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

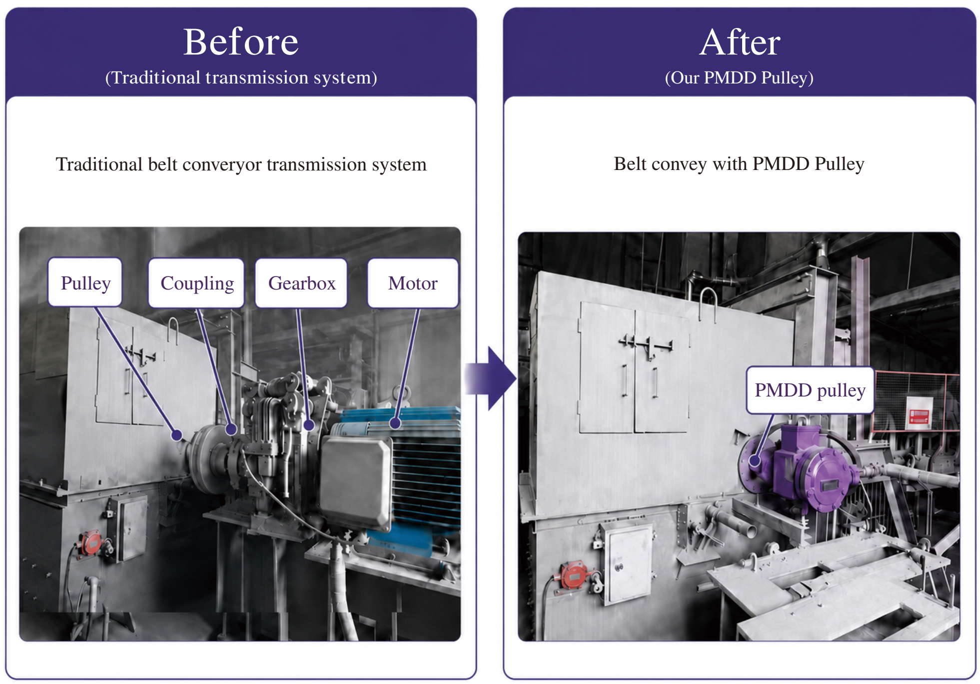
OVERVIEW

Who We Are

We are a globally leading industrial permanent magnet ("**PM**") electric-drive solution provider headquartered in China with nearly two decades of expertise in the industrial electric-drive sector. We specialize in the design, development and commercialization of PM electric-drive products for industrial applications. During the Track Record Period, we achieved sustained and rapid growth, with the shipment volume of our PM motors increasing from 2,107 units in 2023 to 3,061 units in 2025. According to Frost & Sullivan, throughout the Track Record Period, in terms of revenue, we ranked first globally among (i) industrial PM electric-drive solution providers with a market share of over 10%; (ii) industrial permanent magnet direct-drive ("**PMDD**") pulley suppliers, with a market share of over 80%; and (iii) providers of industrial PM electric-drive solutions for the mining industry. The following table highlights our remarkable achievements:

