

FINANCIAL INFORMATION

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

You should read the following discussion and analysis in conjunction with our audited consolidated financial information as of and for the years ended December 31, 2023, 2024 and 2025 included in the Accountants’ Report set out in Appendix IA to this document, together with the accompanying notes. Our consolidated financial information has been prepared in accordance with the International Financial Reporting Standards (“IFRS”) issued by International Accounting Standards Board (the “IASB”) and accounting principles generally accepted in Hong Kong.

The following discussion and analysis contain forward-looking statements that reflect our current views on future events and financial performance. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, many of which we cannot control or foresee. In evaluating our business, you should carefully consider the information provided in the “Risk Factors,” “Forward-Looking Statements” and “Business” sections in this document.

OVERVIEW

We are a leading automotive intelligent chassis Chinese brand supplier and one of the few Chinese brand suppliers capable of integrating and mass producing automotive intelligent chassis systems with intelligent driving systems. We have achieved growth during the Track Record Period. In 2023, 2024 and 2025, we recorded revenues 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. Our profit for the year was 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.

BASIS OF PRESENTATION

Our historical financial information has been prepared in accordance with IFRS, which collective term includes all applicable individual IFRS and interpretations approved by the IASB. The principal accounting policies have been consistently applied to all the years presented, unless otherwise stated. Our consolidated financial statements as of and for the years ended December 31, 2023, 2024 and 2025 were audited by our Reporting Accountants in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, “Accountants’ Reports on Historical Financial Information in

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Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Our historical financial information is presented in RMB, and all values are rounded to the nearest thousand except when otherwise indicated.

To comply with the requirements of Rule 4.04 and Rule 4.28 of the Listing Rules, as well as to present material information necessary for [REDACTED] to assess the impact of the Acquisition on our Group, this document includes (i) audited historical financial information of Yubei Steering for the years ended December 31, 2023, 2024 and 2025 (see “Appendix IB — Accountants’ Report of the Target Group); (ii) a discussion and analysis of the historical financial information of Yubei Steering for the years ended December 31, 2023, 2024 and 2025 (see “— Financial Information of Yubei Steering”); and (iii) unaudited pro forma consolidated statement of assets and liabilities as of December 31, 2025 of our Group and Yubei Steering (collectively as the “**Enlarged Group**”) (prepared by reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by HKICPA), assuming that the Acquisition was completed on December 31, 2025, (see “Appendix II — Unaudited [REDACTED] Financial Information — B. Unaudited Pro Forma Financial Information of the Enlarged Group”).

PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP WITH YUBEI STEERING

The unaudited pro forma financial information is presented to illustrate the impact on the financial position of our Group as if the Acquisition had been completed on December 31, 2025, which comprises the unaudited pro forma consolidated statement of assets and liabilities as of December 31, 2025 of the Enlarged Group. The unaudited pro forma financial information has been prepared in accordance with paragraph 4.29 of the Listing Rules. The unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group is prepared based on the audited consolidated statement of financial position of our Group and Yubei Steering as of December 31, 2025 as set out in Appendices IA and IB to the document, respectively. The unaudited pro forma consolidated statement of assets and liabilities of the enlarged group with Yubei Steering has been prepared for illustrative purpose only and, because of its hypothetical nature, may not give a true picture of the financial position of the enlarged group as of December 31, 2025, or any future date. See Appendix II to this document.

Unaudited Pro Forma Consolidated Statement of Assets and Liabilities of the Enlarged Group with Yubei Steering as of December 31, 2025

	Our Group ⁽¹⁾	Yubei Steering ⁽²⁾	Pro forma adjustments ⁽³⁾	Unaudited pro forma statement of assets and liabilities of the Enlarged Group
	(RMB in thousands)			
ASSETS AND LIABILITIES				
Property, plant and equipment	3,529,492	522,590	147,475	4,199,557
Right-of-use assets	152,132	48,674	62,633	263,439
Intangible assets	21,734	23,993	410,018	455,745
Investment properties	—	820	1,870	2,690
Investments in associates and joint ventures	—	378,626	554,893	933,519
Financial assets at fair value through profit or loss	165,993	—	—	165,993

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	Our Group ⁽¹⁾	Yubei Steering ⁽²⁾	Pro forma adjustments ⁽³⁾	Unaudited pro forma statement of assets and liabilities of the Enlarged Group
	<i>(RMB in thousands)</i>			
Financial assets at fair value through other comprehensive income	84,137	—	—	84,137
Time deposits	242,557	—	—	242,557
Prepayments, other receivables and other assets	75,628	39,473	—	115,101
Deferred tax assets	16,796	70,970	(1,718)	86,048
Non-current assets	4,288,469	1,085,146	1,175,171	6,548,786
Inventories	1,807,420	257,644	22,947	2,088,011
Trade and notes receivables	3,908,601	1,017,012	—	4,925,613
Prepayments, other receivables and other assets	474,641	26,088	—	500,729
Financial assets at fair value through profit or loss	2,512,133	—	—	2,512,133
Financial assets at fair value through other comprehensive income	2,108,214	760,007	—	2,868,221
Restricted bank deposits	14,621	430,314	—	444,935
Prepaid income tax	2,520	19	—	2,539
Time deposits	391,988	—	—	391,988
Cash at bank and on hand	1,767,075	248,614	(341,400)	1,674,289
Current assets	12,987,213	2,739,698	(318,453)	15,408,458
Trade, notes and other payables	5,613,090	2,181,323	—	7,794,413
Contract liabilities	40,350	25,667	—	66,017
Borrowings	31,053	392,729	—	423,782
Bond payables	1,401	—	—	1,401
Lease liabilities	3,516	1,000	—	4,516
Income tax payable	98,124	392	—	98,516
Current liabilities	5,787,534	2,601,111	—	8,388,645
Net current assets	7,199,679	138,587	(318,453)	7,019,813
Total assets less current liabilities	11,488,148	1,223,733	856,718	13,568,599
Trade, notes and other payables	72,346	—	—	72,346
Borrowings	47,690	138,600	780,000	966,290
Bond payables	2,592,200	—	—	2,592,200
Lease liabilities	11,476	979	—	12,455
Deferred income	157,323	11,451	(11,451)	157,323
Provision	167,865	119,069	—	286,934
Deferred tax liabilities	24,528	9	152,921	177,458
Non-current liabilities	3,073,428	270,108	921,470	4,265,006
Net assets	8,414,720	953,625	(64,752)	9,303,593

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- (1) The amounts are extracted from the audited consolidated statement of financial position of our Group as of December 31, 2025 as set out in the Accountants’ Report of our Group included in Appendix IA to this document.
- (2) The amounts are extracted from the audited consolidated statement of financial position of Yubei Steering as of December 31, 2025 as set out in the Accountants’ Report of Yubei Steering included in Appendix IB to this document.
- (3) The pro forma adjustments reflect the allocation of the cost of the Acquisition to the identifiable assets and liabilities of Yubei Steering which represents: (a) the consideration of RMB1,121,400,000 in relation to the Acquisition; (b) the provisional fair value adjustments on the identifiable assets and liabilities of Yubei Steering as if the Acquisition had been completed on December 31, 2025; and (c) recognition of goodwill in relation to the Acquisition. See “Appendix II Unaudited [REDACTED] Financial Information — B. Unaudited Pro Forma Financial Information of the Enlarged Group.”
- (4) Other than the above adjustments, no other adjustments have been made to reflect any trading results or other transactions of our Group and Yubei Steering entered into subsequent to December 31, 2025.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our operating results have been and will continue to be affected, directly and indirectly, by a number of factors. The following factors are not exhaustive, and our business and financial condition may also be affected by the risk factors set forth in the “Risk Factors” in this document.

Development Trends and Market Competition in the Global and Chinese Mainland’s Automotive Intelligent Chassis System

Our results of operations are affected by the development trends and market competition in the global and Chinese Mainland’s automotive intelligent chassis system market.

According to F&S, in recent years, the global and Chinese Mainland’s automotive component industry, including the automotive intelligent chassis system sector, has been undergoing transformation and restructuring, driven primarily by key development trends, namely, electrification, intelligence and lightweighting. Amid rising global concerns over energy consumption and environmental protection, the new energy vehicle market has expanded rapidly, driving the formation of an electrification industry chain centered on batteries, electric motors and electronic control units, while accelerating the electrification of chassis systems such as braking, steering and suspension. In parallel, advances in end-to-end large models, lightweight sensor solutions and data-driven algorithms, supported by market demand and favorable policies, are propelling the rapid development and penetration of intelligent driving technologies. Increasing range requirements and increasingly stringent global emission standards have made vehicle and component lightweighting a key long-term development trend.

In recent years, China’s stable macro-economic environment, automotive market growth and supportive national industrial policies have contributed to a favorable environment for domestic automotive component manufacturers. A number of competitive Chinese automotive component players have emerged with strong technological and product capabilities, gaining recognition from OEM customers. As a result, Chinese automotive component companies have expanded market share, not only achieving import substitution in various domestic market segments but also playing an increasingly important role globally.

Despite the growth opportunities, the industry faces ongoing challenges. The trends toward electrification, intelligence and lightweighting require continuous technological upgrades and substantial R&D investment, while intense competition in the Chinese Mainland market necessitates sustained improvements in product quality and service capabilities. In addition, industry-wide price competition in recent years has led to margin compression, with pressure passed from OEMs to suppliers, posing challenges for cost control and development cycle management.

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Overall, the interplay between rapid market transformation and intensifying competition, both in the Chinese Mainland and overseas, remains a key factor influencing our pricing strategy, margin profile and product mix evolution, and will continue to have a material impact on our results of operations going forward.

Our Ability to Introduce and Develop Advanced Automotive Intelligent Chassis System

During the Track Record Period, we focused on the R&D, manufacturing and sales of mechanical braking products, intelligent electronic control products and mechanical steering products. Leveraging our diversified product offerings, we are able to supply major chassis components to OEM customers and conduct customized forward-development for customers’ model and platform specifications. Such forward-development capability enables us to participate in OEM customers’ vehicle development cycles at an early stage, allowing us to co-define technical specifications, enhance product compatibility and performance, and improve the likelihood of our products being adopted for mass production programs. Such model also reinforces customer stickiness and strengthens our long-term business relationships with major OEMs. See “Business — Our Products.”

Going forward, we will continue to launch new products to expand our product portfolio and meet diverse customer needs. We believe our proven ability to develop and deliver automotive intelligent chassis products allows us to curate a diverse product portfolio and serve our user base of evolving and diverse preferences.

Our Ability to Attract and Deepen Relationships with OEM Customers

Our ability to attract new OEM customers and deepen relationships with existing ones is critical to our long-term growth. As of December 31, 2025, we served over 50 OEM customers.

We have established strong relationships with a diverse group of top-tier OEMs, and we intend to further deepen our cooperation with existing customers. This allows us to scale the deployment of our solutions alongside the mass production of our customers’ vehicle models. In 2025, we obtained 605 design wins, covering a broad and expanding pipeline of vehicle models. Many of our customers are leading OEMs with significant market presence, and close collaboration with them allows us to remain responsive to evolving market demands and emerging industry trends. By participating early in the product development process, we work closely with OEMs to ensure alignment with their technical requirements and market positioning. This proactive engagement helps accelerate the introduction of our solutions, enhances the conversion from design-in to design win, and ultimately supports greater order volumes and customer retention. The ability to strengthen these strategic customer relationships has a direct impact on our results of operations and financial condition.

Our future growth also depends on our ability to acquire new customers. Our competitive advantages lie primarily in our ability to provide high-quality, reliable and cost-effective automotive intelligent chassis systems. In addition, our proven track record of cooperation with established OEMs enhances our brand reputation and facilitates broader market recognition through industry visibility and word-of-mouth referrals. We engage actively in industry events such as exhibitions. Sustaining and expanding these initiatives is essential for growing our customer base and will continue to influence our results of operations and financial condition.

Our Ability to Maintain Robust R&D Capabilities Effectively and Efficiently

We place strong emphasis on our R&D efforts and continuously enhance our R&D capabilities to improve the performance, reliability, durability and overall user experience of our automotive intelligent chassis systems. During the Track Record Period, we made consistent investments in R&D, as we believe that our technological capabilities form the cornerstone of our long-term competitiveness.

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and future development prospects. In 2023, 2024 and 2025, our R&D expenses were RMB449.8 million, RMB575.5 million and RMB605.5 million, representing 6.3%, 6.0% and 5.2% of our revenue during the same periods, respectively. To support our continued innovation, we are committed to investing in and retaining key R&D talent. As of December 31, 2025, our R&D team comprised 1,535 R&D employees, accounting for 24.1% of our total workforce as of the same date. We also intend to allocate a significant portion of the net [REDACTED] from the [REDACTED] to further strengthen our R&D capabilities. See “Future Plans and Use of [REDACTED].”

Driven by sustained R&D investment and our R&D expertise, we are actively expanding into the development of core robotics components, including rolling screws and motors, and building R&D and manufacturing capabilities for robotics joint modules. These products are highly synergistic with our existing operations and are positioned for rapid advancement as robotics applications continue to gain traction across various industries. Our established R&D and mass-production capabilities in automotive safety components, together with our comprehensive automotive-grade quality management system, offer us distinctive advantages in developing and manufacturing these robotics-related products, which we expect to become an important driver of our future growth.

Our long-term success depends on our ability to effectively execute our R&D strategies and efficiently commercialize technological achievements developed through these initiatives.

