OVERVIEW

We are a leader in providing electric drive solutions, specializing in the research and development, manufacturing, sales, and service of advanced electric drive products and solutions across diverse, high-growth downstream sectors. The business of our Group can be traced back to 1984 when our electric motor business was started by the predecessor of Wolong Holding. In 1995, Zhejiang Wolong Group Electric Motor Industry Co., Ltd. (浙江臥龍集團電機工業有限公司), our predecessor, was established in Shaoxing, Zhejiang Province by Wolong Holding to operate our electric drive solution business.

In October 1998, our Company was converted into a joint stock limited company and renamed as Zhejiang Wolong Electric Motor Co., Ltd. (浙江臥龍電機股份有限公司), and subsequently changed its name to Wolong Electric Group Co., Ltd. See "— Major Shareholding Changes of our Company" below for details. In June 2002, the A Shares of our Company were listed on the Shanghai Stock Exchange (stock code: 600580).

OUR KEY MILESTONES

The following is a summary of our key corporate and business development milestones.

Year	Milestones
1995	Our predecessor, Zhejiang Wolong Group Electric Motor Industry Co., Ltd. was established.
1998	Zhejiang Wolong Group Electric Motor Industry Co., Ltd. was converted into a joint stock limited company and renamed as Zhejiang Wolong Electric Motor Co., Ltd.
2002	Our Company was officially listed on the Shanghai Stock Exchange (stock code: 600580).
2010	We made our presence into the robotic component sector.
2011	We acquired ATB Group, the third largest motor manufacturer in Europe, strengthening our business network in Europe and the Middle East.
2013	We launched integrated products of electric drive systems such as BLDC motors and servo motors.
2014	We launched E-mobility drive solutions, marking our presence into the E-mobility sector.
2015	We acquired Wolong Nanyang Group and became China's leading brand of explosion-proof motors.
	We made our presence in the industrial robotic system application sector.
2016	We launched ECMs, EC fans and other HVAC electric drive solutions.
2018	We acquired General Electric's low-to-medium voltage motor business, strengthening our commercial deployment in North American markets.
	We established our manufacturing base in Vietnam, which is our largest in Asia excluding China.
2019	We strategically developed our presence in the electric aviation sector.
2021	We launched our industrial Internet digital platform, providing lifecycle service solutions.

Year	Milestones
2023	We expanded our presence in the development and industrial application of robotic components for embodied intelligence.
2024	We established three overseas regional headquarters in Asia-Pacific, Europe and the Americas, to optimize our global resources.
2025	We established our embodied intelligence innovation center in Hangzhou Bay to develop our presence in the humanoid robot sector.
	We launched our vertical large model of embodied intelligence for industrial scenarios, Shunzao GRP01 (舜造GRP01).

OUR MAJOR SUBSIDIARIES

The following entities were our major subsidiaries which had made a material contribution to our results of operation during the Track Record Period and up to the Latest Practicable Date.

Name of subsidiary	Place of incorporation	Date of incorporation	Equity interest attributable to our Group	Principal business activities
Wolong Electric Nanyang Explosion-proof Group Co., Ltd. (臥龍電氣南陽防爆集團股份有限公司) ("**Wolong Nanyang Group**") . . .	PRC	March 3, 1998	100.00%	R&D, manufacturing and sales of electric drive products
Wolong Electric Group Supply Chain Management Co., Ltd. (臥龍電氣集團供應鏈管理有限公司) ("**Wolong Supply Management**")	PRC	February 22, 2018	100.00%	Procurement and sales of main materials for electric drive products
Wolong Nanyang Explosion-proof Group Industrial Drive Co., Ltd. (臥龍電氣南陽防爆集團工業驅動有限公司) ("**Wolong Nanyang Industrial**")	PRC	March 31, 1998	100.00%	R&D, manufacturing and sales of electric drive products
HongKong Wolong Holding Group Co., Limited (香港臥龍控股集團有限公司) ("**Wolong HK Holding**")	Hong Kong	August 29, 2011	100.00%	Investment holding
Wolong Electric (Jinan) Motor Co., Ltd. (臥龍電氣(濟南)電機有限公司) ("**Wolong Jinan**")	PRC	January 30, 1994	70.00%	R&D, manufacturing and sales of electric drive products

