Potential investors should consider carefully all the information set out in this prospectus and, in particular, should evaluate the following risks associated with an investment in our Company before making any investment decision regarding our Company. Particular attention should be paid to the fact that our Company is incorporated in the Cayman Islands and one of our Group's subsidiaries is located in the PRC and are governed by legal and regulatory environments which in some respects may differ from that in Hong Kong. Any of the risks and uncertainties described below could have a material adverse effect on our business, financial position or on the trading price of the Shares, and could cause the loss of all or part of such investment.

This prospectus also contains "forward-looking statements" that involve risks and uncertainties. The actual results of our Group could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by our Group as described in this prospectus. If any of the following considerations and uncertainties develops into actual events, our business, financial position or results of operations may be materially and adversely affected. In such circumstances, the trading price of the Shares could decline and may cause the loss of all or part of such investment.

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

Our sales and production of aluminum alloy automobile wheels may be adversely affected by developments and changes in the automobile industry and government policies affecting demand in the aftermarket.

Our sales and production of aluminum alloy automobile wheels depends on, among other things, the development of the automobile industry and market demand for our products, in particular, demand in the aftermarket for customization and replacement.

Demand for our products correlates to a large extent to the trend in the automobile market in the PRC, which was the largest single country market for us in terms of revenue during the Track Record Period. Revenue in the PRC accounted for approximately 25.2%, 27.4%, 33.8% and 39.8% of our total revenue for the years ended December 31, 2019, 2020, 2021 and the five months ended May 31, 2022, respectively. The automobile market in the PRC is characterized by evolving industry standards, regulatory requirements and changing customer preferences. In addition, the automobile market is affected by a number of factors, including general economic conditions, governmental policies, fiscal policy, fuel costs, the availability and cost of consumer financing, and automobile replacement cycles. Recent general slowdown in the PRC's economy and adverse changes in governmental policies resulted in significant reduction in automobile production and sales, which in turn negatively impacted the aluminum alloy automobile wheel market. According to Frost & Sullivan, the automobile production in the PRC decreased from 29.0 million units in 2017 to 26.1 million units in 2021. During the same years, the sales volume of aluminum alloy automobile wheels in the PRC decreased from 209.0 million units in 2017 to 202.5 million units in 2021. If such slowdown persists, it may materially and adversely affect our business, financial condition and results of operations.

During the Track Record Period, we generated the majority of our revenue from sales to the overseas markets, which accounted for approximately 74.8%, 72.6%, 66.2% and 60.2% of the total revenue for the years ended December 31, 2019, 2020, 2021 and the five months ended May 31, 2022, respectively. Our international operations are subject to inherent risks, including but not limited to exposure to local economic and political conditions, changes in laws, regulations, trade or monetary or fiscal policy and difficulty of enforcing agreements, collecting trade and other receivables. Due to the global nature of our business, any material changes in the economic and political environment and local laws and regulations may adversely affect our sales to the respective countries and territories.

The outbreak and ongoing spread of COVID-19 could severely disrupt our business operations.

The outbreak and ongoing spread of COVID-19 has created a negative impact on macro-economy in the PRC and the world, including our normal business activities. In compliance with the relevant government policies, we only resumed full capacity production in our manufacturing facility in March 2020, which resulted in delay in fulfilling certain of our outstanding purchase orders.

In order to control the outbreak of COVID-19, various countries and regions from which we derive revenue may introduce a series of continuous control measures, including, among others, restrictions on enterprises from resuming work, traffic control, travel bans. As a majority part of our revenue is derived from overseas market, the spread of COVID-19 globally may also materially and adversely affect our business, results of operations and financial performance.

The COVID-19 outbreak presents challenges to our business and financial conditions. During the first half of 2020, both revenue and sales volume of our aluminum alloy automobile wheels decreased compared with that during the first half of 2019. Furthermore, we experienced decrease in revenue generated from regions where our customers experienced difficulties resuming normal business operations as a result of the temporary impact caused by the COVID-19 outbreak. For the year ended December 31, 2020, we also experienced longer trade and bills receivables turnover days.

We have experienced a strong recovery of our business since the second half of 2020. However, we cannot assure you that our business and our growth rate will not be negatively affected by the pandemic in the future. In early 2022, regional outbreaks of COVID-19 hit certain areas in the PRC. In response, local governments in the affected areas imposed various restrictions, including city lockdowns and traffic control across certain regions. As a result, our business operation in terms of revenue and sales volume of aluminum alloy automobile wheels were temporarily affected in the five months ended May 31, 2022 compared to the same period in 2021. For details, please refer to the paragraph headed “Summary — Recent Developments — Outbreak of COVID-19 — Recent regional outbreaks of COVID-19 in the PRC”. There remain uncertainties surrounding the COVID-19 outbreak considering the recent regional resurgence of COVID-19 cases in certain areas in the PRC. Should COVID-19 continue to affect the macro-economy in the PRC and global economy and in particular on our operation and transaction volume in 2022, our business, financial condition and results of operations may be materially and adversely affected. For more details, please refer to “Summary — Recent developments” in this prospectus.

We are subject to various international trade regulations, quotas, tariffs and duties, including anti-dumping, which may adversely affect our business, financial condition and results of operations.

We generated revenue of approximately RMB279.7 million, RMB263.0 million, RMB291.8 million and RMB90.2 million for the years ended December 31, 2019, 2020 and 2021 and the five months ended May 31, 2022, respectively, from sales to overseas markets, which accounted for approximately 74.8%, 72.6%, 66.2%

and 60.2% of our total revenue in the same periods. From time to time, the countries to which we sell our products may impose additional quotas, duties or tariffs that are applicable to us. In January 2019, Eurasian Economic Union (the "**EEU**"), of which Russia is a member country, announced final affirmative determination imposing anti-dumping duty on aluminum alloy automobile wheels imported from the PRC for a period of five years with a quota of 33.66%. For the years ended December 31, 2019, 2020 and 2021 and the five months ended May 31, 2022, our revenue from sales to Russia accounted for approximately 0.1%, 0.7%, 1.5% and 1.3% of our total revenue for the same periods. In addition, we generated 0.3%, 0.7%, 1.7% and 1.3% of our total revenue from sales to countries within the EEU for the years ended December 31, 2019, 2020 and 2021 and the five months ended May 31, 2022, respectively. For more details on additional tariff imposed by the United States government that our products may be subject to, please refer to "— Our products are subject to additional tariff imposed by the United States government since May 2019" in this section of the prospectus. Revenue from sales to the United States market were equivalent to approximately RMB39.1 million, RMB68.6 million, RMB86.2 million and RMB26.3 million for the years ended December 31, 2019, 2020 and 2021 and the five months ended May 31, 2022, respectively, representing approximately 10.5%, 18.9%, 19.6% and 17.6% of our total revenue for the same periods.

Due to the imposition of tariffs in various countries, including the United States, some of our competitors may attempt to avoid or minimize their risk exposure to these measures by, among other means, shifting their sales from the original targeted markets to those markets which do not have tariffs and/or dumping their products with substantial price cut, leading to more intense competition in the industry. In addition, any duties imposed by such tariffs may increase the procurement cost of our exported products as compared to those of our competitors from other countries that are not subject to such tariffs, which in turn may negatively affect our competitiveness against such foreign competitors in these regions.

As it cannot be accurately predicted that whether any anti-dumping duties, anti-subsidy duties, tariffs or quota fees will be imposed in the future, we do not make any provisions in our accounts for any anti-dumping duties, anti-subsidy duties, tariffs or quota fees. There can be no assurance that future international trade regulations, quotas, tariffs and duties will not increase our costs and/or the procurement cost of our exported products nor provide our competitors with an advantage over us. As such, any of the aforementioned may have a material and adverse effect on our business, financial condition and results of operations.

We could be adversely affected as a result of any sales we make to certain countries that are, or become subject to, sanctions administered by the U.S., the EU, the UN, Australia and other relevant sanctions authorities.

The U.S. and other jurisdictions or organizations, including the EU, the UN, and Australia, have, through executive order, passing of legislation or other governmental means, implemented measures that impose economic sanctions against such countries or against targeted industry sectors, groups of companies or persons, and/or organizations within such countries.

During the Track Record Period, we made sales and/or deliveries to the Relevant Regions which are the Sanctioned Countries relevant to the Group's business operations during the Track Record Period. Among the Relevant Regions, Crimea, Iran and Syria are subject to comprehensive U.S. economic sanctions. To the best knowledge of our Directors, for the years ended December 31, 2019, 2020, 2021 and the five months ended May 31, 2022, our revenue derived from the sales and/or deliveries to the Relevant Regions (excluding Crimea, Iran and Syria) amounted to approximately RMB22.2 million, RMB12.6 million, RMB33.0 million and

RMB16.1 million, respectively, representing approximately 5.9%, 3.5%, 7.5% and 10.7% of our total revenue for the same periods, respectively; and our revenue derived from the sales and/or deliveries to Crimea, Iran and Syria, which were all transacted in USD, amounted to approximately RMB 4.6 million, RMB0.3 million, nil and nil, respectively, representing approximately 1.2%, 0.1%, nil and nil of our total revenue for the same periods, respectively. For more details, please refer to "Business — Business Activities relating to Sanctioned Countries" in this prospectus.