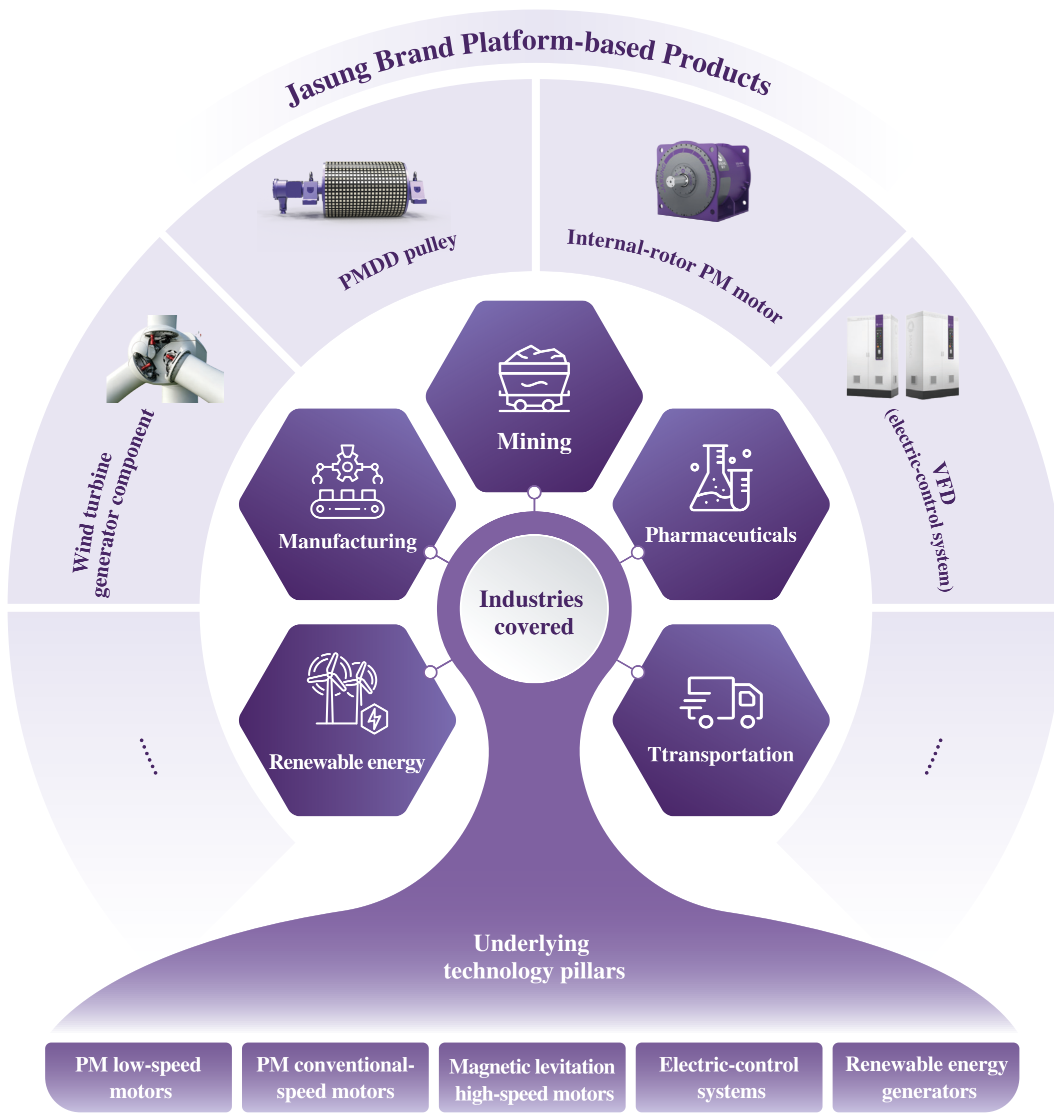
Our Industry Position	**Leadership in Global Market** **Ranked first globally throughout the Track Record Period among**: • Industrial PM electric-drive solution providers with a market share of over 10% • Industrial PMDD pulley suppliers with a market share of over 80% • Providers of industrial PM electric-drive solutions for the mining industry	**Capturing High-Growth Tracks** • The market size of global industrial electric-drive solutions is projected to reach approximately **RMB428 billion** by 2030. Within this market, the penetration rate of industrial PM electric-drive solutions is expected to reach approximately **6.4% with massive room for future growth** • The global industrial PM electric-drive solutions market is projected to grow at a CAGR of approximately **26.3%** from 2026 to 2030	**Dual-driven by Industry and Geographic Expansion** • **Industry expansion**: Deep root in the mining market and expansion to emerging sectors such as renewable energy industry • **Geographic expansion**: Established overseas service networks targeting Southeast Asia, Africa, the Americas, Europe and Australia
Our Commercial Success	**Customized Core Value** • Customized standalone PM electric-drive products have replaced traditional complex transmission chain solutions • Energy savings by **10%-50%** with maximum system efficiency up to **96%**, significantly reducing costs for our customers • Failure points reduced by **over 50%**, significantly enhancing system reliability	**Efficient Production & Supply Chain Systems** • Joint ventures with **the world's largest rare earth materials supplier** and **one of the largest copper material suppliers in China**, respectively • Changzhou production facility has a total gross floor area of **63,936 sq.m.**, with an overall capacity utilization rate of over 70% in 2025	**Steady Growth in Financial Performance** • Revenue: RMB761.5 million (2023) → RMB936.0 million (2025) • PM motor Shipment Volume: 2,107 units (2023) → 3,061 units (2025)
Our R&D and Technical Strengths	**Continuous Innovation & R&D** • In 2025, our R&D expenses accounted for **4.0%** of our revenue, and professional R&D personnel constituted **13%** of our total employees • Obtained **135 patents** globally as of the Latest Practicable Date • **National-level Key Specialized, Refined, Differential and Innovative 'Little Giant' Enterprises** • China Patent Excellence Award	**Core Technology and Product Portfolio** • The **world's first** PMDD pulleys • Product portfolio includes **PMDD pulleys, internal-rotor PM motors, VFDs** and wind turbine generator components etc. • Business layout covers **magnetic levitation high-speed motors**, **PM shaft-mounted generators** and other growth-stage products	**Formulation of industry standards and testing capability** • **Spearheading the formulation of standards:** 4 national standards and 5 industry standards • **Top-class independent testing capabilities:** The largest **20 MW-class PM motor test platform** in China with strong independent testing capabilities for scenario-specific applications and comprehensive insulation material structural validation capabilities