Name of subsidiary	Place of incorporation	Date of incorporation	Equity interest attributable to our Group	Principal business activities
Shaoxing OLI-Wolong Vibrator Co., Ltd. (紹興歐力-臥龍振動機械有限公司) ("**Shaoxing OLI**") . . .	PRC	June 30, 1999	95.86%	R&D, manufacturing and sales of electric drive products
Wolong Electric Huaian Qingjiang Motor Co., Ltd. (臥龍電氣淮安清江電機有限公司) ("**Wolong Huaian**") . .	PRC	August 7, 2003	100.00%	R&D, manufacturing and sales of electric drive products
Wolong Electric America LLC ("**Wolong Electric US**")	United States	February 15, 2018	100.00%	Investment holding and sales of electric drive products
Wolong Italy Holding Group S.R.L ("**Wolong Italy Holding**")	Italy	October 20, 2015	100.00%	Investment holding
Wolong (Zhejiang) Enterprise Headquarters Management Co., Ltd. (臥龍(浙江)企業總部管理有限公司) ("**Wolong Enterprise Management**")	PRC	October 19, 2022	100.00%	Corporate services
Wolong ZF Automotive Motor Co., Ltd. (臥龍采埃孚汽車電機有限公司) ("**Wolong ZF Auto**")	PRC	December 18, 2020	74.00%	R&D, manufacturing and sales of electric drive products
Wolong Electric Group Liaoning Rongxin Electric Drive Co., Ltd. (臥龍電氣集團遼寧榮信電氣傳動有限公司) ("**Wolong Liaoning**") .	PRC	February 22, 2011	100.00%	R&D, manufacturing and sales of converters
Wolong America Holding LLC ("**Wolong US Holding**")	United States	February 15, 2018	100.00%	Investment holding
Wolong Electric Industrial Motors, S. DE R.L. DE C.V. ("**Wolong Electric Mexico**")	Mexico	April 7, 1995	100.00%	R&D, manufacturing and sales of electric drive products
OLI S.P.A.	Italy	July 31, 1998	91.00%	R&D, manufacturing and sales of electric drive products
Wolong Electric (Vietnam) Co., Ltd. ("**Wolong Vietnam**") .	Vietnam	December 4, 2017	100.00%	R&D, manufacturing and sales of electric drive products

Certain of the above Major Subsidiaries were previously acquired by us, and we held majority equity interests in the above Major Subsidiaries throughout the Track Record Period. See "Appendix IV — Statutory and General Information — A. Further Information about the Company — 3. Changes in the Share Capital of our Major Subsidiaries" for more details on share capital changes of the Major Subsidiaries.

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

Early Development of Our Company

In 1995, our predecessor, Zhejiang Wolong Group Electric Motor Industry Co., Ltd. (浙江臥龍集團電機工業有限公司) was established in Shaoxing, Zhejiang Province, with an initial registered capital of RMB12.0 million. At the time of establishment, our Company was owned as to 90.0% by Zhejiang Wolong Group Corporation (浙江臥龍集團公司), the predecessor of Wolong Holding, and as to 10.0% by Zhejiang Wolong Group Commercial Development Corporation (浙江臥龍集團商貿發展總公司), which was a subsidiary of Zhejiang Wolong Group Corporation.

Upon the completion of several rounds of share transfers and capital injection, in August 1998, the registered share capital of our Company increased to RMB74,104,261, with Zhejiang Wolong Group Corporation, Shangyu State-Owned Assets Management Corporation (上虞市國有資產經營總公司), Zhejiang Rural Economic Investment Co., Ltd. (浙江農村經濟投資股份有限公司), Mr. JC Chen and 12 other individuals holding 65.38%, 6.75%, 4.72%, 6.63% and 16.52% of the equity interests in our Company, respectively.