We have undertaken to the Stock Exchange that we will not use the proceeds from the Global Offering, as well as any other funds raised through the Stock Exchange, to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of, any Sanctioned Countries or any other government, individual or entity sanctioned by the U.S., the EU, the UN, the U.K., the United Kingdom overseas territories or Australia, including, without limitation, any government, individual or entity that is specifically identified on the SDN List maintained by OFAC or other restricted parties lists maintained by the U.S., the EU, the UN, the U.K., the United Kingdom overseas territories and Australia. Further, we have undertaken not to use the proceeds from the Global Offering to pay any damages for terminating or transferring any contract that violates International Sanctions. In addition, we have undertaken not to enter into any future business that would cause us, the Stock Exchange, HKSCC, HKSCC Nominees or our Shareholders and investors to violate or become a target of international sanctions laws by the U.S., the EU, the UN, the U.K., the United Kingdom overseas territories or Australia. We will also disclose on the respective websites of the Stock Exchange and our Group if we believe that the transactions our Group entered into in Sanctioned Countries or with Sanctioned Persons would put our Group or our Shareholders and investors to risks of being sanctioned, and in our annual reports or interim reports (i) details of any new activities in Sanctioned Countries or with Sanctioned Persons; (ii) our efforts on monitoring our business exposure to sanctions risks; and (iii) the status of, and the anticipated plans for any new activities in Sanctioned Countries and with Sanctioned Persons. If we were in breach of such undertakings to the Stock Exchange, we would be subject to the risk of possible delisting of our Shares on the Stock Exchange.

Sanctions laws and regulations are constantly evolving, and new persons and entities are regularly added to the list of Sanctioned Persons. Further, new requirements or restrictions could come into effect which might increase the scrutiny on our business or result in one or more of our business activities being deemed to have violated sanctions. We cannot provide any assurance that our future business will be free of sanctions risk or our business will conform to the expectations and requirements of the authorities of U.S. or any other jurisdictions. Our business and reputation could be adversely affected if the authorities of U.S., the EU, the UN, the U.K., the United Kingdom overseas territories, Australia or any other jurisdictions were to determine that any of our future activities constitutes a violation of the sanctions they impose or provides a basis for a sanctions designation of us. For more details of our business operations in the Sanctioned Countries and our undertakings to the Stock Exchange and its related group companies, please refer to "Business — Business Activities relating to Sanctioned Countries" in this prospectus.

Our products are subject to additional tariff imposed by the United States government since May 2019.

There has been continuing trade tension between the United States and the PRC. In May 2019, the United States government raised the tariff from 10% to 25% on certain products imported from the PRC, including certain Chinese aluminum alloy wheels. In January 2020, the United States and the PRC have entered into the Phase One Agreement, there are still pertinent uncertainty surrounding our export business.

Although our revenue did not experience any material adverse impact during the Track Record Period as a result of the China-United States trade frictions due to the mitigating measures undertaken by us, we cannot accurately predict whether or when the current imposed tariffs will be further amended in the future, or if any additional tariff will be imposed on our products by the United States. Our products that are subject to the increased tariff could be less price competitive to our customers in the United States. This could adversely impact our revenue derived from the United States. Any such trade restrictions imposed by the United States could significantly increase our customers' procurement costs and render our products less price competitive in the United States. At the same time, if we are not able to pass on the additional costs in connection with the tariff imposed by the United States to our customers, our profit margin could be adversely affected. As such, any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Changes in international trade policies or imposition of barriers to trade, and the ongoing political tension between Lithuania and the PRC may have an adverse effect on our business.

International market conditions and the international regulatory environment have historically been affected by geopolitical frictions and competition among countries. Changes to trade policies, treaties and restrictions, or the perception that these changes could occur, could adversely affect the financial and economic conditions in the countries or territories to which our products are sold to, as well as our financial condition and results of operations. There has been a political tension between Lithuania and the PRC. In November 2021, the PRC government downgraded its diplomatic ties with Lithuania and it is reported that Lithuanian exporters had experienced difficulties in exporting their goods to the PRC. Lithuania is one of our major overseas markets during the Track Record Period. Our revenue generated from sales to Lithuania accounted for approximately 8.3%, 9.2%, 11.4% and 8.3% of our total revenue for the years ended December 31, 2019, 2020 and 2021 and the five months ended May 31, 2022, respectively. As at the Latest Practicable Date, there is no restriction or blocking on export of our products to Lithuania resulting from the political tension between the two countries. However, the bilateral relationship is an ongoing matter and may change rapidly. Therefore, we cannot predict how the relationship between Lithuania and the PRC will further evolve or what impact any subsequent developments in the relationship may have on our business. If trade restriction is imposed as a result of adverse changes to the political relationships between Lithuania and the PRC which blocks the export of our products to Lithuania, it may adversely affect our business, financial condition and results of operations.

Our failure to maintain or enlarge our customer base may reduce our revenue and profitability.

Our customers are mainly aluminum alloy automobile wheel wholesale traders and after-sales retailers in the aftermarket. We had 204, 169, 134 and 97 customers located in the PRC in the years ended December 31, 2019, 2020 and 2021 and the five months ended May 31, 2022, respectively. We had 102, 94, 67 and 44 customers located in 51, 52, 37 and 26 overseas countries and territories in the years ended December 31, 2019, 2020 and 2021 and the five months ended May 31, 2022, respectively. We have business relationships with the majority of our top five customers during the Track Record Period for more than five years. Our business has been and will continue to be significantly dependent on our customers.

We generally do not enter into long-term sales agreements with our customers obligating them to place orders with us which would secure future revenue for us. Instead, we generally negotiate separately with customers for each purchase order they place. As such, there can be no assurance that our customers will place their purchase order at commercially reasonable terms, or at all. If such customers no longer view our products as attractive as compared to competing offerings, we may not be able to maintain or enlarge our customer base.

A significant portion of our revenue is derived from a limited number of our customers located both in the PRC and overseas and any decrease or termination of our sales to our major customers may have a material adverse effect on our business and financial condition.

During the Track Record Period, we derived a significant portion of our revenue from our top five customers located in both the PRC and overseas, which accounted for approximately 32.9%, 35.3%, 38.5% and 32.4% of our total revenue for the years ended December 31, 2019, 2020 and 2021 and the five months ended May 31, 2022, respectively. For the same periods, revenue generated from our largest customer accounted for approximately 10.2%, 10.9%, 10.6% and 10.2% of our total revenue, respectively. Sales to our major customers are dependent on their continued growth, viability and financial stability. In addition, maintaining business relationship with our top overseas customers may involve additional uncertainties as compared with domestic customers. In the event that we cannot maintain our existing level of business with our major customers, we will need to procure new customers or seek new businesses with existing customers. If we fail to do so, our business, financial condition and results of operations could be materially and adversely affected.

We are exposed to risks related to fluctuation in the price of aluminum ingot, and any substantial increase in the price of aluminum ingot could have a material adverse effect on our business, financial condition and results of operations.

Our operating results, particularly profit margins, are significantly affected by the cost of raw materials and consumables used. In particular, the procurement cost of aluminum alloy ingot represented approximately 78.3%, 77.5%, 82.5% and 85.4% of our total cost of raw materials and consumables used for the years ended December 31, 2019, 2020 and 2021 and the five months ended May 31, 2022, and approximately 56.3%, 56.4%, 62.2% and 63.7% of the total cost of sales, respectively. The price of aluminum alloy ingot is highly correlated to the price of aluminum ingot. Therefore, the increase of the price of aluminum ingot may have an adverse impact on our gross profit margin.

Aluminum ingot price may be affected by many factors beyond our control, such as supply and demand, electricity price, policies and regulations and technology. The market price of aluminum ingot fluctuated significantly in recent years. According to Frost & Sullivan, in 2015, the market price of aluminum ingots has dropped sharply primarily due to the oversupply after years of rapid development in the market. In early 2016, the PRC government rolled out a supply-side reform of the metal industry with the aim of eliminating excess capacity. With gradual decline in the supply-side capacity, the price of aluminum ingot has recovered continuously and reached a peak at RMB16,255.0 per ton on October 10, 2017, but followed by a downward trend afterwards until the second quarter of 2020. According to Frost & Sullivan, the dramatic decline in the first quarter of 2020 was mainly triggered by the unexpected outbreak of COVID-19 which reduced demand significantly. Subsequent to the initial outbreak of the COVID-19 pandemic in the PRC, the price of aluminum ingot increased significantly since the second quarter of 2020. According to Frost & Sullivan, such increase was mainly due to (i) the recovery of business in the PRC as a result of relaxation of lock-down and isolation policies, prompting a surge in demand for aluminum ingot in various manufacturing industries; and (ii) the implementation of the carbon neutral policy by the PRC government in 2021 which deterred excess production of aluminum ingot in the PRC. As part of the PRC government's long-term goal of lowering carbon emissions, the recent implementation of the carbon neutral policy is expected to have a direct impact on the price of aluminum ingot as supply side manufacturers of aluminum products are restricted by the stringent emission standards which will prevent excessive production of aluminum ingot. In the last two months of 2021, due to the excessive aluminum inventory level, the price experienced a short-term sharp decline. According to Frost & Sullivan, in early 2022, aluminum ingot price increased significantly after a short-term decrease in the fourth quarter of 2021, which can be attributable to several reasons from both the supply and demand side. On the supply side, in February and March 2022, COVID-19 broke out in Baise City, Guangxi Province, the PRC, which is one of the most important production cities of bauxite and aluminum ingot, and large-scale lockdown of Baise City directly impacted the aluminum ingot delivery capability and drove the price to grow. Additionally, the increasing energy price also increases the cost of aluminum ingot given that energy is the largest component of aluminum ingot production cost. On the demand side, the new energy vehicle, infrastructure and real estate sectors have been heating up since early 2022, driving the increase of demand for aluminum products, which jointly pushed up the price of aluminum ingot. From May to September 2022, the average price of aluminum ingot went into a downward trend, primarily attributable to the COVID-19 outbreak in the PRC, including the two most developed cities Shanghai and Beijing. The outbreak led to large-scale lockdown and severely impacted the economy including manufacturing industry, and demand for aluminum ingot decreased significantly during the second and third quarter of 2022, which led to the drop of aluminum ingot price. It is expected that the price of aluminum ingot will be around RMB18,000 to RMB23,000 per ton in 2022.