Our core products primarily comprise (i) PMDD pulleys; (ii) internal-rotor PM motors; (iii) variable frequency drivers ("**VFDs**"); and (iv) wind turbine generator components. Building on our development of the world's first PMDD pulley which introduced transformative innovation to the belt conveyor industry, our proprietary PM drive-and-control design and processes enable a single PM electric-drive product to replace an entire traditional transmission system. That system typically consists of an asynchronous motor, high- and low-speed couplings and a gearbox, often comparable in both size and cost to the asynchronous motor alone. In doing so, our solution significantly enhances operational efficiency and reliability, reduces electricity consumption and lowers noise and pollution for various industries. The diagram below shows a structural and field-operation comparison between traditional transmission system and our PMDD pulley:



Furthermore, through system-level design and innovation in materials, we simultaneously improved the electromagnetic performance, thermal management and insulation stability of PM motors. In 2020, our PMDD pulley was recognized as internationally leading, and our key technologies and applications of PMDD for belt conveyors were recognized as internationally advanced, by an expert panel of academicians and professors organized by the China Machinery Industry Federation. They were also subsequently included in the Catalogue of Recommended National Industrial Energy-Saving Technologies and Equipment (《國家工業節能技術裝備推薦目錄》) and the National Industrial Energy Conservation and Carbon Reduction Application Guidelines and Cases (《國家工業節能降碳應用指南與案例》) issued by the MIIT in 2019 and 2024, respectively.

We leverage our access to upstream PM materials and empower equipment across multiple application scenarios in downstream industries, including mining, manufacturing and renewable energy. Furthermore, we established five core technology pillars, covering PM low-speed motors, PM conventional-speed motors, magnetic levitation high-speed motors, electric-control systems and renewable energy generators, which enable us to deliver multi-scenario PM electric-drive solutions to industrial customers in multiple industries worldwide. The following diagram illustrates our five technology pillars and the core products we developed based on them:



We have completed the validation of our go-to-market roadmap. As of December 31, 2025, we had delivered landmark projects for a number of leading domestic enterprises in the steel, non-ferrous metals and shipbuilding industries and had maintained stable supply of industrial PM electric-drive solutions to various globally leading equipment manufacturers. In parallel, our participation in the formulation of national and industry standards of PM electric-drive paved the way for the subsequent large-scale replication of our business model. In addition, backed by the proven track record of our domestic landmark projects and our competitive cost-performance advantage, we are confident that we are well-positioned to rapidly expand into markets along the Belt and Road Initiative, as well as regions including South America and Africa. During the Track Record Period, our solutions were adopted by users in over ten countries globally. We have also obtained mandatory certifications in the U.S. and EU, including ATEX and CE, and are progressing with AS, the electrical and mechanical standard certifications in Australia. During the Track Record Period, the aggregate contract value of our solutions adopted by overseas users amounted to RMB93.8 million.