Conversion into Joint Stock Limited Company and Listing on the Shanghai Stock Exchange

In October 1998, our Company was converted from a limited liability company to a joint stock limited company. In August 2000, our Company was renamed as Zhejiang Wolong Technology Co., Ltd. (浙江臥龍科技股份有限公司).

In June 2002, we completed the listing of our A Shares on the Shanghai Stock Exchange (stock code: 600580) (the "**A-Shares Listing**"). We issued a total of 35,000,000 A Shares during the A-Shares Listing, representing 32.08% of our Company's then issued share capital immediately following the A-Shares Listing. Upon completion of the A-Shares Listing, the shareholding structure of our Company was as follows:

Name of Shareholder	Number of Shares	Shareholding Percentage
Zhejiang Wolong Group Corporation	48,445,391	44.40%
Shangyu State-Owned Assets Management Corporation	5,000,000	4.58%
Mr. JC Chen	4,910,800	4.50%
Zhejiang Rural Economic Investment Co., Ltd.	3,500,000	3.21%
12 other individuals[(1)]	12,248,070	11.23%
Public A Shareholders	35,000,000	32.08%
Total	**109,104,261**	**100.00%**

Note:

(1) Each of the individual shareholder held no more than 2% of our Shares at that time and was an independent third party as of the Latest Practicable Date.

Other Major Shareholding Changes

As approved by the Shareholders in May 2006 and the CSRC in June 2006, our Company conducted a private placement of its A Shares to raise funds for technological upgrading, capacity expansion, and the industrialization of proprietary intellectual property projects. A total of 48,080,000 A Shares, representing approximately 18.67% of then share capital, were issued in the placement to eight investors, all of whom are independent third parties. The placement raised net proceeds of approximately RMB259.8 million.

In 2010, our Company completed a public issuance of 54,670,000 A Shares, representing approximately 12.85% of then enlarged share capital, raising total proceeds of RMB969.8 million, which were primarily used to upgrade production technologies, enhance product specifications, and expand manufacturing capacity.

In 2013, our Company acquired 100% of the equity interests in Wolong HK Holding from Wolong Shunyu at an aggregate consideration of RMB2,089.1 million, among which, 85% of the consideration was satisfied by way of issuance of 422,798,480 A Shares in August 2013 to Wolong Shunyu at the issue price of RMB4.20 per Share, representing 38.07% of then enlarged share capital, and 15% of the consideration was paid by cash and fully settled in September 2013. Upon completion of the share issuance, Wolong Shunyu and Wolong Holding directly held 38.07% and 15.83% of then issued share capital of our Company, respectively.

As approved by the Shareholders in January 2015 and the CSRC in December 2015, our Company conducted a private placement of its A Shares to raise funds for various development initiatives, including expanding business through acquisitions, developing new business lines and increasing investment in R&D projects. A total of 178,372,350 A Shares, representing approximately 13.84% of then enlarged share capital, were issued in the placement to nine investors, including Wolong Holding and Mr. JC Chen. The placement raised net proceeds of approximately RMB1,579.0 million.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period, our Group had disposed certain subsidiaries to align with our business focus on provision of electric drive solutions. The following table sets forth details of our major disposal transactions during the Track Record Period.