Our Ability to Manage Operating Costs and Improve Operational Efficiency

While innovation and technological advancement remain core priorities for us, our future profitability also depend on our ability to effectively manage operating costs and enhance operational efficiency. In 2023, 2024 and 2025, our cost of sales was RMB5,820.9 million, RMB7,861.8 million and RMB9,649.5 million, respectively, representing 80.9%, 81.6% and 82.4% of our total revenue for the same periods. Our cost of sales primarily comprised cost of materials, direct labor and manufacturing costs, with cost of materials constituting the largest component, accounting for 81.1%, 84.2% and 82.4% of our total cost of sales in 2023, 2024 and 2025, respectively. As a result, fluctuations in raw material prices or availability could materially affect our operating costs, gross profit margins and overall results of operations. To manage this, we have established a supply chain network and management system to ensure stable supply of high-quality raw materials and services at competitive prices.

Our profitability is also influenced by our ability to maintain disciplined cost control over our operating expenses, which primarily consist of selling expenses, general and administrative expenses and R&D expenses. During the Track Record Period, we maintained selling expenses at a relatively healthy level, representing 0.4%, 0.4% and 0.5% of our total revenue in 2023, 2024 and 2025, respectively. We also demonstrated an ability to manage R&D and general and administrative expenses in line with the scale of our operations. Our R&D expenses accounted for 6.3%, 6.0% and 5.2% of our total revenue in 2023, 2024 and 2025, respectively, while general and administrative expenses represented 2.5%, 2.5% and 2.6% during the same periods. We continue to focus on improving operational efficiency to ensure that our administrative expenses remain well-controlled.

As we continue to expand production of our existing products and anticipate introducing new offerings in the future, we expect to benefit from economies of scale, which will further enhance our operational efficiency and support improvements in our overall profitability.

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MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments by our management relating to accounting items. The estimates and associated assumptions are based on our historical experience and various other factors that we believe are reasonable under the circumstances. Actual results may differ from these estimates. Our management continuously evaluates such estimates, assumptions and judgments based on historical experience and other assumptions which our management believes to be reasonable under the circumstances. There has not been any material deviation between our management’s estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future. Our material accounting policies and estimates, which are important for understanding our financial condition and results of operations, are set out in the Accountants’ Report in Appendix IA to this document, including notes 3.2 and 4 therein.

Revenue Recognition

Revenue mainly arises from sales of automotive components.

To determine whether to recognize revenue, we follow a five-step process: (i) identifying the contract with a customer; (ii) identifying the performance obligations; (iii) determining the transaction price; (iv) allocating the transaction price to the performance obligations; and (v) recognizing revenue when or as performance obligations are satisfied.

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognized either at a point in time, when we satisfy performance obligations by transferring the promised goods or services to its customers.

Revenue from Sales of Goods

Revenue from sale of goods between us and our customers generally only includes a performance obligation for the transfer of goods, which is recognized when the performance obligation has been satisfied at a point in time.

For sales to customers in Chinese Mainland, in accordance with the terms of the contract, revenue is recognized either after the products are delivered to the customer’s manufacturing warehouse and confirmed for use, or after the products are delivered to the customer’s designated location and accepted by the customer.

For sales to overseas customers, revenue is recognized at the point in time when control of the products is transferred to the customer in accordance with the mutually agreed international commerce terms specified in the contract.

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DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

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

Revenue

During the Track Record Period, we primarily generated revenue from sales of mechanical braking products, intelligent electronic control products and mechanical steering products. See “Business — Our Products.” In 2023, 2024 and 2025, our revenue were RMB7,195.9 million, RMB9,635.6 million and RMB11,711.7 million, respectively.

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Revenue by Business Segment

Our revenues in all business segments increased during the Track Record Period, primarily driven by (i) increasing demand for our products; and (ii) our growing customer base in both the Chinese Mainland and overseas. The following table sets forth a breakdown of our revenue by business segment for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(RMB in thousands, except for percentages)</i>					
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.

Revenue by Geographical Location

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

	Year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(RMB in thousands, except for percentages)</i>					
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

The increase in our revenue from the Chinese Mainland during the Track Record Period was primarily due to increased demand for our products, especially our mechanical braking and intelligent electronic control products. In particular, in 2024, we experienced a notable increase in demand from our major customers in Chinese Mainland.

Our revenue from other countries and regions were RMB874.2 million, RMB1,116.2 million and RMB1,450.4 million, respectively, during the Track Record Period, primarily due to (i) increased overseas sales of our mechanical braking and intelligent electronic control products, particularly following the commencement of mass production at our Mexico production facility in the second half of 2023; and (ii) our growing customer base overseas, including (a) an over 40% increase in the number of overseas customers during the Track Record Period and (b) broader sales network coverage in markets such as France, Spain, Morocco, Argentina, Italy and the United Kingdom.

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Cost of Sales

During the Track Record Period, our cost of sales primarily consisted of (i) cost of materials, which primarily represent costs of aluminum ingots, mechanical basic components and electronic materials; (ii) direct labor; and (iii) manufacturing costs. The following table sets forth a breakdown of our cost of sales by nature for the periods indicated:

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

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

Gross Profit and Gross Profit Margin

In 2023, 2024 and 2025, our gross profit was RMB1,375.0 million, RMB1,773.8 million and RMB2,062.2 million, respectively, generally in line with the increased sales of our products. In 2023, 2024 and 2025, our gross profit margin was 19.1%, 18.4% and 17.6%, respectively. Such changes in gross profit margin throughout the Track Record Period were primarily because (i) the gross margins from our overseas sales of lightweight chassis components was compressed, as increases in aluminum ingot prices were passed on to customers with a lag; and (ii) our Mexico production facility was in the production capacity build-up and ramp-up stage. Such decreases were partially offset by an increase in the gross profit margin of our intelligent electronic control products, primarily attributable to (i) continued growth in sales of our higher-margin EPB products throughout the Track Record Period; and (ii) a notable increase in our WCBS product sales in 2024 and the benefits of economies of scale. The following table sets forth a breakdown of our gross profit and gross profit margin by business segment for the periods indicated:

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

(1) Others mainly included spare parts and molds.

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

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

In 2023, 2024 and 2025, our gross profit from the Chinese Mainland was RMB1,061.7 million, RMB1,404.1 million and RMB1,747.9 million, with the gross profit margins remaining relatively stable at 16.8%, 16.5% and 17.0%, respectively.

In 2023, 2024 and 2025, our gross profit from other countries and regions was RMB313.3 million, RMB369.6 million and RMB314.3 million, with the gross profit margins of 35.8%, 33.1% and 21.7%, respectively. Such decreases were primarily (i) due to the margin compression from overseas sales of lightweight chassis components, particularly in 2024 and 2025, mainly as increases in aluminum ingot prices were passed on to certain customers with a lag; and (ii) because our Mexico production facility was in the production capacity build-up and ramp-up stage.

Other Income

During the Track Record Period, our other income primarily consisted of (i) sales of scrap materials; (ii) rendering of research and development services for our products tailored to newly secured design wins, including software development and braking system development; (iii) other government grants; (iv) additional deduction for value added tax (“VAT”) for advanced manufacturing industries; and (v) interest income. In 2023, 2024 and 2025, our other income was RMB375.4 million, RMB528.4 million and RMB444.4 million, respectively. See note 6 to the Accountants’ Report in Appendix IA to this document.

Other (Losses) and Gains, Net

During the Track Record Period, our other (losses) and gains, net, primarily consisted of (i) fair value gains from the financial assets at fair value through profit or loss (“FVTPL”); (ii) net losses on disposal of notes receivables measured at fair value through other comprehensive income (“FVTOCI”); (iii) net foreign exchange gains or losses; and (iv) dividends received from financial assets at FVTOCI. In 2023, we recorded net other losses of RMB4.1 million. In 2024 and 2025, we recorded net other gains of RMB44.2 million and RMB21.6 million, respectively. See note 7 to the Accountants’ Report in Appendix IA to this document.

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Research and Development Expenses

During the Track Record Period, our research and development expenses primarily consisted of (i) employee benefit expenses; (ii) research, testing and development fees; and (iii) research and development materials consumed. The following table sets forth a breakdown of our research and development expenses by nature for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(RMB in thousands, except for percentages)</i>					
Employee benefit expenses ⁽¹⁾	267,936	59.6	340,578	59.2	367,970	60.8
Research, testing and development fees	71,812	16.0	97,437	16.9	93,921	15.5
Research and development materials consumed	49,132	10.9	58,929	10.2	60,718	10.0
Depreciation and amortization.	19,610	4.4	23,250	4.0	25,645	4.2
Others ⁽²⁾	41,291	9.1	55,323	9.7	57,243	9.5
Total	449,781	100.0	575,517	100.0	605,497	100.0

(1) Including share-based payment expenses.

(2) Others mainly included energy and fuel costs and traveling expenses.

General and Administrative Expenses

During the Track Record Period, our general and administrative expenses primarily consisted of (i) employee benefit expenses; and (ii) depreciation and amortization. The following table sets forth a breakdown of our general and administrative expenses by nature for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(RMB in thousands, except for percentages)</i>					
Employee benefit expenses ⁽¹⁾	98,662	55.3	144,966	60.5	187,129	61.1
Depreciation and amortization.	25,434	14.3	28,507	11.9	33,221	10.8
Business development, office and travelling expenses	18,386	10.3	30,288	12.6	30,335	9.9
Professional service fees	8,414	4.7	7,668	3.2	17,894	5.8
Maintenance and utilities	9,729	5.5	10,300	4.3	14,035	4.6
Others ⁽²⁾	17,830	9.9	17,995	7.5	23,838	7.8
Total	178,455	100.0	239,724	100.0	306,452	100.0

(1) Including share-based payment expenses.

(2) Others mainly included bank charges.

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Selling Expenses

During the Track Record Period, our selling expenses primarily consisted of (i) market development expenses; (ii) lease expenses; and (iii) employee benefit expenses. The following table sets forth a breakdown of our selling expenses by nature for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(RMB in thousands, except for percentages)</i>						
Market development expenses	10,468	32.5	11,582	29.0	16,530	27.4
Lease expenses	3,305	10.3	5,499	13.8	16,244	26.9
Employee benefit expenses	11,401	35.4	13,717	34.4	14,967	24.8
Business development, office and traveling expenses	4,943	15.3	5,162	12.9	7,410	12.3
Others ⁽¹⁾	2,113	6.5	3,929	9.9	5,144	8.6
Total	32,230	100.0	39,889	100.0	60,295	100.0

(1) Others mainly included maintenance costs and consultancy and service fees.

Net Impairment Losses (Recognized)/Reversed on Financial Assets

During the Track Record Period, our net impairment losses recognized or reversed on financial assets represented expected credit losses or reversal of the expected credit loss on our trade and notes receivables. In 2023 and 2024, we recorded net impairment losses recognized on financial assets of RMB38.8 million and RMB85.8 million, respectively. In 2025, we recorded net impairment losses reversed on financial assets of RMB8.9 million.

Finance Costs

During the Track Record Period, our finance costs primarily consisted of interest expenses on (i) borrowings; (ii) bonds payable; and (iii) lease liabilities. In 2023, 2024 and 2025, we recorded finance costs of RMB30.1 million, RMB10.2 million and RMB35.7 million, respectively.

Income Tax Expense

In 2023, 2024 and 2025, we recorded income tax expenses of RMB106.3 million, RMB173.3 million and RMB208.4 million, respectively. Our income tax expense primarily included during the Track Record Period the PRC enterprise income tax (“EIT”) and applicable income taxes of other countries where we conduct business or have establishment. See note 11 to the Accountants’ Report in Appendix IA to this document.

The PRC

Under the PRC Enterprise Income Tax Law and the respective regulations, the EIT for a company and its subsidiaries are calculated at a statutory rate of 25%, on their estimated taxable profits for the respective year based on applicable legislations, interpretations and practices.

During the Track Record Period, pursuant to the relevant laws and regulations in the PRC and with approval from competent tax authorities, our Company and certain of our subsidiaries are entitled to a preferential tax rate of 15% for a valid period of three years as High and New Technology Enterprises or for Western Region development under relevant policies.

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Other Jurisdictions

Income tax on profit arising from other jurisdictions have been calculated on the estimated taxable profit for the year at the respective rates prevailing in the relevant jurisdictions. During the Track Record Period and as of the Latest Practicable Date, we did not have any material dispute with the relevant tax authorities.

Profit for the Year

In light of the above, we achieved a profit for the year of RMB910.7 million, RMB1,222.0 million and RMB1,320.7 million in 2023, 2024 and 2025, respectively, with a net profit margin of 12.7%, 12.7% and 11.3%, respectively.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared with Year Ended December 31, 2024

Revenue

Our revenue increased by 21.5% from RMB9,635.6 million in 2024 to RMB11,711.7 million in 2025, primarily due to (i) increased demand for our products that came with the trends of domestic substitution, lightweighting, electrification and intelligentization; and (ii) our growing customer base both in the Chinese Mainland and overseas due to broader recognition of our products.

Revenue by Business Segment

Our revenue from mechanical braking products increased by 16.2% from RMB4,427.5 million in 2024 to RMB5,145.0 million in 2025, primarily due to increased demand for our mechanical disc brakes and lightweight chassis components from our OEM customers, driven by the ongoing trend of domestic substitution and lightweighting, as (i) sales increased from their respective vehicle models; and (ii) certain design wins entered mass production.

Our revenue from intelligent electronic control products increased by 29.3% from RMB4,507.8 million in 2024 to RMB5,826.4 million in 2025, primarily due to increased sales of our WCBS and EPB products as a result of increased demand from our OEM customers, driven by the ongoing trends toward intelligent and electrified solutions and growing customer recognition of our extensive experience in the mass production capabilities of intelligent electronic control products and our leading technologies.

Our revenue from mechanical steering products remained relatively stable at RMB556.5 million in 2024 and RMB570.9 million in 2025.

Cost of Sales

Our cost of sales increased by 22.7% from RMB7,861.8 million in 2024 to RMB9,649.5 million in 2025, generally in line with our sales growth.