Our Market Drivers

The global industrial sectors are undergoing a historic revolution centered on high-energy-efficiency transition, unmanned operation and intelligent upgrading. According to Frost & Sullivan, (i) the global sales revenue of the industrial electric-drive solution industry is projected to reach RMB428.0

billion in 2030; (ii) the penetration rate of industrial PM electric-drive solutions is projected to reach 6.4% in 2030 with massive room for future growth; and (iii) the market size of global industrial PM electric-drive solutions in terms of revenue is projected to grow from RMB8.1 billion in 2025 to RMB27.2 billion in 2030, representing a CAGR of 26.3% between 2026 and 2030. Our market drivers primarily include technology driver, demand driver and application driver.

STRENGTHS

We believe that the following competitive strengths have contributed to our success and differentiate us from our competitors: (i) leading PM technologies and comprehensive R&D capabilities; (ii) scenario-driven product design and deep alignment with customer requirements; (iii) proven high-growth potential by addressing the needs of downstream markets; (iv) first-mover advantage in the PM Electric-drive Solution Industry; (v) high-quality customer base and mature sales and service model; (vi) supply chain advantages and cost control capabilities; and (vii) visionary management and core team with resourceful Shareholders.

STRATEGIES

With a global and future-oriented outlook, we have formulated the following development strategies to achieve our mission: (i) continue to focus on the PMDD Industry and expand into high-growth emerging industries; (ii) continued focus on technological innovation and market demand to advance PM electric-drive technologies and build multi-scenario PMDD solution portfolio; (iii) building a global service network to create a second growth curve for overseas sales; (iv) continuous improvement of production capacity and efficiency; and (v) strategic cooperation with core suppliers to build a high-quality and low-cost supply chain structure.

OUR PRODUCTS AND SOLUTIONS

We generally categorize our product portfolio by their stage of development and commercialization, including (i) core products, which generated revenue during the Track Record Period; and (ii) growth-stage products that have completed key development milestones and obtained preliminary customer interest or orders, or have entered field trial. Our core products primarily comprise (i) PMDD pulleys; (ii) internal-rotor PM motors, mainly including two product lines – PM low-speed motors and PM conventional-speed motors; (iii) variable frequency drivers ("**VFDs**"); and (iv) wind turbine generator components.

RESEARCH AND DEVELOPMENT

During the Track Record Period, we have invested in R&D to develop next-generation, more efficient and environmentally friendly PM electric-drive products that better serve industrial customer needs. In 2023, 2024 and 2025, our research and development expenses amounted to RMB30.2 million, RMB32.3 million and RMB39.2 million, respectively. As of December 31, 2025, we had 98 R&D staff, representing approximately 13.0% of our total employees. Among them, 77 hold degrees above the bachelor's level, representing about 78.6% of the R&D team. Our core R&D staff generally have more than five years of industry experience. In 2024, we were approved to establish the first national-level post-doctoral research station in the industrial PM electric-drive solution industry, which was subsequently established in 2025. It not only serves as an R&D platform for attracting and training high-caliber R&D personnel, but also facilitates our future technological breakthroughs in PM motor technologies. As of the Latest Practicable Date, we had been granted 135 patents globally.

PRODUCTION

Our manufacturing system covers material preparation, component processing, automated and manual assembly, testing, warehousing and logistics, equipment maintenance, and safety and environmental management. Our production operations span multiple product lines, each supported by digital manufacturing systems, experienced personnel and standardized workflows. We hold certifications under the ISO 9001 quality management system, ISO 14001 environmental management system, ISO 18000 and ISO 45001 occupational health and safety system, IATF 16949 quality management system, as well as relevant energy management standards. We were accredited as a National Green Factory in 2026.

CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers primarily consist of industrial companies, design institutes and equipment manufacturers. Building on our leading PM technology, superior product performance and reliable delivery capabilities, our products had achieved broad coverage across multi-industry, multi-scenario applications. As of December 31, 2025, we had established a global customer base of approximately 1,500 customers, including leading enterprises across more than 20 sectors, which fall within three major industries: (i) mining; (ii) manufacturing; and (iii) renewable energy. We are committed to continuously upgrading our technologies and products to provide efficient, energy-saving, and stable PM electric-drive solutions tailoring to diverse customer needs. In recognition of our advanced product performance, we maintain stable relationships with our existing customers, who exhibit a high degree of customer stickiness. In 2023, 2024 and 2025, the revenue generated from our five largest customers for each year during the Track Record Period amounted to RMB276.4 million, RMB208.1 million and RMB244.7 million, representing 36.3%, 23.8% and 26.1% of our total revenue, respectively. The revenue generated from our largest customer for each year during the Track Record Period amounted to RMB89.5 million, RMB51.7 million and RMB75.7 million, representing 11.8%, 5.9% and 8.1% of our total revenue for the same years, respectively.

During the Track Record Period, our raw materials and components primarily included, among others, magnetic steel of which rare-earth PM materials are key components, metal, electrical steel sheets, magnet wire, bearings and insulation materials. In 2023, 2024 and 2025, purchases from our five largest suppliers for each year during the Track Record Period amounted to RMB122.4 million, RMB120.8 million and RMB123.4 million, representing 16.4%, 15.2% and 14.4% of our total purchases, respectively. The purchase from our largest supplier for each year during the Track Record Period amounted to RMB31.2 million, RMB33.6 million and RMB32.0 million, representing 4.2%, 4.2% and 3.7% of our total purchases for the same years, respectively.

COMPETITION

The PM electric-drive solution industry is highly competitive, with competition arising from both traditional within the industry providers and other manufacturers within the industry. Driven by increasingly stringent global energy-efficiency regulations as well as the efficiency, energy-saving, low-maintenance and ease-of-installation advantages of PM electric-drive solutions, the penetration of industrial PM electric-drive solutions has grown steadily in recent years. According to Frost & Sullivan, in terms of revenue, the global market size for the industrial PM electric-drive solution industry is expected to is expected to reach approximately RMB27.2 billion by 2030, with the market growing at a CAGR of approximately 26.3% from 2026 to 2030. The industrial PM electric-drive solutions market exhibits competitive dynamics comparable to those seen in the electric vehicle industry, where Chinese manufacturers have established a strong competitive position relative to traditional internal combustion engine automakers, through their advantages in supply chain integration, manufacturing scale and cost competitiveness. Within the industrial PM electric-drive solution market, we primarily compete with domestic market participants, as the major global players in the industry are predominantly Chinese companies, which benefit from China's abundant rare-earth PM resources, significant cost advantages in rare-earth PM materials, and a well-established industrial supply chain. The principal factors driving competition in our industry include product functionality and performance, technological and R&D capabilities, accumulated industry expertise and know-how, pricing competitiveness and the ability to establish, maintain and expand customer relationships. We believe that our strengths in these areas position us well to compete effectively and sustain our leading market position.