Date of completion	Equity interests disposed	Principal business activities of the targets	Transferee	Amount of consideration
March 10, 2025 .	43.21% equity interests in Zhejiang Longneng Power Technology Co., Ltd. (浙江龍能電力科技股份有限公司) ("**Zhejiang Longneng**")(1)	R&D of photovoltaic power technology and sale of electricity from photovoltaic power generation	Wolong New Energy	RMB607,530,000
March 4, 2025 . .	80% equity interests in Zhejiang Wolong Energy Storage System Co., Ltd. (浙江臥龍儲能系統有限公司) ("**Zhejiang Chuneng**")(2)	Manufacturing and sale of energy storage system	Wolong New Energy	RMB98,720,000
March 7, 2025 . .	51% equity interests in Wolong Enapter (Zhejiang) Hydrogen Energy Technology Co., Ltd. (臥龍英耐德(浙江)氫能科技有限公司) **("Zhejiang Enapter")**(3)	R&D of hydrogen power technology, manufacturing and sales of hydrogen power storage system	Wolong New Energy	RMB13,250,000
March 3, 2025 . .	70% equity interests in Shaoxing Shangyu Shunfeng Electric Power Co., Ltd. (紹興上虞舜豐電力有限責任公司) ("**Shaoxing Shunfeng**")(4)	Wind power technology services	Wolong New Energy	RMB6,530,000
February 16, 2022	100% equity interests in Wolong Mining (Shanghai) Co., Ltd. (臥龍礦業(上海)有限公司) ("**Shanghai Mining**")(5)	Sales of metal ores	Wolong New Energy	RMB68,000,000

Notes:

(1) As of December 31, 2022, 2023 and 2024, the total assets of Zhejiang Longneng were RMB1,891.3 million, RMB2,141.4 million and RMB2,143.8 million, respectively. For the years ended December 31, 2022, 2023 and 2024, the revenue of Zhejiang Longneng was RMB221.8 million, RMB305.5 million and RMB360.8 million, respectively; and the net profit of Zhejiang Longneng was RMB85.3 million, RMB81.3 million and RMB99.1 million, respectively.

(2) As of December 31, 2022, 2023 and 2024, the total assets of Zhejiang Chuneng were RMB84.5 million, RMB311.6 million and 630.6 million, respectively. For the years ended December 31, 2022, 2023 and 2024, the revenue of Zhejiang Chuneng was nil, RMB484.8 million and RMB911.5 million, respectively. Zhejiang Chuneng recorded net loss of RMB1.5 million in 2022, and net profits of RMB19.8 million and RMB9.2 million in 2023 and 2024, respectively.

(3) Zhejiang Enapter was established in 2024. The total assets of Zhejiang Enapter were RMB15.6 million as of December 31, 2024. The revenue and net loss of Zhejiang Enapter for the year ended December 31, 2024 were RMB1.3 million and RMB8.0 million, respectively.

(4) Shaoxing Shunfeng was established in 2024. The total assets of Shaoxing Shunfeng were RMB9.2 million as of December 31, 2024. The revenue and net loss of Shaoxing Shunfeng for the year ended December 31, 2024 were nil and RMB2.0 million, respectively.

(5) Shanghai Mining recorded revenue of RMB82.2 million and net loss of RMB3.3 million for the period from January 1, 2022 to February 28, 2022, and recorded total assets of RMB471.7 million as of February 28, 2022.

Our core business is the provision of electric drive solutions, whereas the business of Zhejiang Longneng, Zhejiang Chuneng, Zhejiang Enapter and Shaoxing Shunfeng focuses on new-energy sectors including photovoltaic power, hydrogen power and wind power industries and Shanghai Mining focuses on sale of metal ores, which are different from our business in both vertical market and business model. After disposal of such entities, we will be able to concentrate on our core business, channel resources to strengthen and enhance these areas, accelerate overall business upgrade, optimize our financial structure, and improve asset efficiency, thereby laying a solid foundation for long-term development.

Moreover, our Company has, for many years, been strategically positioned in cutting-edge fields. In the face of emerging technologies and new scenarios, we need to ramp up our R&D investment. The proceeds we received from the disposal of such entities enable us to enhance proprietary product development capabilities and to equip the critical facilities required for industrialization to meet the business demands.