Gross Profit and Gross Profit Margin

Our gross profit increased by 16.3% from RMB1,773.8 million in 2024 to RMB2,062.2 million in 2025, generally in line with our sales growth. Our gross profit margin decreased from 18.4% in 2024 to 17.6% in 2025, primarily (i) due to the margin compression from overseas sales of lightweight chassis components, particularly in 2024 and 2025, mainly as increases in aluminum ingot prices were passed on to certain customers with a lag; and (ii) because our Mexico production facility was in the

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production capacity build-up and ramp-up stage. Such decreases were partially offset by an increase in the gross profit margin of our intelligent electronic control products, primarily attributable to continued growth in sales of our higher-margin EPB and WCBS products throughout the Track Record Period.

Our gross profit from mechanical braking products remained relatively stable at RMB800.3 million in 2024 and RMB791.3 million in 2025. Our gross profit margin from mechanical braking products decreased from 18.1% in 2024 to 15.4% in 2025, primarily (i) due to the margin compression from the overseas sales of lightweight chassis components, particularly in 2024 and 2025, mainly as increases in aluminum ingot prices were passed on to certain customers with a lag; and (ii) because our Mexico production facility was in the production capacity build-up and ramp-up stage.

Our gross profit from intelligent electronic control products increased by 34.9% from RMB860.6 million in 2024 to RMB1,160.8 million in 2025, generally in line with the increased sales of our intelligent electronic control products. Our gross profit margin from intelligent electronic control products increased from 19.1% in 2024 to 19.9% in 2025, primarily due to continued growth in sales of our higher-margin WCBS and EPB products.

Our gross profit from mechanical steering products decreased by 13.7% from RMB60.9 million in 2024 to RMB52.6 million in 2025, with gross profit margin of 11.0% and 9.2%, respectively, primarily due to price reductions required by certain OEM customers.

Other Income

Our other income decreased by 15.9% from RMB528.4 million in 2024 to RMB444.4 million in 2025, primarily due to decreases in (i) rendering of research and development services including software development and braking system development; and (ii) additional deduction for VAT for advanced manufacturing enterprises.

Other Gains, Net

Our net other gains decreased by 51.2% from RMB44.2 million in 2024 to RMB21.6 million in 2025, primarily due to (i) indemnity expenditure recorded in 2025 as compared to indemnity income from a customer recorded in 2024; and (ii) net foreign exchange losses from (a) an increase in our overseas revenue; and (b) fluctuations in the exchange rates of U.S. dollar and Mexican Peso.

Research and Development Expenses

Our research and development expenses increased by 5.2% from RMB575.5 million in 2024 to RMB605.5 million in 2025, primarily due to an increase in employment benefit expenses mainly because of headcount increase.

General and Administrative Expenses

Our general and administrative expenses increased by 27.8% from RMB239.7 million in 2024 to RMB306.5 million in 2025, primarily due to an increase in employment benefit expenses mainly because of headcount increase.

Selling Expenses

Our selling expenses increased by 51.2% from RMB39.9 million in 2024 to RMB60.3 million in 2025, primarily due to increases in lease expenses and market development expenses in response to our business expansion in overseas markets.

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Net Impairment Losses (Recognized)/Reversed on Financial Assets

We recorded net impairment losses reversed on financial assets of RMB8.9 million in 2025, as compared to net impairment losses recognized on financial assets of RMB85.8 million in 2024. The change was primarily attributable to a decrease in our notes receivables, as certain automotive OEM customers shifted from commercial notes to bank acceptance notes.

Finance Costs

Our finance costs increased significantly from RMB10.2 million in 2024 to RMB35.7 million in 2025, primarily due to a significant increase in interest expenses on bonds payable as a result of the issuance of 2025 Convertible Bonds.

Income Tax Expense

Our income tax expense increased by 20.3% from RMB173.3 million in 2024 to RMB208.4 million in 2025, in line with our revenue growth.

Profit for the Year

As a result of the above, our profit for the year increased by 8.1% from RMB1,222.0 million in 2024 to RMB1,320.7 million in 2025.

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue

Our revenue increased by 33.9% from RMB7,195.9 million in 2023 to RMB9,635.6 million in 2024, primarily due to (i) increasing demand for our products that came with the trends of domestic substitution, lightweighting, electrification and intelligentization; and (ii) our growing customer base both in the Chinese Mainland and overseas due to broader recognition of our products.

Revenue by Business Segment

Our revenue generated from mechanical braking products increased by 32.2% from RMB3,348.5 million in 2023 to RMB4,427.5 million in 2024, primarily due to increased demand for our mechanical disc brakes and lightweight chassis components from our OEM customers, driven by the ongoing trend of domestic substitution and lightweighting, as (i) sales increased from their respective vehicle models; and (ii) certain design wins entered mass production.

Our revenue generated from intelligent electronic products increased by 37.6% from RMB3,276.9 million in 2023 to RMB4,507.8 million in 2024, primarily attributable to (i) increased sales of our EPB products as a result of increased demand from our OEM customers as sales increased from their respective vehicle models, driven by the ongoing trends toward intelligent and electrified solutions and growing customer recognition of our extensive experience in the mass production capabilities of intelligent electronic control products and our leading technologies; and (ii) increased sales of our WCBS products (a) from our OEM customers as sales increased from their respective vehicle models; and (b) as certain design wins entered mass production.

Our revenue generated from mechanical steering products increased by 15.8% from RMB480.6 million in 2023 to RMB556.5 million in 2024, primarily due to increased demand from our OEM customers driven by higher sales of their respective vehicle models.

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Cost of Sales

Our cost of sales increased by 35.1% from RMB5,820.9 million in 2023 to RMB7,861.8 million in 2024, generally in line with our revenue growth.

Gross Profit and Gross Profit Margin

Our gross profit increased by 29.0% from RMB1,375.0 million in 2023 to RMB1,773.8 million in 2024, primarily in line with our revenue growth. Our gross profit margin decreased from 19.1% in 2023 to 18.4% in 2024, primarily because during the Track Record Period, the gross margins from our overseas sales of lightweight chassis components was compressed mainly as increases in aluminum ingot prices were passed on to certain customers with a lag. Such a decrease was partially offset by an increase in the gross profit margin of our intelligent electronic control products, primarily attributable to (i) a notable increase in sales of our WCBS products in 2024 and the benefits of economies of scale; and (ii) continued growth in sales of our higher-margin EPB products throughout the Track Record Period.

Our gross profit from mechanical braking products increased by 17.7% from RMB680.2 million in 2023 to RMB800.3 million in 2024, primarily in line with the increased sales. Our gross profit margin from mechanical braking products decreased from 20.3% in 2023 to 18.1% in 2024, primarily because during the Track Record Period, the gross margins from our overseas sales of lightweight chassis components was compressed mainly as increases in aluminum ingot prices were passed on to certain customers with a lag.

Our gross profit from intelligent electronic control products increased by 40.5% from RMB612.7 million in 2023 to RMB860.6 million in 2024, primarily in line with the increased sales. Our gross profit margin from intelligent electronic control products increased from 18.7% in 2023 to 19.1% in 2024, primarily due to (i) increased sales of our higher-margin WCBS products achieved through economies of scale; and (ii) continued growth in sales of our higher-margin EPB products throughout the Track Record Period.

Our gross profit from mechanical steering products increased by 10.6% from RMB55.1 million in 2023 to RMB60.9 million in 2024, primarily in line with the increased sales. Our gross profit margin from mechanical steering products decreased from 11.5% in 2023 to 11.0% in 2024, primarily due to price reductions required by certain automotive OEM customers.

Other Income

Our other income increased by 40.8% from RMB375.4 million in 2023 to RMB528.4 million in 2024, primarily due to increases in (i) additional deduction for VAT for advanced manufacturing enterprises; and (ii) sales of scrap materials as a result of increased sales of our products.

Other (Losses) and Gains, Net

We recorded net other losses of RMB4.1 million in 2023, which turned into net other gains of RMB44.2 million in 2024, primarily due to (i) indemnity income from a customer in 2024; and (ii) an increase in net foreign exchange gains from (a) an increase in our overseas revenue; and (b) fluctuations in the exchange rates of U.S. dollar and Mexican Peso.

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Research and Development Expenses

Our research and development expenses increased by 28.0% from RMB449.8 million in 2023 to RMB575.5 million in 2024, primarily due to increases in (i) employment benefit expenses because of headcount increase; and (ii) research, testing and development fees, as a result of higher outsourcing R&D costs incurred in line with the growth in our internal R&D projects.

General and Administrative Expenses

Our general and administrative expenses increased by 34.3% from RMB178.5 million in 2023 to RMB239.7 million in 2024, primarily due to increases in (i) employment benefit expenses primarily because of headcount increase; and (ii) business development, office and traveling expenses primarily because of increased traveling expenses as our business expanded.

Selling Expenses

Our selling expenses increased by 23.8%, from RMB32.2 million in 2023 to RMB39.9 million in 2024, primarily due to increases in (i) employee benefit expenses primarily because of headcount increase; and (ii) market development expenses in overseas markets.

Net Impairment Losses Recognized on Financial Assets

We recorded net impairment losses recognized on financial assets of RMB38.8 million and RMB85.8 million in 2023 and 2024, respectively. The change was primarily due to the increase in trade and notes receivables as sales of our products increased.

Finance Costs

Our finance costs decreased by 66.2% from RMB30.1 million in 2023 to RMB10.2 million in 2024, primarily due to a significant decrease in interest expenses on bonds payable as a result of the full conversion of 2021 Convertible Bonds in 2023.

Income Tax Expense

Our income tax expense increased by 63.1%, from RMB106.3 million in 2023 to RMB173.3 million in 2024, primarily due to (i) our profit growth during the same period; and (ii) a decrease in deferred income tax assets recognized on deductible tax losses.

Profit for the Year

As a result of the above, our profit for the year increased by 34.2% from RMB910.7 million in 2023 to RMB1,222.0 million in 2024.

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DISCUSSION OF CERTAIN SELECTED ITEMS FROM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Non-current Assets and Liabilities

The table below sets forth our non-current assets and liabilities as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Non-current Assets			
Property, plant and equipment	2,598,339	3,020,374	3,529,492
Right-of-use assets	132,428	131,339	152,132
Intangible assets	28,995	23,652	21,734
Investment properties	4,936	—	—
Financial assets at FVTPL	—	100,000	165,993
Financial assets at FVTOCI	60,231	72,633	84,137
Time deposits	—	—	242,557
Prepayments, other receivables and other assets	142,267	120,302	75,628
Deferred tax assets	61,163	62,423	16,796
Total non-current assets	3,028,359	3,530,723	4,288,469
Non-current Liabilities			
Trade, notes and other payables	121,490	121,490	72,346
Borrowings	59,390	69,490	47,690
Bonds payable	—	—	2,592,200
Lease liabilities	2,378	1,909	11,476
Deferred income	150,821	166,658	157,323
Provision	103,806	136,575	167,865
Deferred tax liabilities	22,107	24,145	24,528
Total non-current liabilities	459,992	520,267	3,073,428

Property, Plant and Equipment

During the Track Record Period, our property, plant and equipment consisted of (i) buildings; (ii) machinery and equipment; (iii) electronic equipment and others; (iv) land ownership; (v) construction in progress; and (vi) transportation equipment.

As of December 31, 2023, 2024 and 2025, the net book value of our property, plant and equipment was RMB2,598.3 million, RMB3,020.4 million and RMB3,529.5 million, respectively. The increases in our property, plant and equipment were primarily due to increases in machinery and equipment, buildings, electronic equipment and others and land ownership driven by our production capacity expansion.

Right-of-use Assets

During the Track Record Period, our right-of-use assets consisted of buildings and land use rights. Our right-of-use assets remained relatively stable at RMB132.4 million and RMB131.3 million as of December 31, 2023 and 2024, respectively. Our right-of-use assets increased by 15.8% to RMB152.1 million as of December 31, 2025, primarily due to our leases of additional land and buildings driven by the expansion of newly established branch offices in the Chinese Mainland.

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Intangible Assets

During the Track Record Period, our intangible assets consisted of (i) software; (ii) patented technologies and trademark rights; (iii) non-patented technologies; and (iv) goodwill. Our intangible assets decreased by 18.4% from RMB29.0 million as of December 31, 2023 to RMB23.7 million as of December 31, 2024, and further by 8.1% to RMB21.7 million as of December 31, 2025, primarily due to amortization of patented technologies and trademark rights.

Current Assets and Current Liabilities

We recorded net current assets of RMB3,485.4 million, RMB3,929.8 million, RMB7,199.7 million and RMB7,322.8 million as of December 31, 2023, 2024 and 2025 and March 31, 2026, respectively.

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			(Unaudited)
Current Assets				
Inventories	1,037,077	1,419,969	1,807,420	1,849,283
Trade and notes receivables	2,646,126	4,135,697	3,908,601	3,681,737
Prepayments, other receivables and other assets	180,563	322,156	474,641	473,853
Financial assets at FVTPL	214,643	93,562	2,512,133	2,425,275
Financial assets at FVTOCI	1,300,431	1,098,797	2,108,214	2,315,588
Restricted bank deposits	86,717	49,724	14,621	962
Prepaid income tax	6	102	2,520	5,384
Time deposits	—	—	391,988	393,337
Cash at bank and on hand	2,252,827	2,135,307	1,767,075	1,726,288
Total current assets	7,718,390	9,255,314	12,987,213	12,871,707
Current Liabilities				
Trade, notes and other payables	3,862,337	5,130,288	5,613,090	5,367,401
Contract liabilities	9,173	53,175	40,350	21,996
Borrowings	284,209	29,783	31,053	60,985
Bonds payables	—	—	1,401	2,102
Lease liabilities	2,452	3,144	3,516	4,162
Income tax payable	74,778	109,116	98,124	92,255
Total current liabilities	4,232,949	5,325,506	5,787,534	5,548,901
Net current assets	3,485,441	3,929,808	7,199,679	7,322,806

Our net current assets increased slightly from RMB7,199.7 million as of December 31, 2025 to RMB7,322.8 million as of March 31, 2026. This increase was primarily due to a decrease in our current liabilities during the period, partially offset by a decrease in our current assets. The decrease in our current liabilities was primarily attributable to a decrease in our trade, notes and other payables of RMB245.7 million primarily as we adjusted our purchasing volume for the first quarter of 2026.