RISK FACTORS

There are certain risks and uncertainties involved in **[REDACTED]** in our H Shares, some of which are beyond our control. See "Risk Factors" in this document for details. Some of the major risks we face include: (i) the demand in the downstream market of our industry is evolving and subject to factors beyond our control. If we are unable to adapt to changes and compete effectively to the competitive landscape, our business may be adversely affected; (ii) our industry is characterized by rapid technology and product iteration. Our ability to maintain technological leadership depends on successful research and development, which is inherently uncertain and costly; (iii) we may not be able to identify or pursue suitable expansion opportunities, implement our business strategies effectively, or achieve optimal results in future expansions, which could materially and adversely affect our business, financial condition, and results of operations; (iv) we are exposed to the credit risks of our customers; (v) failure to maintain stable relationships with key customers or attract new customers could adversely affect our business, financial condition and results of operations; (vi) shortage in key supplies or disruptions to our supply chain may have an adverse effect on our business, financial condition and results of operations. Price volatility in our raw materials may affect our profitability; and (vii) the manufacturing of many of our products is highly exacting and complex, as a result, our ability to utilize our production capacity, maintain production stability and manage production costs are essential to our business.

SUMMARY OF KEY FINANCIAL INFORMATION

Summary of Description of Key Consolidated Statements of Profit or Loss Items

	Year ended December 31,					
	2023		2024		2025	
	(RMB in thousands, except for percentages)					
Revenue	**761,501**	**100.0**	**872,634**	**100.0**	**935,966**	**100.0**
Cost of sales	(578,036)	(75.9)	(654,320)	(75.0)	(695,570)	(74.3)
Other income	8,698	1.1	20,213	2.3	13,533	1.4
Selling and marketing expenses	(61,438)	(8.1)	(69,329)	(7.9)	(73,486)	(7.9)
Administrative expenses	(64,331)	(8.4)	(72,218)	(8.3)	(69,806)	(7.5)
Research and development expenses	(30,186)	(4.0)	(32,281)	(3.7)	(39,200)	(4.2)
Impairment loss on trade receivables, other receivables and contract assets	(3,749)	(0.5)	(8,464)	(1.0)	(10,081)	(1.1)
Profit from operations	**32,459**	**4.3**	**56,235**	**6.5**	**61,356**	**6.6**
Finance costs	(10,517)	(1.4)	(11,753)	(1.3)	(15,898)	(1.7)
Share of profits/(losses) of associates	55	0.0	635	0.1	(688)	(0.1)
Profit before taxation	**21,997**	**2.9**	**45,117**	**5.2**	**44,770**	**4.8**
Income tax	(987)	(0.1)	(4,279)	(0.5)	(3,198)	(0.3)
Profit for the year	**21,010**	**2.8**	**40,838**	**4.7**	**41,572**	**4.4**

Revenue

The following table sets forth a breakdown of our revenue by product line for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	(RMB in thousands, except for percentages)					
PMDD pulleys	483,846	63.6	568,517	65.2	488,386	52.1
Internal-rotor PM motors	45,977	6.0	72,200	8.3	143,692	15.4
VFDs	161,528	21.2	184,439	21.1	205,043	21.9
Wind turbine generator components	41,107	5.4	18,312	2.1	68,149	7.3
Other products[1]	29,043	3.8	29,166	3.3	30,696	3.3
Total	**761,501**	**100.0**	**872,634**	**100.0**	**935,966**	**100.0**

Note:

(1) Primarily included spare parts and auxiliary components.

Cost of Sales

The following table sets forth our cost of sales by nature for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	(RMB in thousands, except for percentages)					
Raw materials	449,854	77.8	507,299	77.5	625,306	89.9
Technical service, installation and commissioning fees	106,669	18.5	120,619	18.4	46,884	6.7
Others	21,513	3.7	26,402	4.0	23,380	3.4
Total	**578,036**	**100.0**	**654,320**	**100.0**	**695,570**	**100.0**

Gross Profit and Gross Profit Margin

The following table sets forth our gross profit and gross profit margins by product line for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	(RMB in thousands, except for percentages)					
PMDD pulleys	130,565	27.0	176,380	31.0	179,321	36.7
Internal-rotor PM motors	732	1.6	3,001	4.2	17,063	11.9
VFDs	40,556	25.1	41,400	22.4	44,112	21.5
Wind turbine generator components	6,111	14.9	446	2.4	(1,817)	(2.7)
Other products	12,865	44.3	7,856	26.9	6,531	21.3
Subtotal	**190,829**	**25.1**	**229,083**	**26.3**	**245,210**	**26.2**
Write-down of inventories	(7,364)		(10,769)		(4,814)	
Total	**183,465**	**24.1**	**218,314**	**25.0**	**240,396**	**25.7**