Due to time lag between our procurement of raw materials from suppliers and sales to our customers, our profit margin could be adversely affected in the event of rising price of aluminum ingot which will in turn increase our procurement cost of aluminum alloy ingot, and it is not always realistic to immediately pass all or part of the increases in our raw material costs to our customers in the form of price increases. If we fail to effectively control the cost of our raw materials or fail to pass the increased cost to our customers, our business, financial condition and results of operations could be materially and adversely affected.

Our plans for production capacity expansion are exposed to uncertainties and potential inaccuracy in their underlying assumptions.

We plan to gradually expand our annual aluminum alloy automobile wheel production capacity from the current approximately 1.2 million units to approximately 2.4 million units by November 2024. For more details please refer to "Business — Production — Our Expansion Plan" in this prospectus. Various factors, including delivery and installation of key equipment, regulatory approval, manpower restraint, financing availability and the accuracy of the assumptions underlying our project design and engineering, could affect the implementation of our expansion plans within anticipated timeframe and budget and in turn result in a failure to attain our desired production capacity or expected economic benefits.

Furthermore, there can be no assurance that our expanding production capacity would be supported with a sufficient market demand. As such, all the aforementioned factors could have a material and adverse effect on our business, financial condition and results of operations.

A significant portion of our raw materials were procured from a limited number of suppliers with whom we had no long-term agreements.

Cost of raw materials and consumables used accounted for the majority of our cost of sales each year during the Track Record Period. We procure aluminum alloy from a limited number of suppliers during the Track Record Period. If any of our largest suppliers decides to terminate, not to renew, or to limit or reduce its supply to us, we may not be able to find alternative suppliers for similar purchases on similar conditions in a timely manner, or at all, which may disrupt or reduce our production, and in turn materially and adversely affect our business, financial condition and results of operations.

We do not enter into long-term agreements with our suppliers. The terms of our framework agreements with suppliers are generally no more than one year. We purchase certain raw materials from suppliers with purchase orders as the need arises. There can be no assurance that our suppliers will be able to supply the required raw materials to us in a timely manner or that they will not significantly increase the prices at the time of our purchase if it is within their power to do so. In addition, there can be no assurance that our suppliers would be able to deliver to us raw materials up to our required standard. In either case, our production schedule and business could be materially and adversely affected, and we may not be able to secure alternative supplies of raw materials of similar quality from other suppliers at prices and terms acceptable to us, or at all. Should any of these situations arises, we may be exposed to (i) an increase in raw material costs, which we may not be able to pass on to our customers; (ii) a reduction in the quality of our raw materials; or (iii) a shortage of raw materials supply, which may result in an increase in our cost of sales or a decline in the quality of our products. In such events, our business, financial condition and operation results could be materially and adversely affected.

We are subject to credit risk in respect of the recoverability of our trade and other receivables from our customers.

We grant a credit period of no longer than 90 days to a few of our major PRC and overseas customers. We may not be able to receive payment for our products on time. For the years ended December 31, 2019, 2020 and 2021 and the five months ended May 31, 2022, the average trade and bills receivables turnover days were approximately 47.0 days, 55.8 days, 59.3 days and 80.0 days, respectively. Our trade and other receivables as of December 31, 2019, 2020 and 2021 and May 31, 2022 amounted to approximately RMB47.6 million, RMB76.3 million, RMB91.0 million and RMB89.8 million, respectively. Our customers' financial condition may deteriorate within the granted credit period, or it may be possible that the customers dispute the amount payable to us, which in either case may result in an impairment provision for our trade and other receivables. Should the creditworthiness of our customers deteriorate, or should a significant number of our customers fail to settle their trade receivables in full for any reason, we may incur impairment losses. In addition, increases in trade and other receivables for a protracted period of time could exert pressure on our short-term liquidity. Moreover, many of our customers are located overseas, which may increase the difficulty to acquire timely payment from such customers. All of the aforementioned factors could materially and adversely affect our business, financial condition and results of operations.

We are subject to various risks relating to third-party payments.

During the Track Record Period, 81 of our customers (the "**Relevant Customer(s)**") settled their outstanding payments (the "**Third-Party Payment**") to us through third parties (the "**Third-Party Payor(s)**"). The aggregate amount that were settled through Third-Party Payments by the Relevant Customers were approximately RMB69.8 million, RMB40.9 million, nil and nil for the years ended December 31, 2019, 2020 and 2021 and the five months ended May 31, 2022, respectively, representing approximately 18.7%, 11.3%, nil and nil of our total revenue for the corresponding periods.

Third-Party Payments may subject us to various legal risks. We are exposed to possible money laundering risks as we only possess limited background knowledge of the parties involved in the Third-Party Payment arrangement and the source of the Third-Party Payments. In addition, we may be subject to potential claims from Third-Party Payors or their liquidators to return the Third-Party Payments. For more details, please refer to "Business — Certain Settlement Arrangements Through Third-Party Payors" in this prospectus.

If we were involved in legal proceedings on money laundering charges, we may need to spend significant time and financial and managerial resources in response to such proceedings. Even If we have good defences to the allegations and the court rules in our favour, our reputation as a trustworthy business may still be tarnished by our mere presence in the proceedings, which may in turn result in difficulty in maintaining good business relationship with our existing customers or attracting new customers. Moreover, If there is any claim brought by a Third-Party Payor or its liquidators against us demanding the return of the relevant Third-Party Payment, we may be forced to comply with the court ruling and return the payment which was paid for the products that we sold. We cannot assure you that our business, financial condition, results of operations and prospects will not be materially and adversely affected by a claim or prosecution against us.

The Relevant Customers opted for settling their payables with us through Third-Party Payors due to various reasons. Starting from May 2020, we stopped allowing our customers to settle their payments through Third-Party Payments. As a result of our cessation of allowing Third-Party Payment, the Relevant Customers may be unable or reluctant to continue conducting business with us. If a significant number of the Relevant Customers cease to place orders or reduce their orders with us, and we are unable to make up the shortfall through other means, including but not limited to securing additional orders from our existing customers or expanding our customer base, our business, financial condition and results of operations may be adversely affected.

We recorded net current liabilities as of December 31, 2019.

We rely on a combination of funds generated from our operations and loans from banks to finance our business operations and expansion during the Track Record Period. As of December 31, 2019, we had net current liabilities of approximately RMB15.3 million, which was primarily attributable to approximately RMB192.0 million trade and other payables. We had approximately RMB104.0 million payable for deemed distribution arising from Reorganization to related parties, which accounted for approximately 54.1% of our trade and other payables as of December 31, 2019, and were settled in full as of December 31, 2020. For more details, please refer to "History, Reorganization and Corporate Structure — Reorganization" in this prospectus. As of September 30, 2022, we had an aggregate of RMB30.0 million of bank loans. For more details, please refer to "Financial Information — Working Capital — Net Current (Liabilities)/Assets".

Our net current liabilities position exposes us to liquidity risk. Our future liquidity, the payment of other payables and accruals and the repayment of our outstanding debts as and when they become due will primarily depend on our ability to maintain adequate cash generated from operating activities and adequate external financing. Our ability to source external financing are dependent on the global and the PRC economic conditions, debt and capital market conditions and lending policies of the PRC government and banks, and other factors. There can be no assurance that we will be able to obtain adequate financing to meet our future working capital requirements. In the event that we have net current liabilities in the future, our working capital for business operations may be constrained. If we do not generate sufficient positive operating cash flow or obtain additional borrowings to meet our working capital needs, our business, financial condition and results of operations may be materially and adversely affected.

In addition, our financial statements included in this prospectus have been prepared on a going-concern basis, which takes into account our financial resources. If there is an adverse change to our profits, cash flow or ability to obtain additional financing, our financial statements may need to be prepared on an alternative basis and adjustments relating to the recoverability and classification of recorded asset amounts or the classification of liabilities may need to be made.

We may experience labor shortages, increased staff costs or deterioration in our labor relations.

For the years ended December 31, 2019, 2020 and 2021 and the five months ended May 31, 2022, our staff costs amounted to approximately RMB48.7 million, RMB44.2 million, RMB52.4 million and RMB16.9 million, respectively. To sustain the growth of our business, we may need to increase our workforce of experienced management, skilled labor and other employees to implement our expansion plans and to enhance the operating efficiency of our existing manufacturing facilities. In the event of labor shortages, we may have difficulties in recruiting or retaining employees or may face increasing staff costs. Given the recent economic growth in the PRC, competition for qualified personnel is substantial and staff costs have been increasing generally. In particular, the outbreak of COVID-19 and the corresponding quarantine measures imposed by the government may cause labor shortage and/or increased staff costs for us. We cannot assure you that we can retain and attract sufficient qualified employees on commercially reasonable terms, or at all. Any failure to attract qualified personnel at reasonable cost and in a timely manner could reduce our competitive advantages relative to our competitors, undermining our ability to expand our growth in revenues and profits and lead to material interruption to our production process. We cannot assure you that labor disputes, work stoppages or strikes will not arise in the future. Increases in our staff costs and future disputes with our employees could materially and adversely affect our business, financial condition and results of operations.