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Meanwhile, our current assets decreased slightly primarily due to a decrease in trade and notes receivables of RMB226.9 million, primarily because more of our customers settled their payments due to us using bank acceptance notes instead of commercial notes.

Our net current assets increased by 83.2% from RMB3,929.8 million as of December 31, 2024 to RMB7,199.7 million as of December 31, 2025. This increase was primarily due to a substantial increase in our current assets during the period, partially offset by a slight increase in our current liabilities. The increase in our current assets was primarily attributable to increases in (i) our financial assets at FVTPL of RMB2,418.6 million, primarily due to significant increases in our investments in fund products, income certificates, bank wealth management products and structure deposits; and (ii) our financial assets at FVTOCI of RMB1,009.4 million, primarily due to increased bank acceptance notes received from customers, partially offset by the decrease in trade and notes receivables of RMB227.1 million. Meanwhile, our current liabilities increased primarily due to an increase in our trade, notes and other payables of RMB482.8 million, mainly because we increased procurement from suppliers as our sales grew.

Our net current assets increased by 12.7% from RMB3,485.4 million as of December 31, 2023 to RMB3,929.8 million as of December 31, 2024. This increase was primarily due to an increase in our current assets during the period, offset by an increase in our current liabilities. The increase in our current assets was primarily attributable to an increase in our trade and notes receivables of RMB1,489.6 million, generally in line with our sales growth. Meanwhile, our current liabilities increased primarily due to an increase in our trade, notes and other payables of RMB1,268.0 million, mainly because we increased procurement from suppliers as our sales grew, partially offset by a decrease in our borrowings of RMB254.4 million.

Inventories

During the Track Record Period, our inventories primarily consisted of raw materials, finished goods and work in progress. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Raw materials	678,377	862,148	1,129,488
Finished goods	303,102	446,379	479,969
Work in progress	79,339	149,123	225,463
Consumables	15,181	20,592	27,249
Consigned processing materials	7,547	11,509	1,210
Subtotal	1,083,546	1,489,751	1,863,379
Less: provision for impairment	(46,469)	(69,782)	(55,959)
Total	1,037,077	1,419,969	1,807,420

Our inventories increased by 36.9% from RMB1,037.1 million as of December 31, 2023 to RMB1,420.0 million as of December 31, 2024, and further by 27.3% to RMB1,807.4 million as of December 31, 2025, primarily due to increases in our raw materials, finished goods and work in progress as a result of our business expansion.

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The following table sets forth an aging analysis of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within one year	954,835	1,364,327	1,714,366
One to two years	63,413	44,571	82,907
Two to three years	8,996	32,030	20,870
Over three years	56,302	48,823	45,236
Less: provision for impairment	(46,469)	(69,782)	(55,959)
Total	1,037,077	1,419,969	1,807,420

The following table sets forth the turnover days of our inventories for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(days)</i>		
Inventory turnover days ⁽¹⁾	63.5	59.7	63.4

(1) Average turnover days of inventories is equal to the average of the beginning and ending inventory balances of a year divided by cost of sales for that year and multiplied by 365 days.

Our inventory turnover days decreased from 63.5 days in 2023 to 59.7 days in 2024, and then increased to 63.4 days in 2025. The relatively short inventory turnover days in 2024 were primarily due to an increase in product sales in the fourth quarter of 2024 driven by increased demand from certain customers.

As of March 31, 2026, RMB1,257.5 million or 67.5% of our inventories as of December 31, 2025 had been subsequently sold or utilized.

Trade and Notes Receivables

Our trade and notes receivables represented receivables of income from sales of our products. The following table sets forth a breakdown of our trade and notes receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Trade receivables	2,627,843	3,896,457	4,030,026
Notes receivables	313,201	615,493	246,855
Subtotal	2,941,044	4,511,950	4,276,881
Less: provision for impairment	(294,918)	(376,253)	(368,280)
Total	2,646,126	4,135,697	3,908,601

Our trade and notes receivables increased by 56.3% from RMB2,646.1 million as of December 31, 2023, to RMB4,135.7 million as of December 31, 2024, generally in line with our sales growth. Our trade and notes receivables then decreased by 5.5% to RMB3,908.6 million as of December 31, 2025, primarily because our OEM customers cut down on the use of commercial notes and switched to use bank acceptance notes.

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The following table sets forth an aging analysis of our trade receivables presented based on the time of revenue recognition:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within one year	2,465,638	3,732,835	3,865,433
Over one year but within two years	21,221	14,503	13,448
Over two years but within three years	7,093	18,413	2,885
Over three years	133,891	130,706	148,260
Total	2,627,843	3,896,457	4,030,026

The following table sets forth the turnover days of our trade and notes receivables for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(days)</i>		
Trade receivables turnover days ⁽¹⁾	122.4	123.6	123.5
Notes receivables turnover days ⁽¹⁾	7.9	17.6	13.4

(1) The trade and notes receivables turnover days are derived by dividing the average of the beginning and ending trade and notes receivables balance by revenue for that year and multiplied by 365 days.

The credit period that we granted to customers generally ranged from 30 to 90 days during the Track Record Period. Our trade receivables turnover days remain relatively stable during the Track Record Period. Our notes receivables turnover days increased from 7.9 days in 2023 to 17.6 days in 2024, primarily due to an increase in product sales in the fourth quarter of 2024 driven by increased demand from certain customers. Our notes receivables turnover days then decreased to 13.4 days, primarily because certain OEM customers shifted from commercial notes to bank acceptance notes.

As of March 31, 2026, RMB3,175.1 million or 74.2% of our trade and notes receivables as of December 31, 2025 had been subsequently settled.

Prepayments, Other Receivables and Other Assets

During the Track Record Period, our prepayments, other receivables and other assets primarily consisted of (i) prepayments for acquisition of long-term assets; and (ii) VAT recoverable, mainly representing the deductible difference between output and input VAT payable under applicable PRC laws. See note 22 to the Accountants’ Report in Appendix IA to this document.

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The following table sets forth a breakdown of our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Non-current portion			
Prepayments for acquisition of long-term assets	142,267	120,302	75,628
Total non-current portion	142,267	120,302	75,628
Current portion			
Other receivables	16,045	20,084	27,241
Less: allowance for impairment	(3,550)	(4,937)	(4,027)
Subtotal — Other receivables	12,495	15,147	23,214
VAT recoverable	120,996	222,898	376,278
Consumable molds	14,926	20,019	25,558
Prepayments for materials and others	30,697	58,916	46,527
Others	1,449	5,176	3,064
Total current portion	180,563	322,156	474,641
Total	322,830	442,458	550,269

The non-current portion of our prepayments, other receivables and other assets decreased by 15.4% from RMB142.3 million as of December 31, 2023 to RMB120.3 million as of December 31, 2024, and further by 37.1% to RMB75.6 million as of December 31, 2025, primarily due to a decrease in prepayments for acquisition of long-term assets because the equipment purchased in earlier periods was put in storage.

The current portion of our prepayments, other receivables and other assets increased by 78.4% from RMB180.6 million as of December 31, 2023 to RMB322.2 million as of December 31, 2024, and further by 47.3% to RMB474.6 million as of December 31, 2025, primarily due to an increase in VAT recoverable in relation to VAT input tax from equipment purchases for our Mexico facility construction.

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Financial Assets at FVTPL

Our financial assets at FVTPL during the Track Record Period mainly included (i) fund products; (ii) wealth management products and structured deposits issued by reputable banks in the Chinese Mainland; and (iii) income certificates. See notes 3.2 and 18 to the Accountants’ Report in Appendix IA to this document. The following table sets forth a breakdown of our financial assets at FVTPL as of the dates indicated:

	As at December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Non-current:			
Unlisted equity instruments	—	100,000	165,993
Total non-current portion	—	100,000	165,993
Current:			
— Bank wealth management products and structured deposits	213,744	92,841	420,838
— Listed equity instruments	899	721	—
— Fund products	—	—	1,789,301
— Income certificates	—	—	301,994
Total current portion	214,643	93,562	2,512,133
Total	214,643	193,562	2,678,126

The non-current portion of our financial assets at FVTPL increased significantly from nil as of December 31, 2023 to RMB100.0 million as of December 31, 2024, and further by 66.0% to RMB166.0 million as of December 31, 2025, primarily due to our increased investments in unlisted equity instruments.

The current portion of our financial assets at FVTPL decreased by 56.4% from RMB214.6 million as of December 31, 2023 to RMB93.6 million as of December 31, 2024, primarily due to decreases in our investments in bank wealth management products and structured deposits. The current portion of our financial assets at FVTPL then increased significantly to RMB2,512.1 million as of December 31, 2025, primarily due to increases in our investments in fund products, income certificates, bank wealth management products and structure deposits.

We have adopted a set of internal policies and guidelines to manage our investments. Our strategic development department and finance department are responsible for proposing, analyzing and evaluating potential investment in such products. Our management, including our finance department, has extensive experience in managing the financial aspects of an enterprise’s operations. Upon [REDACTED], we intend to continue our investments strictly in accordance with our internal control policy, Articles of Association and, to the extent that such investment is a notifiable transaction under Chapter 14 of the Listing Rules, we will comply with the relevant requirements under Chapter 14 of the Listing Rules, including the announcement, reporting and/or shareholders’ approval requirements, if applicable.

Our investment strategy related to such products focuses on minimizing the financial risks by reasonably and conservatively matching the maturities of the portfolio to anticipated operating cash needs, while generating desirable investment returns. To control our risk exposure, we make investment decisions related to structured deposits and low risk wealth management products, after thoroughly

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considering a number of factors, including, but not limited to, macro-economic environment, general market conditions, risk control and credit of issuing financial institutions, our own working capital conditions, and the expected profit or potential loss of the investment.

Financial Assets at FVTOCI

Our financial assets at FVTOCI during the Track Record Period included (i) unlisted equity investments; and (ii) notes receivables measured at FVTOCI issued or guaranteed by reputable banks with high credit ratings in the Chinese Mainland. See notes 3.2 and 19 to the Accountants’ Report in Appendix IA to this document. The following table sets forth a breakdown of our financial assets at FVTOCI as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Non-current portion			
Unlisted equity instruments	60,231	72,633	84,137
Current portion			
Notes receivables measured at FVTOCI	1,300,431	1,098,797	2,108,214
Total	1,360,662	1,171,430	2,192,351

The non-current portion of our financial assets at FVTOCI increased by 20.6% from RMB60.2 million as of December 31, 2023 to RMB72.6 million as of December 31, 2024, primarily because of additional investment during the period, which further increased by 15.8% to RMB84.1 million as of December 31, 2025, primarily due to changes in fair value of investment.

The current portion of our financial assets at FVTOCI decreased by 15.5% from RMB1,300.4 million as of December 31, 2023 to RMB1,098.8 million as of December 31, 2024, primarily because we discounted and endorsed a portion of our notes receivables to settle payables due to our suppliers. The current portion of our financial assets at FVTOCI further increased by 91.9% to RMB2,108.2 million as of December 31, 2025, primarily due to increased bank acceptance notes received from customers.

Restricted Bank Deposits

During the Track Record Period, our restricted bank deposits primarily consisted of pledged bank deposits for notes payables. Our restricted bank deposits decreased by 42.7% from RMB86.7 million as of December 31, 2023 to RMB49.7 million as of December 31, 2024, which further decreased by 70.6% to RMB14.6 million as of December 31, 2025, primarily due to a decrease in pledged bank deposits for notes payables due to our improved credit profile and changes in bank policies, which required fewer pledged deposits for issuing bank acceptance notes.

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Trade, Notes and Other Payables

Our trade, notes and other payables during the Track Record Period mainly represented payment obligations to our suppliers. The following table sets forth a breakdown of our trade, notes and other payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Non-current portion			
Capacity guarantee deposits	105,160	105,160	55,000
Infrastructure construction funds — loans converted to grants	16,330	16,330	16,330
Others	—	—	1,016
Total non-current portion	121,490	121,490	72,346
Current portion			
Trade payables	1,770,023	2,659,760	2,831,599
Payables for acquisition of non-current assets.	180,823	150,184	164,227
Payroll and welfare payables	148,155	223,539	230,689
Restricted stock repurchase obligation	45,326	34,865	75,155
Capacity guarantee deposits	—	—	46,160
Endorsed notes receivable that have not been derecognized and not yet due	—	11,164	28,576
Other tax liabilities	13,489	25,249	27,637
Others	17,879	20,405	38,456
Total trade and other payables	2,175,695	3,125,166	3,442,499
Notes payables	1,686,642	2,005,122	2,170,591
Total current portion	3,862,337	5,130,288	5,613,090
	3,983,827	5,251,778	5,685,436

The non-current portion of our trade, notes and other payables remain relatively stable at RMB121.5 million as of December 31, 2023 and 2024, respectively. The non-current portion of our trade, notes and other payables then decreased by 40.5% to RMB72.3 million as of December 31, 2025, primarily due to a decrease in our capacity guarantee deposits, as a portion was reclassified from non-current to current in accordance with the relevant contractual terms with our OEM customers.