The above disposal transactions will not create any competition between our Group and our Controlling Shareholders, and such disposals have no impact on our operational independence. The consideration for the disposals was determined through arm’s length negotiations based on valuation reports prepared by an independent external appraiser. In addition, the divested businesses contributed only a small portion to our financial performance during the Track Record Period. To the best knowledge of our Directors, there were no material non-compliances or outstanding litigations involving these disposed subsidiaries prior to their disposals by our Group that would lead to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

Our PRC Legal Advisers confirmed that, all necessary approvals, permits and licenses required under PRC laws and regulations in connection with the above mentioned disposals have been obtained.

Save as disclosed above, we did not carry out any major acquisitions, disposals or mergers during the Track Record Period and up to the Latest Practicable Date. We did not conduct any acquisition during the Track Record Period which would require disclosure under Rule 4.05A of the Listing Rules.

OUR LISTING ON THE SHANGHAI STOCK EXCHANGE AND REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

Since 2002, our Company has been listed on the Shanghai Stock Exchange. As of the Latest Practicable Date, our Directors confirmed that we had no instances of material non-compliance with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects since our listing on the Shanghai Stock Exchange, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the Shanghai Stock Exchange. Our PRC Legal Advisers are of the view that the confirmation of our Directors above with regard to our compliance records is accurate and reasonable. Based on the currently available information, our PRC Legal Advisers' view set out above and the independent due diligence work conducted by the Joint Sponsors, nothing has come to the attention of the Joint Sponsors that would cause them to disagree with our Directors' confirmation with regard to the compliance records of the Company on the Shanghai Stock Exchange.

Our Company seeks to be [**REDACTED**] on the Hong Kong Stock Exchange in order to raise further capital for the development and expansion of our business, further strengthen our brand profile, and better attract overseas investors. See "Business — Strategies" and "Future Plans and [**REDACTED**]" for more details.

PUBLIC FLOAT

Rule 19A.13A of the Listing Rules requires that there must be an open market in the securities for which [**REDACTED**] is sought. Where a new applicant is a PRC issuer with other [**REDACTED**] at the time of [**REDACTED**], this will normally mean that the portion of H shares for which [**REDACTED**] is sought that are held by the public, at the time of [**REDACTED**], must: (a) represent at least 10% of the issuer's total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK$3,000,000,000.

Pursuant to Rule 19A.13A(2), the A Shares held by our Shareholders will not be counted towards the public float. So far as our Directors are aware, assuming (i) [**REDACTED**] H Shares are [**REDACTED**] and [**REDACTED**] in the [**REDACTED**], and (ii) the [**REDACTED**] is not exercised, an aggregate of [**REDACTED**] H Shares will count towards the public float of our Company upon the completion of the [**REDACTED**], representing [**REDACTED**]% of the total issued Shares (excluding treasury Shares) of our Company upon the completion of the [**REDACTED**], which is equal to or higher than the prescribed percentage of H Shares required to be held by the public of [**REDACTED**]% under Rule 19A.13A(2)(a) of the Listing Rules. Pursuant to Rule 19A.13A(2), assuming the [**REDACTED**] is not exercised, (i) based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the low end of the [**REDACTED**]), our expected [**REDACTED**] upon the [**REDACTED**] is HK$[**REDACTED**] and the minimum prescribed public float percentage applicable to our Shares is [**REDACTED**]%; (ii) based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the [**REDACTED**]), our expected [**REDACTED**] upon the [**REDACTED**] is HK$[**REDACTED**] and the minimum prescribed public float percentage applicable to our Shares is [**REDACTED**]%; and (iii) based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the high end of the [**REDACTED**]), our expected [**REDACTED**] upon the [**REDACTED**] is HK$[**REDACTED**] and the minimum prescribed public float percentage applicable to our Shares is [**REDACTED**]%. Accordingly, the Company is expected to satisfy the public float requirement under Rule 19A.13A of the Listing Rules.