We may fail to recruit and retain our senior management and other key personnel.

We depend on the continued contribution from our senior management and other key personnel with required expertise and skills. These key personnel include Ms. Xu, the deputy chairlady of our Board and our executive Director, Mr. Ying Yonghui, our chief executive officer, general manager and executive Director, and Ms. Hu Huijuan, our executive Director and international sales manager. Our ability to recruit and retain them is influenced by a variety of factors, including the structure and the competitive market position of our overall compensation package. Our management team and skilled personnel may leave us or we may terminate their employment out of various kinds of consideration at any time. There can be no assurance that we will be able to retain our management team and skilled employees or find suitable or comparable replacements on a timely basis, or at all. Moreover, if any of our management team or key personnel leaves us or joins a competitor, we may lose customers, suppliers and industry know-how. Furthermore, since the demand and competition for talent is intense in our industry, we may need to offer higher compensation and other benefits in order to attract and retain key personnel in the future, which could increase our compensation expenses. In addition, former employees may request certain compensation arising from their resignation or retirement, which we typically negotiate on a case-by-case basis. However, if we are unable to reach a mutually acceptable resolution with such employees, they may take other actions including, but not limited to, initiating legal proceedings. Such legal proceedings may require us to pay damages, cause us to incur costs and harm our reputation. Each of these aforementioned factors could materially and adversely affect our business, financial condition and results of operations.

We are subject to occupational health and safety and environmental regulations and may be exposed to pertinent litigation or other liabilities.

We are subject to various occupational health and safety and environmental laws and regulations governing, among other things, the health and safety of our employees, the generation, storage, handling, use, transportation, presence of or exposure to hazardous materials and the emission and discharge of hazardous materials into the ground, air or water.

Our production processes involve machineries and equipment that may be prone to industrial accidents, potentially causing physical injuries or even fatalities of our employees. There can be no assurance that industrial accidents, whether caused by malfunction or misuse of equipment or machineries, will not occur in the future. In such event, we may be liable to claims brought against us by injured employees or their families in cases of fatalities. We may also be subject to fines or penalties for violations of applicable health and safety laws and regulations by government authorities as well as suspension of our operations for investigation after such incidents. In addition, we may also be required by local government authorities to amend and implement new health and safety requirements to prevent the reoccurrence of such incidents in the future.

We generate pollutants such as waste water and waste gas in the production process. The discharged pollutants and disposal methods are currently in compliance with national discharge standards or disposal requirements. However, over time, national and local standards for, amongst others, the discharge of pollutants in waste water and in waste gas may become more stringent, therefore we may need to increase part of the investment to install and run treatment facilities or dispose of hazardous wastes. Certain environmental laws impose liability, sometimes regardless of fault, for requiring the payment of taxes for the conduct of directly discharging pollutants to the environment, and investigating or cleaning up contamination on or emanating from our currently or formerly owned, leased or operated properties, as well as for damages to properties or natural resources and for personal injuries arising out of such contamination. These environmental laws also assess liability on persons who arrange for hazardous substances to be sent to third-party disposals or treatment facilities when such facilities are found to be contaminated. During the Track Record Period, we had not experienced any major environmental incident or administrative penalty. However, there can be no assurance that we would not experience environmental incident or administrative penalty in the future. As such, any of the aforementioned could have a material and adverse effect on our reputation, business, financial condition and results of operations.

We may be subject to product liability claims that are beyond our insurance coverage or suffer losses in connection with product recalls.

We face inherent business risk of exposure to product liability claims that are beyond our insurance coverage in the event that our products fail to perform as expected. In particular, during the Track Record Period, our products were delivered to and sold in countries and territories with product liability regulations pursuant to which a manufacturer of a product may be liable in a product liability claim. Such countries and territories include, but are not limited to, the PRC, the United States, Japan, Lithuania and the UAE. Other countries and territories where our products are and may in the future be delivered to and sold may have similar or more onerous product liability regulations that may further expose us to the risk of product liability claims. For further details of the product liability regulations our products are subject to, please refer to "Regulatory Overview" in this prospectus. Any negative publicity related to the perceived quality and safety of our products could affect our brand image, decrease customer demand, and adversely affect our results of operations and financial condition. In addition, safety and quality standards, laws and regulations are subject to amendments and modifications from time to time. There can be no assurance that existing or new products manufactured by us presently or in the future can meet or continue to meet the required safety and quality requirements. Should we fail to meet such requirements, we may be unable to serve our customers who may then procure from other suppliers, causing our business reputation and financial performance to deteriorate. Furthermore, our customers might seek indemnification or contribution or product recalls from us when faced with product liability claims. Our insurance may not provide adequate coverage against potential claims. For more details, please refer to "Business — Insurance" in this prospectus. A product recall may require significant management attention, affect the value of our brand image, result in decreased demand for our products and attract reinforced scrutiny by regulatory authorities over our operations. A product liability claim brought against us in excess of our available insurance coverage could have a material and adverse effect on our business, financial condition and results of operations.

We may be subject to unanticipated disruption in the supply of fuel and utilities.

Our production process relies on a constant and sufficient supply of fuel and utilities. Any interruption could disrupt our manufacturing process. For the years ended December 31, 2019, 2020 and 2021 and the five months ended May 31, 2022, our cost of fuel and utilities amounted to approximately RMB23.1 million, RMB18.3 million, RMB19.0 million and RMB6.8 million, representing approximately 7.7%, 6.4%, 5.2% and 5.6% of our cost of sales, respectively.

There can be no assurance that our utility supply of fuel, water and electricity will not be disrupted in the future. If any of the foregoing occurs, we may experience substantial losses, including loss of revenue from disrupted production, or we may have to pay a higher procurement cost as a result and our cost of production may substantially increase, which could materially and adversely affect our business, financial condition and results of operations.

We may fail to maintain or improve our utilization rates of our manufacturing facility, our margins and profitability may be materially and adversely affected.

The higher the utilization rates of our manufacturing facility are, the greater number of products produced we can allocate fixed costs over, which may in turn increase our profit margin. Our manufacturing facility ran at a utilization rate of approximately 99.4%, 85.2%, 93.6% and 86.5% for the years ended December 31, 2019, 2020 and 2021 and the five months ended May 31, 2022, respectively. After the Track Record Period and up to the Latest Practicable Date, the overall utilization rate of our manufacturing facility increased to 97.3%. Our utilization rates depend primarily on the market demand for our products. In addition, our utilization rates may be affected by various other factors, such as skills of our employees, adverse weather conditions, natural disasters, and frequency of repair, maintenance and breakdown of our production equipment. There can be no assurance that we will be able to maintain a comparable level of output and utilization rates of our manufacturing facility in the future. In the event we are unable to maintain or improve our utilization rates, our business, financial condition and results of operations may be materially and adversely affected.

We may not be able to efficiently manage our inventory risks.

Our scale and business model require us to manage a reasonable volume of inventory efficiently. Our inventories were approximately RMB61.8 million, RMB67.3 million, RMB77.9 million and RMB68.0 million as of December 31, 2019, 2020 and 2021 and May 31, 2022, respectively. Our inventory turnover days were 84.6 days, 83.0 days, 73.0 days and 90.1 days in the year ended December 31, 2019, 2020 and 2021 and the five months ended May 31, 2022, respectively. Changing customer demands and preferences, inaccurate demand forecasts, uncertainty of product developments and launches, and the time lag between the time when the inventory of raw materials is ordered from our suppliers and when our finished products are sold could expose us to inventory risks. The movement of consumer habits and the speed at which technological trends will change our market are beyond our control. Moreover, our customers may cancel orders with us, and we may not be able to resell those products.

In the event of our failure of managing our inventory effectively, we may be subject to inventory obsolescence, a decline in inventory values, and significant inventory write-downs or write-offs. In addition, we may be required to lower sales prices in order to reduce inventory level, which may lead to lower gross profit margin. Any of the aforementioned may materially and adversely affect our business, financial condition and results of operations.

We may be unable to obtain, retain or renew required permits, licenses, registrations or certificates for our business operations in the PRC.

We are required to obtain or maintain relevant permits, licenses, registrations or certificates issued by competent government agencies in the PRC. For example, we are required to obtain Registration Receipt of Consignees and Consignors of Import or Export Goods from the Customs* (海關進出口貨物收發貨人備案回執), Archival Filing and Registration Form of Foreign Trade Operators* (對外貿易經營者備案登記表), Radiation Safety Permit* (輻射安全許可證), Registration Certificate of Use of Special Equipment* (特種設備使用登記證) and Certification of Work Safety Standardization Level III Corporate (Mechanics)* (安全生產標準化三級企業(機械)). There can be no assurance that such permits, licenses, registrations or certificates will not be revoked or will be renewed by the relevant authorities in the future. Any such adverse development could materially and adversely affect our business, financial condition and results of operations.

We may fail to maintain, develop and enhance our brand image and reputation which reflect market recognition and demand of our products.

Our customers value the quality and safety of our products, a fundamental component to ensuring the safety and efficient operation of each vehicle. Our brands, reputation and product sales could be affected by a number of factors, including but not limited to: (i) expectations of our customers; and (ii) quality of customer service. Our success depends on our ability to continue to introduce high performance products. Achieving market acceptance of new products requires substantial expenditures and is subject to uncertainty. Our failure in introducing products that meet the expectations of our customers and end users could materially and adversely affect our brand image and our business, financial condition and results of operations.