The current portion of our trade, notes and other payables increased by 31.8% from RMB3,862.3 million as of December 31, 2023 to RMB5,130.3 million as of December 31, 2024, and further by 8.3% to RMB5,613.1 million as of December 31, 2025, primarily due to increases in our trade payables and notes payables for our increased procurement from suppliers as our sales increased.

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The following table sets forth an aging analysis of our trade payables presented based on recognition date as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within one year	1,750,562	2,642,064	2,796,914
Over one year but within two years	6,520	4,162	18,375
Over two years but within three years	2,843	3,438	3,045
Over three years	10,098	10,096	13,265
Total	1,770,023	2,659,760	2,831,599

The following table sets forth our trade and notes payables turnover days for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(days)</i>		
Trade payables turnover days ⁽¹⁾	100.1	102.8	103.9
Notes payables turnover days ⁽¹⁾	92.5	85.7	79.0

(1) The trade and notes payables turnover days are calculated by dividing the arithmetic mean of the opening and ending net balance of our trade and notes payables in that year by cost of sales for the corresponding year and then multiplying by the 365 days for that year.

During the Track Record Period, the credit period granted by suppliers to us generally ranged from 30 to 90 days. In 2023, 2024 and 2025, our trade payables turnover days remained relatively stable, while our notes payable turnover days decreased during the same periods. The decrease was primarily due to our overseas business expansion, where payments to suppliers were generally not settled using notes.

As of March 31, 2026, RMB2,508.7 million or 44.1% of our trade, notes and other payables as of December 31, 2025 had been subsequently settled.

Contract Liabilities

During the Track Record Period, our contract liabilities represented advance payments received from customers for our products that had yet to be performed or delivered. Our contract liabilities increased significantly from RMB9.2 million as of December 31, 2023 to RMB53.2 million as of December 31, 2024, primarily due to increases in prepayments from certain customers. Our contract liabilities then decreased by 24.1% to RMB40.4 million as of December 31, 2025, primarily due to revenue recognition upon delivery.

As of March 31, 2026, RMB30.8 million or 76.4% of our contract liabilities as of December 31, 2025, had been subsequently recognized as revenue.

LIQUIDITY AND CAPITAL RESOURCES

Our principal use of cash during the Track Record Period was for working capital, production of our products and other recurring expenses. During the Track Record Period, we financed our capital expenditures and working capital requirements principally with cash generated from our operating

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activities and financing activities, cash at bank and on hand and borrowings. As of December 31, 2023, 2024 and 2025, we had cash at bank and on hand of RMB2,169.9 million, RMB2,005.4 million and RMB1,706.6 million, respectively.

Working Capital Sufficiency

Our Directors are of the view that, taking into account the financial resources available to us, including cash at bank and on hand, our available banking facilities, cash flows generated from operating activities and net [REDACTED] from the [REDACTED], we have sufficient working capital for at least 12 months from the date of this document.

Cash Flows

The following table sets forth our consolidated statements of cash flows for the years indicated:

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

Net Cash Flows Generated from Operating Activities

In 2025, we had net cash flows generated from operating activities of RMB867.0 million. This net cash inflow was primarily due to (i) our profit before tax of RMB1,529.1 million, as adjusted for certain non-cash items, which primarily included depreciation of property, plant and equipment of RMB333.3 million; and (ii) changes in working capital that negatively affected the cash flow from operating activities, primarily including (a) an increase in financial assets at FVTOCI of RMB1,009.4 million; and (b) an increase in inventories of RMB399.0 million, partially offset by (iii) changes in working capital that positively affected the cash flow from operating activities, primarily including (a) an increase in trade, notes and other payables of RMB346.0 million; and (b) a decrease in trade and notes receivables of RMB235.0 million.

In 2024, we had net cash flows generated from operating activities of RMB1,057.7 million. This net cash inflow was primarily due to (i) our profit before tax of RMB1,395.3 million, as adjusted for certain non-cash items, which principally included depreciation of property, plant and equipment of RMB283.1 million; and (ii) changes in working capital that negatively affected the cash flow from operating activities, primarily including (a) an increase in trade and notes receivables of RMB1,574.0 million; (b) an increase in inventories of RMB411.6 million, partially offset by (iii) changes in working capital that positively affected the cash flow from operating activities, primarily including (a) an increase in trade, notes and other payables of RMB1,146.7 million; and (b) a decrease in financial assets at FVTOCI of RMB201.6 million.

In 2023, we had net cash flows generated from operating activities of RMB678.3 million. This net cash inflow was primarily due to (i) our profit before tax of RMB1,017.0 million, as adjusted for (i) certain non-cash items, which principally included depreciation of property, plant and equipment of

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RMB208.2 million; and (ii) changes in working capital that negatively affected the cash flow from operating activities, primarily including (a) an increase in trade and notes receivables of RMB745.1 million; (b) an increase in financial assets at FVTOCI of RMB488.9 million; and (c) an increase in inventories of RMB143.0 million, partially offset by (iii) changes in working capital that positively affected the cash flow from operating activities, primarily including an increase in trade, notes and other payables of RMB722.3 million.

Net Cash Flows Used in Investing Activities

In 2025, we had net cash flows used in investing activities of RMB3,756.4 million, primarily due to (i) purchase of bank wealth management products and structured deposits of RMB1,888.9 million; (ii) purchase of fund products of RMB1,770.0 million; and (iii) purchase of property, plant and equipment of RMB795.8 million, partially offset by proceeds from sale of bank wealth management products and structured deposits of RMB1,565.1 million.

In 2024, we had net cash flows used in investing activities of RMB706.2 million, primarily due to (i) purchase of property, plant and equipment of RMB725.0 million; and (ii) purchase of bank wealth management products and structured deposits of RMB420.6 million, partially offset by proceeds from sale of bank wealth management products and structured deposits of RMB545.8 million.

In 2023, we had net cash flows used in investing activities of RMB841.4 million, primarily due to (i) purchase of property, plant and equipment of RMB1,000.1 million; and (ii) purchase of bank wealth management products and structured deposits of RMB369.3 million, partially offset by proceeds from sale of bank wealth management products and structured deposits of RMB577.9 million.

Net Cash Flows Generated from/(Used in) Financing Activities

In 2025, we had net cash flows generated from financing activities of RMB2,596.1 million, primarily due to proceeds from issue of convertible bonds of RMB2,784.4 million, partially offset by dividends paid of RMB211.6 million.

In 2024, we had net cash flows used in financing activities of RMB515.5 million, primarily due to (i) repayment of borrowings of RMB334.0 million; and (ii) dividends paid of RMB147.3 million, partially offset by proceeds from borrowings of RMB89.8 million.

In 2023, we had net cash flows generated from financing activities of RMB162.1 million, primarily due to proceeds from borrowing of RMB343.4 million, partially offset by dividends paid of RMB139.6 million.

INDEBTEDNESS

Our indebtedness mainly included bank borrowings, bonds payable and lease liabilities during the Track Record Period. Except as disclosed in the table below, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of December 31, 2025. After due and careful consideration, our directors confirm that there had been no material change in our indebtedness since December 31, 2025 and up to the date of this document.

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The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			(Unaudited)
Current portion				
Bank borrowings	284,209	29,783	31,053	60,985
Bonds payable	—	—	1,401	2,102
Lease liabilities	2,452	3,144	3,516	4,162
Subtotal	286,661	32,927	35,970	67,249
Non-current portion				
Bank borrowings	59,390	69,490	47,690	47,690
Bonds payable	—	—	2,592,200	2,607,085
Lease liabilities	2,378	1,909	11,476	10,959
Subtotal	61,768	71,399	2,651,366	2,665,734
Total	348,429	104,326	2,687,336	2,732,983

Bank Borrowings

Our bank borrowings during the Track Record Period mainly represented bank borrowings from commercial banks in the Chinese Mainland used for plant construction, equipment purchases and working capital.

As of December 31, 2023, 2024 and 2025, we had bank borrowings of RMB343.6 million, RMB99.3 million and RMB78.7 million, respectively, all of which were unsecured. The bank borrowings bore effective interest rates of 2.50%–3.20%, 1.75%–3.10% and 1.75%–2.65% per annum in 2023, 2024 and 2025, respectively. See note 29 to the Accountants’ Report in Appendix IA to this document. As of March 31, 2026, we had unutilized banking facilities of RMB8,897.8 million.

Our bank borrowing agreements contain standard terms, conditions, and covenants that are customary for commercial bank loans. Our Directors confirm that we did not experience any difficulties in obtaining bank loans and other borrowings, default in repayment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date. Given our credit history and our current credit status, we believe that we will not encounter any major difficulties in obtaining additional bank loans and other borrowings in the future.

Bonds Payable

Our bonds payable mainly represented the liability component of convertible corporate bonds that we issued in 2025. The coupon rate of the bonds ranges from 0.1% to 2.0% during the maturity period of six years. The current portion of our bonds payable was nil, nil and RMB1.4 million as of December 31, 2023, 2024 and 2025. The non-current portion of our bonds payable was nil, nil and RMB2,593.6 million as of the same dates. See note 30 to the Accountants’ Report in Appendix IA to this document.

Lease Liabilities

Our lease liabilities represented the outstanding lease payments primarily for our leased buildings. See note 14 to the Accountants’ Report in Appendix IA to this document.

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The following table sets forth our lease liabilities as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Lease Liabilities			
— Current	2,452	3,144	3,516
— Non-current	2,378	1,909	11,476
Total	4,830	5,053	14,992

Contingent Liabilities

As of December 31, 2023, 2024 and 2025, we did not have any material contingent liabilities.

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures amounted to RMB1,032.5 million, RMB732.1 million and RMB817.1 million, respectively, consisting of (i) our payment for purchase of property, plant and equipment; (ii) our payment for purchase of intangible assets; and (iii) prepayment for right-of-use assets. The following table sets forth our capital expenditures for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Capital expenditures			
Purchase of property, plant and equipment . . .	1,000,142	725,000	795,756
Purchase of intangible assets	4,292	6,776	7,388
Prepayment for right-of-use assets	28,038	326	13,976
Total	1,032,472	732,102	817,120

We will continue to make capital expenditures to support the expected growth of our business and expansion plans. We expect to finance our capital expenditures through cash flow from operating activities, unutilized bank borrowings and net [REDACTED] from the [REDACTED]. See “Future Plans and Use of [REDACTED].” Our current capital expenditure plans for any future period are subject to change, and we may adjust our capital expenditure according to future cash flows, results of operations, financial condition, market conditions and various other factors.

COMMITMENTS

Capital commitments represent capital expenditure contracted for as of a particular date but not yet incurred. As of December 31, 2023, 2024 and 2025, our capital commitments were RMB701.2 million, RMB494.0 million and RMB519.2 million, respectively, which represented contracted but unprovided commitments, net of deposits paid and prepayments, for purchase of (i) property, plant and equipment; and (ii) subscribed capital contribution.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

We had not entered into any material off-balance sheet transactions or arrangements as of the Latest Practicable Date.

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KEY FINANCIAL RATIOS

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

	As of/For the Year ended December 31,		
	2023	2024	2025
Return on equity (%) ⁽¹⁾	17.1	18.8	17.2
Return on total assets (%) ⁽²⁾	9.4	10.4	8.8
Current ratio (<i>times</i>) ⁽³⁾	1.8	1.7	2.2
Quick ratio (<i>times</i>) ⁽⁴⁾	1.6	1.5	1.9
Gearing ratio (%) ⁽⁵⁾	43.7	45.7	51.3

- (1) Return on equity is calculated based on profit for the year divided by the arithmetic means of the opening and closing balances of total equity and multiplied by 100%.
- (2) Return on total assets is calculated based on profit for the year divided by the arithmetic means of the opening and closing balances of total assets and multiplied by 100%.
- (3) Current ratio is calculated based on total current assets divided by total current liabilities as of the date indicated.
- (4) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities as of the date indicated.
- (5) Gearing ratio is calculated based on the total liabilities as of the respective dates divided by total assets as of the respective dates.

Our return on equity increased from 17.1% as of December 31, 2023 to 18.8% as of December 31, 2024, mainly reflecting the improvements in our profitability. Our return on equity then decreased to 17.2% as of December 31, 2025, mainly reflecting the growth in our total equity outpacing that of our profitability.

Our return on total assets increased from 9.4% as of December 31, 2023 to 10.4% as of December 31, 2024, mainly reflecting the growth in our profitability outpacing that of our total assets. Our return on total assets then decreased to 8.8% as of December 31, 2025, mainly reflecting the growth in our total assets outpacing that of our profitability.

Our current ratio remained stable at 1.8 times and 1.7 times as of December 31, 2023 and 2024, respectively, and then increased to 2.2 times as of December 31, 2025, while our quick ratio remained relatively stable at 1.6 times as of December 31, 2023 and 1.5 times as of December 31, 2024 and then increased to 1.9 times as of December 31, 2025. The increases in both current ratio and quick ratio were because the growth in our current assets outpaced that of our current liabilities, primarily due to increases in (i) our financial assets at FVTPL as we increased investments in fund products, income certificates, bank wealth management products and structure deposits; and (ii) our financial assets at FVTOCI as a result of increased bank acceptance notes received from customers.

Our gearing ratio increased from 43.7% as of December 31, 2023 to 45.7% as of December 31, 2024, mainly reflecting the growth in our total liabilities outpacing that of our total assets primarily as a result of our increased trade, notes and other payables, primarily due to our increased procurement from suppliers in response to our sales increase. Our gearing ratio further increased to 51.3% as of December 31, 2025, reflecting the growth in our total liabilities outpacing that of our total assets primarily as a result of issuance of 2025 Convertible Bonds.

