suppliers List	Our Company	China Automotive News
2023	2022 Science and Technology Award — Innovation Team Award	Our Company	China Society of Automotive Engineers ("**CSAE**")
2023	2023 China Automotive Supply Chain Top 100	Our Company and Wuhu Bethel Electronics	China Automotive News
2023	2023 China Automotive New Supply Chain Top 100 Award — Golden Series Award	Wuhu Bethel Electronics	Gasgoo
2023	2023 8th Lingxuan Award — Front-Wet and Rear-Dry Wire-Controlled Brake System	Wuhu Bethel Electronics	China Auto Supply Chain Summit
2023	Specialized and Sophisticated "Little Giant" Enterprise	Wuhu Bethel Electronics	MIIT
2024	Executive Member Entity	Our Company	CSAE
2024	Technology Innovation Ecosystem Partner	Our Company	China Automotive News
2024	Third Prize of Science and Technology Award from China Society of Automotive Engineers	Our Company	CSAE
2024	Best Technical Product of 2024 Automotive Disciplined Innovation Award for WCBS2.0H, and Best Quality Performance of China Automotive Industry Quality Conference 2024	Our Company	International Automotive Quality Standardization Association
2025	Second Prize of Science and Technology Award from China Society of Automotive Engineers	Wuhu Bethel Electronics	CSAE
2025	2025 Automotive Disciplined Innovation Award — Best Technology Product (Small-Bore Brake Caliper Technology Solution)	Our Company	International Automotive Quality Standardization Association
2025	2025 Quality Performance Excellence Award	Our Company	International Automotive Quality Standardization Association