We face intense competition in our industry, which could materially and adversely affect our profitability.

According to the Frost & Sullivan Report, the aluminum alloy automobile wheel industry is fragmented and subject to intense competition. Market participants compete primarily on price, quality, functions and delivery of products, and overall customer service. For more details, please refer to "Business — Competition" in this prospectus. Competition from companies located in certain regions of the world with comparatively lower costs of raw material, labor and other costs may lead to lower selling prices of or reduced demand for our products. In addition, our industry requires substantial capital expenditure in manufacturing, machinery, research and development, product design, and marketing in order to meet both consumer preferences and regulatory requirements. If our competitors consolidate or enter into strategic alliances among themselves, they may be able to take better advantage of these economies of scale. All of the aforementioned advantages over us may enable our competitors to market, promote and sell their products more effectively and develop stronger relationships with customers.

We launch new products to meet changing consumer preferences and our customers' demands to maintain our competitive position, which relies on our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced products on a timely basis. We may not be able to respond adequately to competitive pressures or react quickly to other changes in the market to maintain or improve our market position. Lack of market acceptance, delays in product development or production and failure in operating properly, inferiority to competitor's products, and insufficient income generated from such new products could result in a material and adverse effect on our business, financial condition and results of operations.

We may be involved in claims, disputes and legal proceedings.

We may be involved in legal proceedings, claims and commercial or contractual disputes that may, from time to time, be significant. These are typically claims that arise in the ordinary course of business, including, without limitation, commercial or contractual disputes, including warranty claims and other disputes with customers and suppliers; intellectual property matters; personal injury claims; environmental issues; tax matters; and employment matters. Any claims, disputes and legal proceedings brought against us, with or without merit, could result in substantial costs and diversion of resources. Unfavorable determination or judgment arising from such claims, disputes and legal proceedings could damage our reputation. Furthermore, claims, disputes and legal proceedings against us may be due to defective raw materials and production equipment purchased from our suppliers, who may not be able to indemnify us for costs resulting from such claims, disputes and legal proceedings in a timely manner, or at all.

Our intellectual property portfolio exposes us to certain risks, which could have a material adverse effect on our business, financial condition and results of operations.

Our intellectual property portfolio mainly includes trademarks and domain name, design patents along with technological know-how and trade secrets in relation to production. Our intellectual property and unpatented proprietary technology are critical to our production and competitive edge. Our competitors may develop technologies that are similar or superior to our proprietary technologies or design around the patents that we own or license. Further, as we expand our operations in jurisdictions where the protection of intellectual property rights is less robust, the risk of others duplicating our proprietary technologies increases. There can be no assurance that we would be able to effectively protect our intellectual property rights or enforce such rights in the PRC where we principally operate. We may need to input a large amount of resources for litigation to protect our intellectual property rights against unauthorized infringement. Unauthorized use of our intellectual property rights or our inability to preserve our existing intellectual property rights could adversely affect our competitive position and results of operations.

Moreover, we sell certain of our products under our brand "BYW". While we have registered the trademark for in the PRC, the European Union, the United States, Russia and Hong Kong, third parties may from time to time in the future oppose to our trademark application, seek to cancel our registered trademarks, or otherwise challenge our use of the trademarks. In the event that our trademark applications or registrations are successfully challenged, we could be forced to rebrand our products and services, which could result in loss of brand recognition, require us to devote resources to advertising and marketing a new brand, harm our reputation and have a material and adverse effect on our business, financial condition and results of operations.

We may experience natural disasters, changing climate, political unrest and terrorist attacks.

Our operations are vulnerable to interruption and damage from natural and other types of catastrophes, including earthquakes, fire, floods, hail, windstorms, severe winter weather (including snow, freezing water, ice storms and blizzards), environmental accidents, power loss, communications failures, explosions, man-made events such as terrorist attacks and similar events. Due to their nature, we cannot predict the incidence, timing and severity of catastrophes. Occurrences of natural disasters, as well as accidents and incidents of adverse weather in or around our warehouses, sourcing offices or suppliers may materially and adversely affect our business and results of operations.

Changing climate conditions, primarily rising global temperatures, may be increasing, or may in the future increase, the frequency and severity of natural catastrophes. If any such catastrophe or extraordinary event occurs in the future, our ability to operate our business could be seriously impaired. Such events could make it difficult or impossible for us to deliver our services and products to our customers and could reduce demand for our products. Significant time could be required to resume our operations and our financial position and operating results could be materially and adversely affected in the event of any major catastrophic event.

As a majority part of our revenue is derived from sales to overseas countries and territories, this could create uncertainties in our business. Political unrest or terrorist attacks in overseas countries and territories may cause our business to suffer in ways that we cannot predict and materially and adversely impact our business, financial condition and results of operations.

The tax refund that is currently applicable to our PRC subsidiary may be changed or discontinued, which may adversely affect our business, financial condition and results of operations.

During the Track Record Period, refund of value-added tax (the "**VAT**") incurred on raw materials used for our production in the PRC, which products were subsequently exported to overseas countries, was applicable to us. For the Track Record Period, such tax refund rate was approximately 13% to 16%. The amount of VAT refund received by us were approximately RMB21.1 million, RMB18.4 million, RMB21.7 million and RMB5.9 million for the years ended December 31, 2019, 2020 and 2021 and the five months ended May 31, 2022, respectively. There is no assurance that PRC governmental policies on tax refund will remain unchanged or that the current policies we benefit from will not be cancelled, suspended or amended in the future. Expiration or termination of, or other adverse changes to, together with uncertainty resulting from, any of these tax refund policies could adversely affect our business, financial condition and results of operations.

We may not be able to continue to obtain government grants, which are non-recurring in nature.

For the years ended December 31, 2019, 2020 and 2021 and five months ended May 31, 2022, we received government grants of approximately RMB2.1 million, RMB2.5 million, RMB0.9 million and RMB0.1 million, respectively, which were recognized as our other revenue. Government grants are recognized in the statement of financial position initially when there is reasonable assurance that the grants will be received and that we will comply with the conditions attaching to them. The government grants we received during the Track Record Period includes financial subsidies related to various aspects of our operations from branches of local governments in the PRC which are dependent on the governments allocation. Moreover, since there can be unexpected changes in the laws, regulations and governmental policies of the PRC, we face uncertainty relating to the availability of government grants and we cannot guarantee that we will record such income of similar amount, or at all, in the future. Any eliminations or alterations to any of the incentives provided to us by the PRC government would have an adverse effect on our financial performance and results of our operations.

We may not be able to fulfill our obligations in respect of contract liabilities, which may have an adverse impact on our business, reputation and cash and/or liquidity position.

Our contract liabilities were related to the receipts in advances from our customers which were outstanding contractual performance obligation to sales of products. We had contract liabilities of RMB3.8 million, RMB6.8 million, RMB3.8 million and RMB3.6 million as of December 31, 2019, 2020 and 2021 and May 31, 2022, respectively. We recognize contract liabilities as revenue once our obligations have been performed under the relevant contracts. If we have difficulty or fail to perform our obligations under contracts with our customers, we may need to refund a portion or all of our contract liabilities not yet recognized as revenue to our customers, which could expose us to the risk of shortfalls in liquidity and adversely affect our relationships with customers. Such events may have a material adverse effect on our business, reputation and cash and/or liquidity position.

We are uncertain about the recoverability of our deferred tax assets.

We are required to make judgments, estimates and assumptions about the recognition of our deferred tax assets. As of December 31, 2019, 2020 and 2021 and May 31, 2022, we had deferred tax assets of RMB1.1 million, RMB0.6 million, RMB0.9 million and RMB1.5 million, respectively. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available to utilize those temporary differences and tax losses. This requires significant judgment on the tax treatments of certain transactions and also an assessment on the probability, timing and adequacy of future taxable profits available for the deferred tax to be recovered. The estimates and associated assumptions are based on historical experience and other relevant factors. As a result, actual results may differ from these accounting estimates. The realization of deferred income tax assets depends primarily on our estimate of whether sufficient future profits will be available. If sufficient future taxable profits are not expected to be generated or if taxable profits are lower than expected, we may fail to recover our deferred tax assets, which may have a material adverse effect on our financial condition in the future.

RISKS RELATING TO DOING BUSINESS IN THE PRC

Our business and ability to remit payments and distribute dividends are subject to fluctuations in the exchange rates of Renminbi and governmental control of currency conversion.

During the Track Record Period, we generated the majority of our revenue from sales to the overseas market. Revenue generated in the overseas market for the years ended December 31, 2019, 2020 and 2021 and the five months ended May 31, 2022 accounted for approximately 74.8%, 72.6%, 66.2% and 60.2% of our total revenue in the same periods, respectively. All of such sales were denominated in foreign currencies, and in particular U.S. dollars. Conversely, we procure all our raw materials in the PRC in transactions denominated in Renminbi. To the extent that we need to convert our revenue from U.S. dollars or other foreign currencies into Renminbi to pay our operating costs, appreciation of the Renminbi against the U.S. dollar or other foreign currency would reduce the RMB value of our revenue denominated in U.S. dollar and decrease assets.