Summary of Selected Items from Consolidated Statements of Financial Position

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Current assets	1,249,375	1,359,556	1,571,069
Current liabilities	1,080,972	1,162,779	1,169,560
Net current assets	168,403	196,777	401,509
Non-current assets	195,226	274,107	311,887
Non-current liabilities	83,850	87,604	263,949
Net non-current assets	111,376	186,503	47,938

Summary of Cash Flows Analysis

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash used in operating activities	(79,632)	(23,953)	(131,388)
Net cash used in investing activities	(42,956)	(95,858)	(81,692)
Net cash generated from financing activities	86,583	168,585	186,704
Net (decrease)/increase in cash and cash equivalents	(36,005)	48,774	(26,376)
Cash and cash equivalents at beginning of the year	92,089	56,084	104,858
Cash and cash equivalents at end of the year	56,084	104,858	78,482

KEY FINANCIAL RATIOS

	As of/for the year ended December 31,		
	2023	2024	2025
Gross profit margin *(%)*	24.1	25.0	25.7
Return on assets *(%)*	1.5	2.5	2.2
Return on equity *(%)*	7.5	10.7	9.2
Current ratio *(times)*	1.2	1.2	1.3
Quick ratio *(times)*	0.8	0.8	0.9

See "Financial Information – Key Financial Ratios" for the calculation methodology.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Ms. Fu Jie, Changzhou Hongbo, Changzhou Jinbo, Changzhou Tongbo, Mr. Zhang Chunhui, Mr. Wang Yong and Ms. Xu Jinxiu directly held approximately 16.98%, 8.02%, 0.62%, 0.62%, 8.37%, 2.74% and 0.96% of the Shares of our Company, respectively. By virtue of (i) Ms. Fu Jie being the executive partner of Changzhou Hongbo, Changzhou Jinbo and Changzhou Tongbo and therefore being responsible for the execution of partnership affairs and ultimately controlling the voting power of such entities, and (ii) Ms. Fu Jie, Mr. Zhang Chunhui, Mr. Wang Yong, Ms. Xu Jinxiu, Changzhou Hongbo, Changzhou Jinbo and Changzhou Tongbo being parties acting in concert pursuant to the Concert Party Agreements, details of which are set out in "History, Development and Corporate Structure – Concert Party Agreements", Ms. Fu Jie, Changzhou Hongbo, Changzhou Jinbo, Changzhou Tongbo, Mr. Zhang Chunhui, Mr. Wang Yong and Ms. Xu Jinxiu were together entitled to control the exercise of approximately 38.32% of the voting rights at the general meetings of our Company as of the Latest Practicable Date. Accordingly, they are a group of the Controlling Shareholders of our Company under the Listing Rules.

Immediately following completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Ms. Fu Jie, Changzhou Hongbo, Changzhou Jinbo, Changzhou Tongbo, Mr. Zhang Chunhui, Mr. Wang Yong and Ms. Xu Jinxiu will be entitled to control the exercise of approximately **[REDACTED]**% of the voting rights at the general meetings of our Company. Accordingly, upon **[REDACTED]**, they will remain as a group of the Controlling Shareholders of our Company as defined under the Listing Rules. See "Relationship with Our Controlling Shareholders" in this document for details.

PRE-[REDACTED] INVESTMENTS

We have conducted a series of Pre-**[REDACTED]** Investments since our establishment. See "History, Development and Corporate Structure – Pre-**[REDACTED]** Investments" in this document for details.