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RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. We have certain transactions and balances with the related parties during the Track Record Period. See note 41(b) to the Accountants’ Report included in Appendix IA to this document. Our Directors are of the view that each of the related party transactions set out in note 41(b) to the Accountants’ Report in Appendix IA to this document was conducted in the ordinary course of business on an arm’s length basis and with normal commercial terms between the relevant parties and their terms were fair, reasonable and in the interest of our Shareholders as a whole. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

FINANCIAL RISK MANAGEMENT

We are exposed to various types of financial risks, including foreign currency risk, price risk, interest rate risk, credit risk and liquidity risk. Our overall risk management strategy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. Our senior management is responsible for carrying out our risk management. See note 44 of Appendix IA to this document.

FINANCIAL INFORMATION OF YUBEI STEERING

Summary

On February 25, 2026, our Company entered into a share transfer agreement with the existing shareholders of Yubei Steering, all being Independent Third Parties, pursuant to which each of them, conditionally agreed to transfer and our Company conditionally agreed to acquire 30.4365%, 15.0817%, 3.6364% and 1.8182% equity interest in Yubei Steering, respectively (the “**Acquisition**”). Pursuant to the supplemental agreement entered into by the parties on April 28, 2026, the consideration amounts were RMB669,602,185, RMB331,797,815, RMB80,000,000 and RMB40,000,000, respectively, which were determined after arm’s length negotiations with reference to the value of Yubei Steering of RMB2,200 million, being determined with reference to Yubei Steering’s audited net assets attributable to the parent company as of December 31, 2025 of RMB952,165,800 and the price-to-book ratios for comparable market transactions involving acquisitions of manufacturing companies. As of the Latest Practicable Date, the Acquisition has not been completed. Upon completion of the Acquisition, Yubei Steering will be owned as to 50.9727% by our Company and become a non-wholly-owned subsidiary of our Group. The consideration will be settled in cash. See “History, Development and Corporate Structure — Major Acquisitions, Disposals and Mergers — Acquisition of Yubei Steering.”

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Description of Selected Components of Consolidated Statements of Comprehensive Income

The following table sets forth a summary of consolidated statements of comprehensive income of Yubei Steering for the periods indicated:

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

Revenue

During the Track Record Period, Yubei Steering primarily generated revenue from the sales of (i) intelligent electronic control products; and (ii) mechanical steering products.

Yubei Steering’s revenue remained relatively stable at RMB3,028.8 million in 2023 and RMB2,974.5 million in 2024, which then increased by 5.5% to RMB3,139.0 million in 2025, primarily due to (i) certain design wins from newly acquired domestic OEM customers entering mass production; and (ii) increased overseas sales, especially in Vietnam and Romania, mainly driven by the increased sales of relevant vehicle models.

Revenue by Business Segment

The following table sets forth a breakdown of Yubei Steering’s revenue by business segment for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(RMB in thousands, except for percentages)</i>					
Intelligent electronic control products	1,509,954	49.9	1,420,215	47.7	1,688,769	53.8
Mechanical steering products	1,427,119	47.1	1,460,790	49.1	1,373,638	43.8
Others ⁽¹⁾	91,761	3.0	93,500	3.2	76,590	2.4
Total	3,028,834	100.0	2,974,505	100.0	3,138,997	100.0

(1) Others mainly included spare parts and molds.

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Yubei Steering’s revenue from intelligent electronic control products decreased by 5.9% from RMB1,510.0 million in 2023 to RMB1,420.2 million in 2024, primarily due to accelerated product upgrades and iterations in the automotive components industry and decreased sales from certain vehicle models of OEM customers. Yubei Steering’s revenue from intelligent electronic control products then increased by 18.9% to RMB1,688.8 million in 2025, primarily due to (i) certain design wins from newly acquired domestic OEM customers entering mass production; and (ii) increased demand from a major customer driven by higher sales of relevant vehicle models.

Yubei Steering’s revenue from mechanical steering products remained relatively stable at RMB1,427.1 million in 2023 and RMB1,460.8 million in 2024, which then decreased by 6.0% to RMB1,373.6 million in 2025, primarily due to slower upgrades and iterations of certain vehicle models by OEM customers.

Revenue by Geographical Location

The table below sets forth a breakdown of Yubei Steering’s revenue by geographical location for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(RMB in thousands, except for percentages)</i>					
Chinese Mainland	2,729,142	90.1	2,569,873	86.4	2,661,261	84.8
Other countries/regions ⁽¹⁾	299,692	9.9	404,632	13.6	477,736	15.2
Total	3,028,834	100.0	2,974,505	100.0	3,138,997	100.0

(1) Other countries/regions mainly included the United States, Vietnam, Japan and Romania.

Yubei Steering’s revenue from the Chinese Mainland decreased by 5.8% from RMB2,729.1 million in 2023 to RMB2,569.9 million in 2024, primarily due to accelerated product upgrades and iterations in the automotive components industry and decreased sales from certain vehicle models of OEM customers. Yubei Steering’s revenue from the Chinese Mainland then increased slightly to RMB2,661.3 million, primarily because certain design wins of intelligent electronic control products from newly acquired domestic OEM customers entered mass production.

Yubei Steering’s revenue from other countries and regions increased by 35.0% from RMB299.7 million in 2023 to RMB404.6 million in 2024, and then by 18.1% to RMB477.7 million, primarily due to (i) increased sales of intelligent electronic control products and mechanical steering products in Vietnam and Romania, mainly because of the increased demand for relevant vehicle models in local markets; and (ii) increased demand for mechanical steering products from a major customer during the Track Record Period.

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Cost of Sales

During the Track Record Period, Yubei Steering’s cost of sales primarily consisted of (i) cost of materials; (ii) direct labor; and (iii) manufacturing costs. The following table sets forth a breakdown of Yubei Steering’s cost of sales by nature for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(RMB in thousands, except for percentages)</i>					
Cost of materials	2,264,605	81.2	2,247,852	83.5	2,251,364	81.4
Direct labor	209,603	7.5	212,556	7.9	214,469	7.8
Manufacturing costs	223,224	8.0	137,468	5.1	141,227	5.1
Others ⁽¹⁾	92,995	3.3	94,088	3.5	159,538	5.7
Total	2,790,427	100.0	2,691,964	100.0	2,766,598	100.0

(1) Other mainly included logistics fees, warranty costs and energy and fuel costs.

During the Track Record Period, cost of materials was the largest component of Yubei Steering’s cost of sales, among which the procurement costs of motors, controllers, housings and worm gears represented a significant portion of Yubei Steering’s cost of materials. In 2023, 2024 and 2025, Yubei Steering’s cost of materials were RMB2,264.6 million, RMB2,247.9 million and RMB2,251.4 million, accounting for 81.2%, 83.5% and 81.4% of its total cost of sales, respectively. Yubei Steering’s cost of sales decreased slightly from RMB2,790.4 million in 2023 to RMB2,692.0 million in 2024, primarily due to a decrease in cost of materials because of the benefits of economies of scale achieved through Yubei Steering’s adoption of platform-based product design. Yubei Steering’s cost of sales then increased slightly to RMB2,766.6 million in 2025, primarily in line with Yubei Steering’s revenue growth during the same period.

Gross Profit and Gross Profit Margin

In 2023, 2024 and 2025, Yubei Steering’s gross profit was RMB238.4 million, RMB282.5 million and RMB372.4 million, with gross profit margin of 7.9%, 9.5% and 11.9%, respectively. Such increases in gross profit margin throughout the Track Record Period were primarily due to (i) increases in revenue from higher-margin intelligent electronic control products with technological advancement suitable for commercial vehicles or high-end passenger vehicles; (ii) an increase in revenue from mechanical steering products exported overseas, primarily attributable to (a) an increase in market share of such products due to their wide range of applications; and (b) economies of scale achieved as sales increased; and (iii) economies of scale achieved through Yubei Steering’s adoption of platform-based product design.

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Gross Profit and Gross Profit Margin by Business Segment

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

	Year ended December 31,					
	2023		2024		2025	
	GP	GPM	GP	GPM	GP	GPM
<i>(RMB in thousands, except for GPM in percentages)</i>						
Intelligent electronic control products . .	91,365	6.1	111,478	7.8	187,445	11.1
Mechanical steering products	117,311	8.2	140,957	9.6	163,096	11.9
Others ⁽¹⁾	29,731	32.4	30,106	32.2	21,858	28.5
Total	238,407	7.9	282,541	9.5	372,399	11.9

(1) Others mainly included spare parts and molds.

Yubei Steering’s gross profit from intelligent electronic control products increased by 22.0% from RMB91.4 million in 2023 to RMB111.5 million in 2024, which then increased by 68.1% to RMB187.4 million in 2025. The corresponding gross profit margins were 6.1%, 7.8% and 11.1%, respectively, during the same periods. The increases were primarily due to (i) increases in revenue from higher-margin intelligent electronic control products with technological advancement suitable for commercial vehicles or high-end passenger vehicles; (ii) the benefits of economies of scale achieved through Yubei Steering’s adoption of platform-based product design; and (iii) increased sales of certain intelligent electronic control products in Vietnam, mainly because of the increased demand for the relevant vehicle models in the local market.

Yubei Steering’s gross profit from mechanical steering products increased by 20.2% from RMB117.3 million in 2023 to RMB141.0 million in 2024, which then increased by 15.7% to RMB163.1 million in 2025. The corresponding gross profit margins were 8.2%, 9.6% and 11.9%, respectively. The increases were primarily due to an increase in revenue from Yubei Steering’s mechanical steering products exported overseas, primarily attributable to (i) an increase in market share of such products due to their wide range of applications; and (ii) economies of scale achieved as sales increased.

Gross Profit and Gross Profit Margin by Geographical Location

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

	Year ended December 31,					
	2023		2024		2025	
	GP	GPM	GP	GPM	GP	GPM
<i>(RMB in thousands, except for GPM in percentages)</i>						
Chinese Mainland	184,360	6.8	180,615	7.0	242,265	9.1
Other countries/regions ⁽¹⁾	54,047	18.0	101,926	25.2	130,134	27.2
Total	238,407	7.9	282,541	9.5	372,399	11.9

(1) Other countries/regions mainly included the United States, Vietnam, Japan and Romania.

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Yubei Steering’s gross profit from the Chinese Mainland remained relatively stable at RMB184.4 million and RMB180.6 million in 2023 and 2024, respectively, which then increased by 34.1% to RMB242.3 million in 2025. The corresponding gross profit margin was 6.8%, 7.0% and 9.1%, respectively. The increase in 2025 was primarily due to (i) revenue increases in intelligent electronic control products with technological advancement suitable for commercial vehicles or high-end passenger vehicles; and (ii) benefits of economies of scale achieved through Yubei Steering’s adoption of platform-based product design.

In 2023, 2024 and 2025, Yubei Steering’s gross profit from other countries and regions was RMB54.0 million, RMB101.9 million and RMB130.1 million, with the corresponding gross profit margin of 18.0%, 25.2% and 27.2%, respectively. The increases were primarily due to an increase in revenue from Yubei Steering’s higher-margin mechanical steering products exported overseas, primarily attributable to (i) an increase in market share of such products due to their wide range of applications; and (ii) economies of scale achieved as sales increased. The relatively high gross profit margin from other countries and regions was primarily attributable to: (i) higher barriers to entry due to longer market entry and product certification cycles overseas; (ii) extended supply periods due to relatively long upgrade and iteration periods for vehicle models in overseas markets; and (iii) recognition of Yubei Steering’s products for its advanced technology, reliable quality and cost advantages.

Other Income

During the Track Record Period, other income of Yubei Steering primarily consisted of (i) rendering of research and development services; (ii) additional deduction for VAT for advanced manufacturing industries; (iii) consulting and processing service income; and (iv) net rental income. See note 6 to the “Accountants’ Report of the Target Group” in Appendix IB to this document.

Other income of Yubei Steering increased by 30.3% from RMB57.9 million in 2023 to RMB75.5 million in 2024, primarily due to increases in (i) rendering of research and development services as Yubei Steering entered into more sales agreements with R&D service fee arrangements; and (ii) other government grants. Other income of Yubei Steering then decreased by 27.5% to RMB54.7 million in 2025, primarily due to decreases in (i) rendering of research and development services as fewer sales agreements were entered into; and (ii) other government grants.

Other (Losses) and Gains, Net

During the Track Record Period, Yubei Steering recorded net other losses of RMB3.8 million in 2023 and RMB3.7 million in 2025, and net other gains of RMB0.1 million in 2024, mainly reflecting (i) losses on damaged inventories in 2025, (ii) net gains on disposal of investments in associate in 2024, (iii) net gains on disposal of property, plant and equipment and right-of-use assets in 2023 and (iv) net losses on disposal of notes receivables measured at FVTOCI in 2023 and 2024. See note 7 to the “Accountants’ Report of the Target Group” in Appendix IB to this document.

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Research and Development Expenses

During the Track Record Period, research and development expenses of Yubei Steering primarily consisted of (i) employee benefit expenses; (ii) research, testing and development fees; and (iii) R&D materials consumed. The following table sets forth a breakdown of research and development expenses of Yubei Steering by nature for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)					
Employee benefit expenses	64,029	78.6	57,862	72.5	84,551	67.1
Research, testing and development fees	5,260	6.5	5,483	6.9	14,330	11.4
R&D materials consumed.	3,412	4.2	4,858	6.1	10,950	8.7
Depreciation and amortization	3,797	4.7	3,472	4.3	6,166	4.9
Others ⁽¹⁾	4,939	6.0	8,157	10.2	9,969	7.9
Total	81,437	100.0	79,832	100.0	125,966	100.0

(1) Others mainly included traveling fees and fuel fees.