The exchange rates of the Renminbi against foreign currencies, including the U.S. dollar and Euro, are affected by factors including changes in the PRC's political and economic conditions. Since 1994, the conversion of Renminbi into foreign currencies, including the U.S. dollar and Euro, has been based on rates set based on the previous business day's interbank foreign exchange market rates and current exchange rates on the world financial markets. On July 21, 2005, the PRC government introduced a managed floating exchange rate system to allow the value of Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. We recognized net foreign exchange gain of approximately RMB1.1 million in 2019, net foreign exchange loss of approximately RMB4.7 million in 2020, net foreign exchange loss of approximately RMB2.4 million in 2021 and net foreign exchange gain of approximately RMB3.2 million in the five months ended May 31, 2022, respectively. There can be no assurance that the PRC government will not make further adjustments to the exchange rate system in the future. Any fluctuation in exchange rates of the Renminbi against the U.S. dollar and Euro, or other foreign currencies may render our costs for importing raw materials, machinery and equipment and our operating costs to be volatile. In addition, fluctuation in foreign exchange rates may impact the value of, and any dividends payable on, the Shares in Hong Kong dollars. Therefore, unfavorable changes in exchange rates may materially and adversely affect our business, financial condition, and results of operations.

China's economic, political and social conditions, government policies, as well as the global economy may continue to affect our business.

Most of our assets are located in China, and we derive a significant portion of our revenue from our operations in China. Accordingly, our results of operations, financial condition and prospects are subject to economic, political and legal developments in China. China's economy differs from the economies of developed countries in many respects, including the extent of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. While China's economy has experienced significant growth in the past 30 years, growth has been uneven across different regions and economic sectors and there is no assurance that such growth can be sustained. Since the second half of 2008, the global economic slowdown, continued weakness in the United States economy and the sovereign debt crisis in Europe have collectively added downward pressure to China's economic growth. Although China's economy has gone through a period of fast growth in the last several years, the growth of China's economy is expected to slow down in the next few years. If the business environment in China deteriorates as a result of the slowdown in China's economic growth, our business in China may be materially and adversely affected.

Uncertainties with respect to China's legal system could materially and adversely affect us.

PRC laws and regulations govern our operations in China. In particular, our operating subsidiary is organized under PRC laws. China's legal system is based on written statutes. Prior court decisions may be cited for reference by judges out of discretionary consideration under certain circumstances but have limited precedential value. The PRC government has promulgated laws and regulations over the past 20 years regarding matters such as corporate organization and governance, issuance and trading of securities, shareholders' rights, foreign investment, commerce, taxation and trade. However, many of these laws and regulations are relatively new and are subject to different interpretations and applicability and may be inconsistently implemented and enforced. In addition, only a limited volume of published court decisions may be cited for reference, and such cases have limited precedential value as they are not binding on subsequent cases. These uncertainties relating to the interpretation, implementation and enforcement of the PRC laws and regulations and a system of jurisprudence that gives only limited precedential value to prior court decisions can affect the legal remedies and protections available to us, and can adversely affect us.

Under the EIT Law and other PRC tax laws, we may be classified as a "resident enterprise," which could result in unfavorable tax consequences to us and our non-PRC shareholders.

Under the *Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》)* ("**EIT Law**"), which came into effect on January 1, 2008 and was amended on February 24, 2017 and December 29, 2018, respectively, an enterprise established outside the PRC with "de facto management body" within the PRC is considered a "resident enterprise," meaning that it can be treated as a Chinese enterprise for PRC enterprise income tax purpose and subject to the PRC enterprise income tax at the rate of 25% on its worldwide income. The implementation rules of the EIT Law define "de facto management bodies" as "substantial and overall management and control over the production and operations, personnel, accounting, and properties" of the enterprise. The *Notice on Determination of Tax Resident Enterprises of Chinese-controlled Offshore Incorporated Enterprises in Accordance with Their De Facto Management Bodies (《關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》)*, was issued by the SAT on April 22, 2009, with effect from January 1, 2008 and was amended on December 29, 2017. Moreover, whether or not a Chinese-controlled offshore enterprise is an offshore-registered resident enterprise is subject to preliminary review by the local tax bureau on where the "de facto management body" of the Chinese-controlled offshore enterprise or its controller is based and is subject to final confirmation by the provincial level tax bureau.

Currently, we are not deemed to be "resident enterprise" for PRC enterprise income tax purpose, but it is possible that the PRC tax authorities will determine that our Company is a "resident enterprise" for PRC enterprise income tax purpose in the future. If and when we are determined to be a "resident enterprise", we would be subject to enterprise income tax at a rate of 25% on our worldwide taxable income as well as PRC enterprise income tax reporting obligations. By comparison, there is no taxation on such income in the Cayman Islands. In addition, if we are treated as a PRC "resident enterprise" under PRC law, our foreign corporate Shareholders may be subject to PRC income tax on the capital gains realized from the sale of our Shares, and dividends paid to non-PRC residents with respect to our Shares may be subject to PRC withholding tax as such income may be regarded as income from "sources within the PRC."

In connection, pursuant to the *Arrangement between the Mainland and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect* *to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》)* (the "**PRC-HK Tax Arrangement**") effective on December 8, 2006, the withholding tax rate for dividends paid by a PRC resident enterprise is 5% if the Hong Kong enterprise owns at least 25% of the capital of the PRC enterprise; otherwise, the dividend withholding tax rate is 10%. According to the *Circular of the State Administration of Taxation on Relevant Issues relating to the Implementation of Dividend Clauses in Tax Treaty Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》)* promulgated on February 20, 2009, and effective on the same day, the corporate recipient of dividends distributed by PRC enterprises must satisfy the direct ownership thresholds at all times during the 12 consecutive months preceding the receipt of the dividends. The SAT issued the *Announcement of the State Administration of Taxation on Issues concerning the "Beneficial Owner" in Tax Treaties* (*《國家稅務總局關於稅收協定中"受益所有人"有關問題的公告》*) effective on April 1, 2018, and the *Administrative Measures for Entitlement to Treaty Benefits for Non-resident Taxpayers* (*《非居民納稅人享受協定待遇管理辦法》*) effective on January 1, 2020. Pursuant to these regulations, non-resident taxpayers should judge by themselves whether they are entitled to the treatment of the tax convention, and obtain such entitlement themselves at the time of making tax declarations, or at the time of making withholding declarations via withholding agents. At the same time, they shall collect, gather and retain relevant materials for future reference in accordance with the provisions of these measures, and shall accept the follow-up administration of tax authorities. However, the "beneficial owner" specified in the PRC-HK Tax Arrangement shall be a person who owns or controls income or the rights or property based on which the income is generated. In addition, if transactions or arrangements are deemed by the relevant tax authorities to be entered into mainly for the purpose of enjoying favorable tax treatments under the PRC-HK Tax Arrangement, such favorable tax treatments may be subject to adjustment by the relevant tax authorities in the future.

The enforcement of the Labor Contract Law and increase in staff costs in the PRC may adversely affect our business and our profitability.

China adopted a new Labor Contract Law which became effective on January 1, 2008 and was amended on July 1, 2013 and its implementation rules effective on September 18, 2008. The Labor Contract Law and its implementation rules impose more stringent requirements on employers with regard to, among others, minimum wages, economic compensations and non-fixed term employment contracts, time limits for the probation period as well as the duration and the times that an employee can be placed on a fixed term employment contract. Due to the lack of clarity with respect to the implementation of the Labor Contract Law, its implementation rules and its potential penalties and fines, it is uncertain how they will impact our current employment policies and practices. If our employment policies and practices violate the Labor Contract Law or its implementation rules, we may be subject to related penalties, fines or legal fees. Compliance with the Labor Contract Law and its implementation rules may increase our operating expenses, in particular our personnel expenses, as the continued success of our business depends significantly on our ability to attract and retain qualified personnel. In the event that we decide to terminate the employment of some of our employees or otherwise change our employment or labor practices, the Labor Contract Law and its implementation rules may also limit our ability to effect those changes in a manner that we believe to be cost-effective or desirable, which could materially and adversely affect our business and results of operations.

Discrepancy in contributions to various employee benefit plan as required by PRC laws and regulations may subject us to penalties.

Pursuant to PRC laws and regulations, we are required to participate in various employee benefit plans, including the social insurance funds which include pension insurance, unemployment insurance, medical insurance, work-related injury insurance and maternity, and the housing provident fund. During the Track Record Period, we have not registered for and/or fully contributed to certain social insurance funds and housing provident fund for certain employees pursuant to the relevant PRC laws and regulations governing PRC employee benefits.

We had made provision of approximately RMB2.4 million, nil, nil and nil for the shortfall of contribution to social insurance fund and housing provident fund for the years ended December 31, 2019, 2020 and 2021 and the five months ended May 31, 2022, respectively. As of the Latest Practicable Date, (i) we had not received any employees' complaint about or request for the social insurance fund and housing provident fund contributions; (ii) we had not received any order from the relevant PRC authorities requesting the payment of outstanding social insurance fund and housing provident fund contributions and corresponding late payment fees; and (iii) no penalties for violation of the PRC laws and regulations in relation to social insurance fund and housing provident fund contribution had been imposed on us. However, there can be no assurance that the relevant local government authorities will not require us to pay the discrepancy within a prescribed time or impose late fees or fines on us, which may materially and adversely affect our business, financial condition and results of operations.

Payment of dividends is subject to restrictions under PRC laws.

We are a holding company incorporated in the Cayman Islands, and we operate our business through our operating subsidiary in the PRC. We may rely on distributions to us by our PRC subsidiary for part of our funding, including paying dividends to our Shareholders and to service any debt we may incur. Under PRC laws, dividends may be paid only out of distributable profit. Distributable profit is our profit as determined under PRC Generally Accepted Accounting Principles ("**GAAP**") less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make by the PRC law. As a result, we may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including periods in which we are profitable. Any distributable profit not distributed in a given year is retained and available for distribution in subsequent years.