[REDACTED] STATISTICS

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

	Based on an [REDACTED] of HK$ [REDACTED] per [REDACTED]	**Based on an [REDACTED] of HK$ [REDACTED] per [REDACTED]**
	HK$	HK$
Market capitalization of our Shares(1)	**[REDACTED]**	**[REDACTED]**
	HK$	HK$
Market capitalization of our H Shares(2)	**[REDACTED]**	**[REDACTED]**
Unaudited **[REDACTED]** adjusted net tangible asset attributable	HK$	HK$
to equity shareholders of the Company per Share(3)	**[REDACTED]**	**[REDACTED]**

(1) The calculation of market capitalization is based on **[REDACTED]** Shares expected to be in issue immediately after completion of the **[REDACTED]** assuming the **[REDACTED]** is not exercised.

(2) The calculation of the market capitalization of our H Shares is based on the **[REDACTED]** H Shares, comprising **[REDACTED]** H Shares to be **[REDACTED]** under the **[REDACTED]** and **[REDACTED]** H Shares to be converted from Unlisted Shares, expected to be in issue immediately after completion of the **[REDACTED]**, assuming the **[REDACTED]** is not exercised.

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

DIVIDEND

No dividend was declared or paid by our Company during the Track Record Period, nor has any dividend been proposed since the end of the Track Record Period. Our Group currently does not have a pre-determined dividend payout ratio. We may declare and pay dividends after taking into account our results of operations, financial condition, cash flow, operating and capital expenditure requirements, future business development strategies and estimates and other factors as we may deem relevant. We may distribute dividends by way of cash or stock. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant PRC laws and regulations. Any proposed distribution of dividends shall be determined by our Board and must be approved by our shareholders at a general meeting. Our future declarations of dividends may or may not reflect our historical declarations of dividends and will be at the discretion of our Board and subject to the approval of Shareholders' meeting.

FUTURE PLANS AND USE OF [REDACTED]

We estimate that the net **[REDACTED]** of the **[REDACTED]**, after deducting the estimated **[REDACTED]** and other fees and expenses payable by us in connection with the **[REDACTED]**, will be approximately HK$**[REDACTED]**, at the **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]** and assuming that the **[REDACTED]** is not exercised). We currently intend to use the net **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts as set out below: (i) **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used to expand our production capacity and enhance the automation, digitalization and operational efficiency of our production facilities; (ii) **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used for R&D investments and continuous technological innovation; (iii) **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used to establish and refine our global sales and service network to support our global expansion; (iv) **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used for industrial chain integration and creation of upstream and downstream synergy; and (v) **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used for working capital and other general corporate purposes.

See "Future Plans and Use of **[REDACTED]**" in this document.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period and up to the Latest Practicable Date, we have continued to conduct our principal business of providing PM electric-drive products and solutions and our financial performance has maintained a growth trajectory. During this period, there have been no material changes to our business model, revenue structure, or cost structure.

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

[REDACTED]

[REDACTED] represent professional fees, **[REDACTED]** and other fees incurred in connection with the **[REDACTED]**. We expect to incur **[REDACTED]** of approximately RMB**[REDACTED]** (HK$**[REDACTED]**), representing approximately **[REDACTED]**% of the gross **[REDACTED]** from the **[REDACTED]** (based on the mid-point of the indicative **[REDACTED]** and assuming the **[REDACTED]** is not exercised). The **[REDACTED]** we incurred in the Track Record Period and expect to incur would consist of approximately RMB**[REDACTED]** (HK$**[REDACTED]**) **[REDACTED]** fees and approximately RMB**[REDACTED]** (HK$**[REDACTED]**) non-**[REDACTED]** fees (including fees and expenses of legal advisors and the reporting accountant of approximately RMB**[REDACTED]** (HK$**[REDACTED]**) and other fees and expenses of approximately RMB**[REDACTED]** (HK$**[REDACTED]**). Among the total **[REDACTED]** which we expect to incur, approximately RMB**[REDACTED]** (HK$**[REDACTED]**) will be directly attributable to the **[REDACTED]** of our Shares and deducted from equity and the remaining RMB**[REDACTED]** (HK$**[REDACTED]**) will be expensed upon **[REDACTED]**. The **[REDACTED]** expenses above are the best estimate as of the Latest Practicable Date and for reference only. The actual amount may differ from such estimate.