Research and development expenses of Yubei Steering remained relatively stable at RMB81.4 million in 2023 and RMB79.8 million in 2024. Research and development expenses of Yubei Steering then increased by 57.8% to RMB126.0 million in 2025, primarily due to increases in (i) employment benefit expenses, mainly because of an increase in R&D headcounts; and (ii) R&D materials consumed and research, testing and development fees in relation to trial production samples.

General and Administrative Expenses

During the Track Record Period, general and administrative expenses of Yubei Steering primarily consisted of (i) employee benefit expenses; (ii) depreciation and amortization; and (iii) professional service fees. The following table sets forth a breakdown of general and administrative expenses of Yubei Steering by nature for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)					
Employee benefit expenses ⁽¹⁾	63,174	63.5	72,114	67.0	78,111	66.6
Depreciation and amortization	11,177	11.2	12,907	12.0	10,941	9.3
Professional service fees	4,709	4.7	4,818	4.5	9,289	7.9
Business development, office and traveling expenses	10,164	10.2	7,913	7.4	8,535	7.3
Maintenance and utilities	3,397	3.4	3,478	3.2	3,642	3.1
Others ⁽²⁾	6,883	7.0	6,334	5.9	6,809	5.8
Total	99,504	100.0	107,564	100.0	117,327	100.0

(1) Including share-based payment expenses.

(2) Others mainly included bank charges.

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General and administrative expenses of Yubei Steering increased by 8.1% from RMB99.5 million in 2023 to RMB107.6 million in 2024, primarily due to an increase in employment benefit expenses, primarily because of headcount increase. General and administrative expenses of Yubei Steering then increased by 9.1% to RMB117.3 million in 2025, primarily due to increases in (i) employment benefit expenses, primarily because of headcount increase; and (ii) professional service fees, in particular, recruitment fees to support hiring needs.

Selling Expenses

During the Track Record Period, selling expenses of Yubei Steering primarily consisted of (i) employee benefit expenses; (ii) lease expenses; and (iii) warehousing expenses. The following table sets forth a breakdown of selling expenses of Yubei Steering by nature for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(RMB in thousands, except for percentages)</i>						
Employee benefit expenses . . .	19,853	30.2	27,581	42.4	28,076	36.6
Lease expenses	13,827	21.1	12,600	19.3	16,754	21.9
Warehousing expenses	16,509	25.2	9,234	14.2	11,377	14.8
Business development, office and traveling expenses	5,901	9.0	5,617	8.6	9,006	11.8
Marketing expenses	6,836	10.4	7,908	12.1	8,955	11.7
Others ⁽¹⁾	2,714	4.1	2,186	3.4	2,458	3.2
Total	65,640	100.0	65,126	100.0	76,626	100.0

(1) Others mainly included insurance expenses.

Selling expenses of Yubei Steering remained relatively stable at RMB65.6 million in 2023 and RMB65.1 million in 2024. Selling expenses of Yubei Steering then increased by 17.7% to RMB76.6 million in 2025, primarily due to increases in (i) lease expenses mainly for storage cages as production volume increased; (ii) business development, office and traveling expenses arising from an increase in traveling expenses; and (iii) warehousing expenses as sales increased.

Net Impairment Losses Recognized on Financial Assets

During the Track Record Period, Yubei Steering’s net impairment losses recognized on financial assets represented expected credit losses on Yubei Steering’s trade and notes receivables and other receivables. In 2023, 2024 and 2025, Yubei Steering recorded net impairment losses recognized on financial assets of RMB9.0 million, RMB18.5 million and RMB0.04 million, respectively. The relatively high amount in 2024 was primarily due to an increase in trade receivables in 2024 arising from (i) an increase in the number of overseas OEM customers; and (ii) design wins acquired from certain OEM customers entering mass production.

Finance Costs

During the Track Record Period, Yubei Steering’s finance costs mainly consisted of interest expense on borrowings and lease liabilities.

Yubei Steering’s finance costs remained relatively stable at RMB6.8 million in 2023 and 2024. Yubei Steering’s finance costs then increased by 17.6% to RMB8.0 million in 2025, primarily due to an increase in interest expense on borrowings as bank borrowings increased.

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Income Tax Credit/(Expense)

In 2023, Yubei Steering recorded income tax credit of RMB4.5 million, which turned into income tax expenses of RMB4.3 million in 2024, primarily due to an increase in the parent company’s taxable income. In 2025, Yubei Steering recorded income tax credit of RMB1.7 million, primarily due to the impact of the amount of additional deduction for research and development expenses which increased during the same period.

During the Track Record Period, income tax expense of Yubei Steering primarily included the PRC EIT and applicable income taxes in other jurisdictions where Yubei Steering operates or has establishment.

The PRC

Under the PRC Enterprise Income Tax Law and its relevant regulations, EIT for Yubei Steering and its subsidiaries is calculated based on their estimated taxable profits for the relevant year, applying the statutory tax rate of 25% or applicable preferential tax rate, in accordance with current legislation, interpretations and practices.

Pursuant to relevant PRC laws and regulations and upon approval by the competent tax authority, Yubei Steering has been recognized as a High and New Technology Enterprise and is therefore entitled to a preferential tax rate of 15% for a valid period of three years.

Other Jurisdictions

Income tax on profit arising from other jurisdictions have been calculated on the estimated taxable profit for the year at the respective rates prevailing in the relevant jurisdictions. See note 11 to the “Accountants’ Report of the Target Group” in Appendix IB to this document.

Profit for the Year

In light of the above, Yubei Steering achieved a profit for the year of RMB90.0 million, RMB134.3 million and RMB157.0 million in 2023, 2024 and 2025, with a net profit margin of 3.0%, 4.5% and 5.0%, respectively.

Discussion of Certain Selected Items from Consolidated Statements of Financial Position of Yubei Steering

Non-current Assets and Liabilities

The table below sets forth Yubei Steering’s non-current assets and liabilities as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Non-current Assets			
Property, plant and equipment	567,548	569,820	522,590
Right-of-use assets	54,787	50,354	48,674
Intangible assets	25,439	23,848	23,993
Investment properties	1,951	1,836	820
Investments in associates and joint ventures . .	291,329	317,658	378,626
Prepayments	42,783	6,942	39,473
Deferred tax assets	53,697	62,961	70,970
Total non-current assets	1,037,534	1,033,419	1,085,146

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	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Non-current Liabilities			
Borrowings	90,000	174,000	138,600
Lease liabilities	1,510	—	979
Deferred income	15,304	11,423	11,451
Provision	88,671	91,057	119,069
Deferred tax liabilities	—	—	9
Total non-current liabilities.	195,485	276,480	270,108

Property, Plant and Equipment

During the Track Record Period, Yubei Steering’s property, plant and equipment consisted of (i) machinery and equipment; (ii) buildings; (iii) electronic equipment and others; (iv) construction in progress; and (v) transportation equipment.

The net book value of Yubei Steering’s property, plant and equipment remain relatively stable at RMB567.5 million as of December 31, 2023 and RMB569.8 million as of December 31, 2024, which then decreased by 8.3% to RMB522.6 million as of December 31, 2025, primarily due to depreciation of certain equipment.

Right-of-use Assets

During the Track Record Period, Yubei Steering’s right-of-use assets consisted of buildings and land use rights. Yubei Steering’s right-of-use assets remained relatively stable at RMB54.8 million, RMB50.4 million and RMB48.7 million as of December 31, 2023, 2024 and 2025, respectively.

Intangible Assets

During the Track Record Period, Yubei Steering’s intangible assets consisted of software. Yubei Steering’s intangible assets decreased by 6.3% from RMB25.4 million as of December 31, 2023 to RMB23.8 million as of December 31, 2024, primarily due to amortization of software. Yubei Steering’s intangible assets remained relatively stable at RMB24.0 million as of December 31, 2025.

Investments in Associates and Joint Ventures

During the Track Record Period, Yubei Steering’s investments in associates and joint ventures comprised unlisted investments and amounted to RMB291.3 million, RMB317.7 million and RMB378.6 million as of December 31, 2023, 2024 and 2025, respectively. Such increases were primarily due to increase in the recognized investment income from a joint venture due to its sustained profitability.

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Current Assets and Current Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Current Assets			
Inventories	200,482	220,192	257,644
Trade and notes receivables	882,988	1,009,190	1,017,012
Prepayments, other receivables and other assets.	15,907	29,006	26,088
Financial assets at FVTOCI	390,518	397,436	760,007
Restricted bank deposits.	288,582	395,461	430,314
Prepaid income tax	—	—	19
Cash at bank and on hand	90,380	215,066	248,614
Total current assets	1,868,857	2,266,351	2,739,698
Current Liabilities			
Trade, notes and other payables	1,961,852	2,106,149	2,181,323
Contract liabilities	22,925	21,825	25,667
Borrowings	83	44,654	392,729
Lease liabilities	4,097	2,034	1,000
Income tax payable	4,785	11,404	392
Total current liabilities.	1,993,742	2,186,066	2,601,111
Net current (liabilities)/assets	(124,885)	80,285	138,587

Yubei Steering’s net current assets increased by 72.6% from RMB80.3 million as of December 31, 2024 to RMB138.6 million as of December 31, 2025. This increase was primarily due to an increase of RMB362.6 million in Yubei Steering’s financial assets at FVTOCI primarily due to an increase in bank acceptance notes we received in 2025 primarily because of (i) an increase in product sales; and (ii) a decrease in discounting, partially offset by an increase of RMB348.1 million in Yubei Steering’s borrowings.

Yubei Steering recorded net current liabilities of RMB124.9 million as of December 31, 2023, which turned into net current assets of RMB80.3 million as of December 31, 2024. This increase was primarily due to (i) an increase of RMB126.2 million in trade and notes receivables primarily because certain design wins entered mass production stage in 2024; (ii) an increase of RMB124.7 million in cash at bank and on hand; and (iii) an increase in restricted bank deposits of RMB106.9 million, partially offset by an increase of RMB144.3 million in trade, notes and other payables.

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Inventories

During the Track Record Period, Yubei Steering’s inventories primarily consisted of raw materials and finished goods. The following table sets forth a breakdown of Yubei Steering’s inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Raw materials	85,919	89,722	107,525
Finished goods	129,190	157,664	179,626
Consumables	4,301	2,138	3,197
Consigned processing materials	6,299	3,985	3,347
Subtotal	225,709	253,509	293,695
Less: provision for impairment	(25,227)	(33,317)	(36,051)
Total	200,482	220,192	257,644

Yubei Steering’s inventories increased by 9.8% from RMB200.5 million as of December 31, 2023 to RMB220.2 million as of December 31, 2024, and further by 17.0% to RMB257.6 million as of December 31, 2025, primarily due to increases in raw materials and finished goods in line with increased sales and anticipated continued growth.

The following table sets forth an aging analysis of Yubei Steering’s inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within one year	206,899	235,380	268,962
One to two years	12,734	7,866	14,481
Two to three years	4,147	6,286	4,690
Over three years	1,929	3,977	5,562
Less: provision for impairment	(25,227)	(33,317)	(36,051)
Total	200,482	220,192	257,644

The following table sets forth the turnover days of Yubei Steering’s inventories for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(days)</i>		
Inventory turnover days ⁽¹⁾	37.9	32.5	36.1

(1) Average turnover days of inventories is equal to the average of the beginning and ending inventory balances of a year divided by cost of sales for that year and multiplied by 365 days.

Yubei Steering’s inventory turnover days decreased from 37.9 days in 2023 to 32.5 days in 2024, primarily due to consumption of previous inventories in 2023. Yubei Steering’s inventory turnover days then increased to 36.1 days in 2025, primarily due to the growth of sales volume.

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As of March 31, 2026, RMB229.1 million or 78.0% of inventories of Yubei Steering as of December 31, 2025 had been subsequently sold or utilized.

Trade and Notes Receivables

Yubei Steering’s trade and notes receivables represented receivables of income from the sales of its products. The following table sets forth a breakdown of Yubei Steering’s trade and notes receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Trade receivables	1,003,867	1,148,990	1,134,160
Notes receivables	5,846	5,069	27,617
Subtotal	1,009,713	1,154,059	1,161,777
Less: allowance for impairment	(126,725)	(144,869)	(144,765)
Total	882,988	1,009,190	1,017,012

Yubei Steering’s trade and notes receivables increased by 14.3% from RMB883.0 million as of December 31, 2023, to RMB1,009.2 million as of December 31, 2024, primarily because certain design wins entered mass production in 2024. Yubei Steering’s trade and notes receivables remained relatively stable at RMB1,017.0 million as of December 31, 2025.

The following table sets forth an aging analysis of Yubei Steering’s trade receivables presented based on the time of revenue recognition:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within one year	921,374	1,068,340	1,042,329
Over one year but within two years	2,353	826	12,533
Over two years but within three years	23	61	18
Over three years	80,117	79,763	79,280
Total	1,003,867	1,148,990	1,134,160

The trade receivables of Yubei Steering with an aging of over three years were primarily related to a customer undergoing bankruptcy and restructuring. Such trade receivables aged over three years had been fully provided for during the Track Record Period.

The following table sets forth the number of Yubei Steering’s trade and notes receivables turnover days for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(days)</i>		
Trade receivables turnover days ⁽¹⁾	107.2	132.1	132.7
Notes receivables turnover days ⁽¹⁾	0.8	0.7	1.9

(1) The trade and notes receivables turnover days are derived by dividing the average of the beginning and ending trade and notes receivables balance by revenue for that year and multiplied by 365 days.

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During the Track Record Period, the credit period granted by Yubei Steering to its customers was generally 30 to 120 days. In 2023, 2024 and 2025, the trade receivables turnover days of Yubei Steering were 107.2 days, 132.1 days and 132.7 days, respectively, primarily due to the significant increase in receivables at the end of 2024. In 2023, 2024 and 2025, the notes receivables turnover days of Yubei Steering were 0.8 days, 0.7 days and 1.9 days, respectively.