Moreover, because the calculation of distributable profit under PRC GAAP is different from the calculation under HKFRSs in certain respects, our operating subsidiary may not have distributable profit as determined under PRC GAAP, even if they have profit for that year as determined under HKFRSs, or vice versa. Our funds available for distribution as cash dividend may also be affected by the PRC legal requirements on maintaining a general reserve fund by companies and certain individual funds by foreign invested enterprises. Additionally, factors such as, cash flows, restrictions in debt instruments, withholding tax and other arrangements may restrict our PRC subsidiary's ability to pay dividends to us and in turn restrict our ability to pay dividends to our Shareholders. Accordingly, we may not receive sufficient distributions from our subsidiary. Failure by our operating subsidiary to pay us dividends could negatively impact our cash flow and our ability to make dividend distributions to our Shareholders, including periods in which we are profitable. Distributions by our PRC subsidiary to us in forms other than dividends may also be subject to government approvals and taxes.

It may be difficult to effect service of process upon, or to enforce judgments against, our Directors or members of our senior management who reside in the PRC in connection with judgments obtained in non-PRC courts.

Substantially all our assets and operations are located within the PRC. As a result, it may not be possible to effect service of process outside the PRC upon our Company, Directors and senior management members, including for matters arising under applicable securities law. A judgment of a court of another jurisdiction may be reciprocally recognized or enforced if the jurisdiction has a treaty with the PRC or if judgments of the PRC courts have been recognized before in that jurisdiction, subject to the satisfaction of other requirements. However, the PRC does not have treaties providing for the reciprocal enforcement of judgments of courts with Japan, the United Kingdom, the United States and many other countries. In addition, Hong Kong has no arrangement for the reciprocal enforcement of judgments with the United States. As a result, recognition and enforcement in the PRC or Hong Kong of judgments from various jurisdictions are uncertain.

The PRC is a signatory to the *United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards* (the "**New York Convention**") which had historically permitted reciprocal enforcement in the PRC of awards of arbitral bodies located in other New York Convention signatory countries. On June 18, 1999, an arrangement was made between Hong Kong and the PRC for mutual enforcement of arbitration awards. This new arrangement was approved by the Supreme Court of the PRC and the Hong Kong Legislative Council, and became effective on February 1, 2000.

Failure by our Shareholders or beneficial owners who are PRC residents to make required applications and filings pursuant to regulations relating to overseas investment and financing activities and return investment by PRC residents may prevent us from distributing dividends and could expose us and our Shareholders who are PRC residents to liability under the PRC laws.

Notice on the Administration of Foreign Exchange for Overseas Investment and Financing as well as Return Investment of Domestic Individuals via Special Purpose Company (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) ("**Notice No. 37**"), which was promulgated by SAFE and became effective on July 4, 2014, and the *Notice on Further Simplifying and Improving Foreign Exchange Management Policies for Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》)* ("**Notice No. 13**"), issued on February 13, 2015 requires a PRC individual resident ("**PRC Resident**") to register with the local banks before he or she contributes assets or equity interests in an overseas special purpose vehicle ("**Offshore SPV**") that is directly established or controlled by the PRC Resident for the purpose of conducting investment or financing. Following the initial registration, the PRC Resident is also required to register with the local banks for any major change in respect of the Offshore SPV, including, among other things, any major change of a PRC resident shareholder, name or term of operation of the Offshore SPV, or any increase or reduction of the Offshore SPV's registered capital, share transfer or swap, merger or division. Failure to comply with the registration procedures of Notice No. 37 and Notice No. 13 may result in penalties and sanctions, including the imposition of restrictions on the ability of the Offshore SPV's Chinese subsidiary to distribute dividends to its overseas parent.

It is unclear how Notice No. 37 and Notice No. 13 and any future regulation concerning offshore or cross-border transactions will be interpreted, amended or implemented by the relevant government authorities. We cannot predict how these regulations will affect our business operations or future strategies. As of the Latest Practicable Date, to the best knowledge of our Directors, our PRC resident shareholders, namely, Mr. Xu and

Ms. Chen, with offshore investments in our Group had completed initial registration with banks as to their offshore investments in TopSun in accordance with Notice No. 37 and Notice No. 13. Any failure by our PRC resident shareholders or beneficial owners to make the registrations or updates with SAFE and the local banks may subject the relevant PRC resident shareholders or beneficial owners to penalties, restrict our overseas or cross-border investment activities, limit our PRC subsidiaries' ability to make distributions or pay dividends, or affect our ownership structure and capital inflow from our offshore subsidiaries. As such, our business, financial condition, results of operations and liquidity as well as our ability to pay dividends or make other distributions to our shareholders may be materially and adversely affected.

The PRC tax authorities have strengthened their scrutiny over transfers of equity interests in a PRC resident enterprise by a non-resident enterprise, which may negatively affect our business and our ability to conduct mergers, acquisitions or other investments and the value of your investment in our Company.

According to the *Announcement of SAT on Several Issues Concerning the Enterprise Income Tax on Indirect Property Transfer by Non-Resident Enterprises(《國家稅務總局關於非居民企業間接轉讓財產企業所得稅若干問題的公告》)* ("**Circular 7**") which was promulgated by the SAT and became effective on February 3, 2015, revised on December 1, 2017 and December 29, 2017, if a non-resident enterprise transfers the equity interests of a PRC resident enterprise indirectly by transfer of the equity interests of an offshore holding company (other than a purchase and sale of shares issued by a PRC resident enterprise in the public securities market) without a reasonable commercial purpose, PRC tax authorities have the power to reassess the nature of the transaction and the indirect equity transfer may be treated as a direct transfer. As a result, the gain derived from such transfer, which means the equity transfer price less the cost of equity, will be subject to PRC withholding tax at a rate of up to 10%.

Under the terms of Circular 7, a transfer which meets all of the following circumstances shall be directly deemed as having no reasonable commercial purposes if:

- over 75% of the value of the equity interests of the offshore holding company are directly or indirectly derived from PRC taxable properties;
- at any time during the year before the indirect transfer, over 90% of the total properties of the offshore holding company are investments within PRC territories, or in the year before the indirect transfer, over 90% of the offshore holding company's revenue is directly or indirectly derived from PRC territories;
- the function performed and risks assumed by the offshore holding company are insufficient to substantiate its corporate existence; or
- the foreign income tax imposed on the indirect transfer is lower than the PRC tax imposed on the direct transfer of the PRC taxable properties.

On October 17, 2017, the SAT issued the *Announcement on Issues Relating to Withholding at Source of Income Tax of Non-resident Enterprises (《國家稅務總局關於非居民企業所得稅源泉扣繳有關問題的公告》)* ("**Announcement 37**"), which took effect on December 1, 2017 and amended on June 15, 2018. Announcement 37 purports to provide further clarifications by setting forth the definitions of equity transfer income and tax basis, the foreign exchange rate to be used in the calculation of the withholding amount and the date on which the withholding obligation arises.

Specifically, Announcement 37 provides that where the transfer income subject to withholding at source is derived by a non-PRC resident enterprise in installments, the installments may first be treated as recovery of costs of previous investments. Upon recovery of all costs, the tax amount to be withheld must then be computed and withheld.

There is uncertainty as to the application of Circular 7 and Announcement 37. Circular 7 and Announcement 37 may be determined by the PRC tax authorities to be applicable to transfers of our shares that involve non-resident investors, if any of such transactions were determined by the tax authorities to lack a reasonable commercial purpose.

Our business may be subject to various evolving PRC laws and regulations regarding cybersecurity, the non-compliance of which could subject us to penalties, and harm our business and results of operations.

Laws and regulations related to cybersecurity are relatively new and evolving in the PRC, the interpretation and enforcement of which involve significant uncertainties. On December 28, 2021, the Cyberspace Administration of China ("**CAC**") and other twelve PRC regulatory authorities jointly revised and promulgated the *Cybersecurity Review Measures* ("**Cybersecurity Review Measures**", *《網絡安全審查辦法》*) which has come into effect on February 15, 2022. The Cybersecurity Review Measures require that if the procurement of network products and services by a "critical information infrastructure operator" and the data processing activities of a "network platform operator" affect or may affect national security, it shall apply for cybersecurity review to the Cybersecurity Review Office. In addition, on November 14, 2021, the CAC published a discussion draft of the *Regulations on the Administration of Cyber Data Security (Draft for Comments)* ("**Draft Cyber Data Security Regulations**", *《網絡數據安全管理條例(徵求意見稿)》*). The Draft Cyber Data Security Regulations specifically require that if the listing in Hong Kong by a data processor affects or may affect national security, the data processor shall apply for cybersecurity review in accordance with the relevant PRC laws and regulations. For more details, please refer to the paragraph headed ''Regulatory Overview – 12. Cybersecurity and Data Security Regulation" in this prospectus.

The Draft Cyber Data Security Regulations were released for public comment only and its operative provisions and the anticipated adoption or effective dates may be subject to change with substantial uncertainty. It also remains uncertain whether the future regulatory changes would impose additional restrictions on companies like us. If the enacted version of the Draft Cyber Data Security Regulations mandates or any PRC regulatory authority requires that we shall complete clearance of cybersecurity review or other specific actions, we will face uncertainties as to whether such clearance can be timely obtained, or at all. Any failure to complete or delay in completion of these processes may subject us to government enforcement actions and investigations, fines, penalties, among other sanctions, which could materially and adversely affect our business and results of operations.

We may be required to complete the filing with the CSRC for the Listing and subject to additional regulatory requirements if certain new draft regulations in relation to overseas listing are implemented in China.

On December 24, 2021, the CSRC published the *Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments)* (*《國務院關於境內企業境外發行證券和上市的管理規定(草稿徵求意見稿)》*) ("**Draft Administrative Provisions**") and the *Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments)* (*《境內企業境外發行*

證券和上市備案管理辦法(徵求意見稿)》) ("**Draft Measures for Filing**", together with the Draft Administrative Provisions, "**Drafts relating to Overseas Listings**"), which are open for public comments until January 23, 2022. The Drafts relating to Overseas Listings require, among others, that PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three working days after its application for overseas listing is submitted. For more details, please refer to the paragraph headed ''Regulatory Overview – 13. Overseas Listing Regulation'' in this prospectus.

As there are still uncertainties regarding the interpretation and implementation of such regulatory guidance, we cannot assure you that we will be able to comply with new regulatory requirements relating to our future overseas capital-raising activities and we may become subject to more stringent requirements with respect to matters including cross-border investigation and enforcement of legal claims. Notwithstanding the foregoing, as of the Latest Practicable Date, the Drafts relating to Overseas Listings have not yet come into force and we are not aware of any PRC laws or regulations currently in effect requiring that we obtain permission from any PRC government authority to issue securities to foreign investors.

RISKS RELATED TO THE GLOBAL OFFERING

There has been no prior public market for our Shares and there can be no assurance that an active market would develop after the Global Offering.

Prior to the Global Offering, there has been no public market for our Shares. The initial issue price range for our Shares will be the result of negotiations between our Company and the Sole Overall Coordinator (on behalf of the Underwriters), and the Offer Price may differ significantly from the market price for our Shares following the Global Offering. We have applied for listing of and permission to deal in our Shares on the Stock Exchange. There is no assurance that the Global Offering will result in the development of an active and liquid public trading market for our Shares. Factors such as variations in our revenue, earnings and cash flows or any other developments of us may affect the volume and price at which our Shares will be traded.

The liquidity, trading volume and market price of our Shares following the Global Offering may be volatile.

The price at which our Shares will trade after the Global Offering will be determined by the marketplace, which may be influenced by many factors, some of which are beyond our control, including:

- the liquidity and depth of the Shares in the market;
- our financial results;
- changes in securities analysts' estimates of our financial performance;
- investors' perceptions of our Group and the general investment environment;
- changes in laws and regulations;
- developments in the aluminum alloy automobile wheel industry;
- changes in pricing policies adopted by us or our competitors;

- the valuation of publicly traded companies that are engaged in business activities similar to ours;
- demand and supply of our shares;
- our inability to compete effectively in the market; and
- general political, economic, financial and social development and stock market conditions.

You will incur immediate and substantial dilution and may experience further dilution in the future.

Based on the Offer Price range, the Offer Price of our Shares is expected to be higher than the net tangible book value per Share of our Shares immediately prior to the Global Offering. Purchasers of our Shares in the Global Offering will experience an immediate dilution in pro forma consolidated net tangible book value per Share. If we issue additional Shares in the future, purchasers of our Shares in the Global Offering may experience further dilution in their shareholding percentage.

Prior dividend distributions, if any, are not an indication of our future dividend policy.

During the Track Record Period, we neither declared nor paid any dividends to our equity shareholders. Any of our future dividend declaration and distribution will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors deem relevant.

Any declaration and payment as well as the amount of dividends will also be subject to our Articles of Association and the PRC laws, including (where required) the approvals from our shareholders and our Directors. In addition, our future dividend payments will depend upon the availability of dividends received from our subsidiaries. As a result of the above, we cannot assure you that we will make any dividend payments on our Shares in the future with reference to our historical dividends. For more details of the dividend policy of our Company, please refer to "Financial Information — Dividend Policy" in this prospectus.

There will be a time gap of several business days between pricing and trading of our Shares offered under the Global Offering. The market price of the Shares after trading begins could be lower than the Offer Price.

The Offer Price of our Shares is expected to be determined on the Price Determination Date. However, our Shares will not commence trading on the Stock Exchange until they are delivered, which is expected to be five business days in Hong Kong after the pricing date. As a result, investors may not be able to sell or otherwise deal in our Shares during that period. Accordingly, holders of our Shares are subject to the risk that the price of our Shares could fall when trading begins as a result of adverse market conditions or other adverse developments that could occur between the time of pricing and the time of trading begins.

Sale, or perceived sale, of substantial amounts of our Shares in the public market could materially and adversely affect the prevailing market price of our Shares.

We cannot assure you that our Controlling Shareholders will not dispose of any Shares that they may own now or in the future. Sales of substantial amounts of our Shares in the public market, or the perception that these sales may occur, could materially and adversely affect the prevailing market price of our Shares.

The availability of Shares for sale in the future could reduce the market price of our Shares.

In the future, we may issue additional securities to raise capital. We may also acquire interests in other companies by using a combination of cash and our Shares or just our Shares. We may also issue securities convertible into our Shares. Any of these events may dilute your ownership interest in our Company and have an adverse effect on the price of our Shares. In addition, sales of a substantial amount of our Shares in the public market, or the perception that these sales may occur, could reduce the market price of our shares. This could also impair our ability to raise additional capital through the sale of our securities.

The ability of shareholders to bring actions or enforce judgments against us or our Directors may be limited.

We are incorporated under the laws of the Cayman Islands and substantially all of our assets located in the PRC. As a result, a shareholder may not be able to enforce a judgment against us or some or all of the Directors and executive officers outside the PRC. It may not be possible for a shareholder to effect service of process upon the Directors and executive officers within the shareholder's country of residence or to enforce against the Directors and executive officers judgments of courts of the shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that a shareholder will be able to enforce any judgments in civil and commercial matters against the Directors or executive officers who are residents of countries other than those in which judgment is made. Furthermore, the PRC does not have treaties providing for the reciprocal enforcement of judgments of courts with the United States, the United Kingdom, Japan and many other countries. In addition, Hong Kong has no arrangement for the reciprocal enforcement of judgments with the United States. As a result, recognition and enforcement in the PRC or Hong Kong of judgments of a court obtained in the United States and any of the other jurisdictions mentioned above may be difficult or impossible.

On July 14, 2006, the Supreme People's Court of the PRC and the government of the Hong Kong Special Administrative Region entered into the *Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by Courts of the Mainland and the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》)* (the "**2006 Arrangement**"). Under the 2006 Arrangement, where any designated PRC court or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil or commercial case pursuant to a choice of court agreement in writing, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the judgment. Under the 2006 Arrangement, a choice of court agreement in writing refers to an agreement in writing entered into between parties after the effective date of the 2006 Arrangement in which a Hong Kong court or a PRC court is expressly selected as the court having sole jurisdiction for the dispute. Therefore, it is not possible to enforce a judgment rendered by a Hong Kong court in the PRC if the parties in dispute have not agreed to enter into a choice of court agreement in writing.

On January 18, 2019, the Supreme Court of the PRC and the Department of Justice under the Government of the Hong Kong Special Administrative Region signed the *Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》)*(the "**2019 Arrangement**"*)*. The 2019 Arrangement, for the reciprocal recognition and enforcement of judgments in civil and commercial matters between the courts in mainland China and those in the Hong Kong

Special Administrative Region, stipulates the scope and particulars of judgments, the procedures and ways of the application for recognition or enforcement, the review of the jurisdiction of the court that issued the original judgment, the circumstances where the recognition and enforcement of a judgment shall be refused, and the approaches towards remedies, among others. After a judicial interpretation has been promulgated by the Supreme People's Court and the relevant procedures have been completed by the Hong Kong Special Administrative Region, both sides shall announce a date on which the 2019 Arrangement shall come into effect. The 2019 Arrangement shall apply to any judgment made on or after its effective date by the courts of both sides. The 2006 Arrangement shall be terminated on the same day when the 2019 Arrangement comes into effect. If a "written choice of court agreement" has been signed by parties according to the 2006 Arrangement prior to the effective date of the 2019 Arrangement, the 2006 Arrangement shall still apply. Although the 2019 Arrangement has been signed, its effective date has yet to be announced. Therefore, there are still uncertainties about the outcomes and effectiveness of enforcement or recognition of judgments under the 2019 Arrangement.

This prospectus contains certain hypothetical information based on changes relative to historical events and related analysis based on it, and you should not place undue reliance on such information or analysis.

This prospectus contains certain hypothetical information and analysis based on it, which includes the use of certain accompanying assumptions. Our Company cannot offer assurances that the assumptions would have been true under the hypotheses presented or that the results of these hypothetical changes would have matched the results presented. Given the hypothetical nature of this information and the uncertainty of the assumptions made, the results that would have resulted under these hypotheses might not have occurred in the way we had expected. Accordingly, you should not place undue reliance on the hypothetical information and related analysis included in this prospectus.

There can be no assurance on the accuracy or completeness of certain facts, forecasts and other statistics obtained from various government sources contained in this prospectus.

Certain facts, forecasts and other statistics relating to the PRC and other countries and regions and the aluminum alloy automobile wheel markets in the PRC and other countries and regions contained in this prospectus have been derived from various government sources. However, we cannot guarantee the accuracy and completeness of such information. These facts, forecasts and other statistics have not been independently verified by us, the Sole Sponsor, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their respective directors and advisors or any other parties involved in the Global Offering and none of them make any representation as to the accuracy or completeness of such information. Furthermore, such facts, forecasts and other statistics may not be prepared on a comparable basis or may not be consistent with other information compiled within or outside the PRC. For these reasons, you should not place undue reliance on such information as a basis for making your investment in our Shares.