As of March 31, 2026, RMB946.2 million or 81.4% of trade and notes receivables of Yubei Steering as of December 31, 2025 had been subsequently settled.

Prepayments, Other Receivables and Other Assets

During the Track Record Period, Yubei Steering’s prepayments, other receivables and other assets primarily consisted of (i) VAT recoverable, mainly representing the deductible difference between output VAT payable and input VAT payable under applicable PRC laws; (ii) prepayments for acquisition of long-term assets; and (iii) other receivables in relation to the disposal of equity interests in an associate. The following table sets forth a breakdown of Yubei Steering’s prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Non-current portion			
Prepayments for acquisition of long-term assets.	42,783	6,942	39,473
Total non-current portion.	42,783	6,942	39,473
Current portion			
Other receivables.	10,541	18,601	3,974
Less: allowance for impairment	(1,396)	(1,722)	(1,868)
Subtotal — Other receivables.	9,145	16,879	2,106
VAT recoverable	4,016	9,193	19,889
Prepayments for materials and others	2,746	2,934	4,093
Total current portion	15,907	29,006	26,088

The non-current portion of Yubei Steering’s prepayments, other receivables and other assets decreased by 83.8% from RMB42.8 million as of December 31, 2023 to RMB6.9 million as of December 31, 2024, due to a decrease in prepayments for acquisition of long-term assets mainly in relation to the purchase of equipment for new production lines. Such decrease was due to equipment delivery. The non-current portion of Yubei Steering’s prepayments, other receivables and other assets then increased significantly to RMB39.5 million as of December 31, 2025, caused by an increase in prepayments for acquisition of long-term assets mainly in relation to the purchase of equipment for existing and new production lines.

The current portion of Yubei Steering’s prepayments, other receivables and other assets increased by 82.3% from RMB15.9 million as of December 31, 2023 to RMB29.0 million as of December 31, 2024, primarily due to (i) an increase in other receivables, mainly arising from the disposal of equity interests in an associate; and (ii) an increase in VAT recoverable resulting from a decrease in the amount of input VAT that was deducted and certified in 2024. The current portion of Yubei Steering’s prepayments, other receivables and other assets then decreased by 10.1% to RMB26.1 million as of December 31, 2025, primarily due to a decrease in other receivables, mainly arising from the collection of receivables related to the disposal of equity interests in an associate.

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Financial Assets at FVTOCI

Yubei Steering’s financial assets at FVTOCI included notes receivables measured at FVTOCI. See notes 3.2 and 18 to the “Accountants’ Report of the Target Group” in Appendix IB to this document.

Yubei Steering’s financial assets at FVTOCI remained relatively stable at RMB390.5 million as of December 31, 2023 and RMB397.4 million as of December 31, 2024. Yubei Steering’s financial assets at FVTOCI increased by 91.2% to RMB760.0 million as of December 31, 2025, primarily due to an increase in bank acceptance notes in 2025 primarily because of (i) an increase in product sales; and (ii) a decrease in discounting.

Restricted Bank Deposits

During the Track Record Period, Yubei Steering’s restricted bank deposits consisted of (i) pledged cash balances for bank acceptance notes; and (ii) pledged cash balances for letter of credit. Yubei Steering’s restricted bank deposits increased by 37.0% from RMB288.6 million as of December 31, 2023 to RMB395.5 million as of December 31, 2024, and further increased by 8.8% to RMB430.3 million as of December 31, 2025, primarily due to increases in pledged cash balances for bank acceptance notes.

Trade, Notes and Other Payables

Yubei Steering’s trade, notes and other payables mainly represented payment obligations to Yubei Steering’s suppliers. The following table sets forth a breakdown of Yubei Steering’s trade, notes and other payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Trade payables	1,030,255	1,138,084	1,187,251
Notes payables	775,706	793,107	835,646
Subtotal	1,805,961	1,931,191	2,022,897
Payables for acquisition of non-current assets.	17,061	48,267	35,939
Payroll and welfare payables	66,383	67,846	72,894
Accrued expenses	16,090	16,524	15,310
Deposits received	3,054	10,703	9,855
Other tax liabilities	32,139	15,807	5,316
Others	21,164	15,811	19,112
Total	1,961,852	2,106,149	2,181,323

Yubei Steering’s trade, notes and other payables increased by 7.4% from RMB1,961.9 million as of December 31, 2023 to RMB2,106.1 million as of December 31, 2024, and further increased slightly to RMB2,181.3 million as of December 31, 2025, primarily due to an increase in Yubei Steering’s trade payables and notes payables as its business grew.

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The following table sets forth an aging analysis of Yubei Steering’s trade payables presented based on recognition date as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within one year	994,545	1,089,798	1,169,731
Over one year but within two years	22,910	17,020	14,217
Over two years but within three years	445	18,665	894
Over three years	12,355	12,601	2,409
Total	1,030,255	1,138,084	1,187,251

The following table sets forth Yubei Steering’s trade and notes payables turnover days for the periods indicated:

	As of December 31,		
	2023	2024	2025
	<i>(days)</i>		
Trade payables turnover days ⁽¹⁾	131.1	147.0	153.4
Notes payables turnover days ⁽¹⁾	92.2	106.4	107.4

(1) The trade and notes payables turnover days are calculated by dividing the arithmetic mean of the opening and ending net balance of Yubei Steering’s trade and notes payables in that year by cost of sales for the corresponding year and then multiplying by 365 days for that year.

During the Track Record Period, the credit period granted by suppliers to Yubei Steering was generally 30 to 90 days. In 2023, 2024 and 2025, the trade payables turnover days of Yubei Steering were 131.1 days, 147.0 days and 153.4 days, respectively, primarily due to (i) an increase in trade payables in line with the growth of its business scale; and (ii) more favorable payment terms with suppliers to Yubei Steering. In 2023, 2024 and 2025, the notes payables turnover days of Yubei Steering were 92.2 days, 106.4 days and 107.4 days, respectively, primarily due to an increase in directly issued acceptance notes.

As of March 31, 2026, RMB1,293.6 million or 59.3% of Yubei Steering’s trade, notes and other payables as of December 31, 2025 had been subsequently settled.

Contract Liabilities

During the Track Record Period, Yubei Steering’s contract liabilities represented advance payments received from customers for Yubei Steering’s products that had yet to be performed or delivered. Yubei Steering’s contract liabilities decreased from RMB22.9 million as of December 31, 2023 to RMB21.8 million as of December 31, 2024, primarily in line with the slight revenue decrease. Yubei Steering’s contract liabilities then increased by 17.6% to RMB25.7 million as of December 31, 2025, primarily due to the adoption of advance payment arrangements by a major customer in 2025.

As of March 31, 2026, RMB7.9 million or 31.0% of Yubei Steering’s contract liabilities as of December 31, 2025, had been subsequently recognized as revenue.

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Liquidity and Capital Resources of Yubei Steering

Yubei Steering’s principal use of cash during the Track Record Period was for working capital, production of their products and other recurring expenses. During the Track Record Period, Yubei Steering financed their capital expenditures and working capital requirements principally with cash generated from operating activities and financing activities, cash at bank and on hand and borrowings. As of December 31, 2023, 2024 and 2025, Yubei Steering had cash at bank and on hand of RMB90.4 million, RMB215.1 million, and RMB248.6 million, respectively.

Cash Flows

The following table sets forth Yubei Steering’s consolidated statements of cash flows for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash flows generated from/(used in) operating activities	48,905	13,384	(171,704)
Net cash flows (used in)/generated from investing activities	(19,744)	2,258	(52,097)
Net cash flows (used in)/generated from financing activities	(27,240)	108,665	257,236
Net increase in cash and cash equivalents	1,921	124,307	33,435
Cash and cash equivalents at beginning of year	88,314	90,380	215,066
Effect of foreign exchange rate changes, net	145	379	113
Cash and cash equivalents at end of year	90,380	215,066	248,614

Net Cash Flows Generated from/(Used in) Operating Activities

In 2025, Yubei Steering had net cash flows used in operating activities of RMB171.7 million. This net cash outflow was primarily due to (i) Yubei Steering’s profit before tax of RMB155.2 million, as adjusted for certain non-cash items, which principally included (a) depreciation of property, plant and equipment of RMB92.7 million; and (b) share of profits of associates and joint ventures of RMB59.7 million; and (ii) changes in working capital that negatively affected the cash flow from operating activities, primarily including (a) an increase in financial assets at FVTOCI of RMB362.6 million; and (b) an increase in inventories of RMB55.7 million, partially offset by (iii) changes in working capital that positively affected the cash flow from operating activities, primarily including an increase in trade, notes and other payables of RMB49.9 million.

In 2024, Yubei Steering had net cash flows generated from operating activities of RMB13.4 million. This net cash inflow was primarily due to (i) Yubei Steering’s profit before tax of RMB138.6 million, as adjusted for certain non-cash items, which principally included (a) depreciation of property, plant and equipment of RMB94.7 million; and (b) share of profits of associates and joint ventures of RMB58.2 million; and (ii) changes in working capital that negatively affected the cash flow from operating activities, primarily including (a) an increase in trade and notes receivables of RMB144.3 million; and (b) an increase in restricted bank deposits of RMB107.8 million, partially offset by (iii) changes in working capital that positively affected the cash flow from operating activities, primarily including an increase in trade, notes and other payables of RMB94.3 million.

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In 2023, Yubei Steering had net cash flows generated from operating activities of RMB48.9 million. This net cash inflow was primarily due to (i) Yubei Steering’s profit before tax of RMB85.5 million, as adjusted for certain non-cash items, which principally included (a) depreciation of property, plant and equipment of RMB85.8 million; and (b) share of profits of associates and joint ventures of RMB55.3 million; and (ii) changes in working capital that negatively affected the cash flow from operating activities, primarily including (a) an increase in trade and notes receivables of RMB226.6 million; and (b) an increase in financial assets at FVTOCI of RMB83.3 million, partially offset by (iii) changes in working capital that positively affected the cash flow from operating activities, primarily including (a) a decrease in inventories of RMB115.3 million; and (b) an increase in trade, notes and other payables of RMB47.0 million.

Net Cash Flows (Used in)/Generated from Investing Activities

In 2025, Yubei Steering had net cash flows used in investing activities of RMB52.1 million, primarily due to purchase of property, plant and equipment of RMB59.6 million, partially offset by proceeds from disposal of investments in associates of RMB13.5 million.

In 2024, Yubei Steering had net cash flows generated from investing activities of RMB2.3 million, primarily due to proceeds from disposal of investments in associates of RMB20.3 million, partially offset by purchases of property, plant and equipment of RMB17.7 million.

In 2023, Yubei Steering had net cash flows used in investing activities of RMB19.7 million, primarily due to purchase of property, plant and equipment of RMB62.4 million, partially offset by (i) proceeds from dividends received of RMB32.9 million; and (ii) proceeds from sale of bank wealth management products of RMB20.3 million.

Net Cash Flows (Used in)/Generated from Financing Activities

In 2025, Yubei Steering had net cash flows generated from financing activities of RMB257.2 million, primarily due to proceeds from borrowing of RMB450.0 million, partially offset by repayment of borrowings of RMB137.5 million.

In 2024, Yubei Steering had net cash flows generated from financing activities of RMB108.7 million, primarily due to proceeds from borrowing of RMB150.0 million.

In 2023, Yubei Steering had net cash flows used in financing activities of RMB27.2 million, primarily due to (i) repayment of borrowings of RMB240.0 million; and (ii) dividends paid of RMB39.9 million, partially offset by proceeds from borrowing of RMB270.0 million.

Indebtedness

Yubei Steering’ indebtedness mainly included borrowings and lease liabilities during the Track Record Period.

Borrowings

Yubei Steering’s borrowings during the Track Record Period mainly represented bank borrowings from commercial banks in the Chinese Mainland used for plant construction, equipment purchases and working capital.

As of December 31, 2023, 2024 and 2025, Yubei Steering had borrowings of RMB90.1 million, RMB218.7 million and RMB531.3 million, respectively, all of which were unsecured. The bank borrowings bore effective interest rates of 2.90%-3.05%, 2.30%-3.00% and 2.24%-2.90% per annum in

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2023, 2024 and 2025, respectively. See note 27 to the “Accountants’ Report of the Target Group” in Appendix IB to this document. As of March 31, 2026, Yubei Steering had unutilized banking facilities of RMB2,203.6 million.

Lease Liabilities

Yubei Steering’s lease liabilities represented the outstanding lease payments primarily in respect of Yubei Steering’s leased buildings and properties. See note 13 to the “Accountants’ Report of the Target Group” in Appendix IB to this document.

Capital Expenditures

During the Track Record Period, Yubei Steering paid an aggregate amount of RMB66.9 million, RMB20.7 million, RMB65.7 million for capital expenditures on property, plant and equipment and intangible assets. The following table sets forth Yubei Steering’s capital expenditures for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Capital expenditures			
Purchases of property, plant and equipment . .	62,385	17,664	59,566
Purchases of intangible assets	4,564	2,990	6,116
Total	66,949	20,654	65,682

Commitments

As of December 31, 2023, 2024 and 2025, Yubei Steering’s capital commitments were RMB0.6 million, RMB4.4 million and RMB2.6 million, respectively, which represented contracted but unprovided commitments for purchase of property, plant and equipment.

DIVIDENDS

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

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DISTRIBUTABLE RESERVES

As of December 31, 2025, our Company had retained earnings of RMB3,653.7 million. Our retained earnings represented the distributable reserves available for distribution to our Shareholders.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See Appendix II to this document for details of our unaudited [REDACTED] adjusted consolidated net tangible assets.

[REDACTED]

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

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rule.