FREE FLOAT

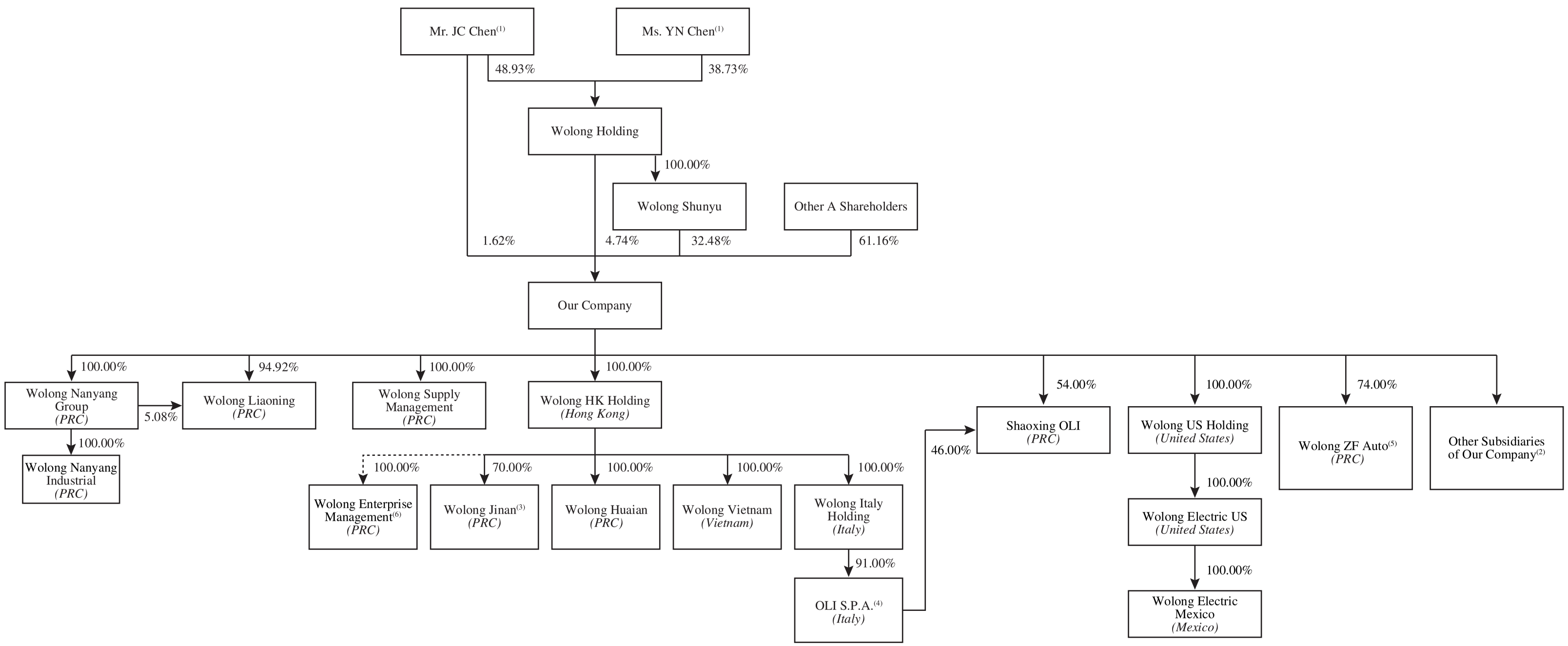
Under Rule 19A.13C of the Listing Rules, a PRC [**REDACTED**] with other [**REDACTED**] at the time of [**REDACTED**] must ensure that a portion of the total number of its issued shares [**REDACTED**] on the Stock Exchange (namely H shares) that are not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of [**REDACTED**] (i) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of [**REDACTED**] (excluding treasury shares), with an expected market value at the time of [**REDACTED**] of not less than HK$50,000,000, or (ii) have a market capitalization of at least HK$600,000,000.

It is expected that immediately following completion of the [**REDACTED**], the [**REDACTED**] of the H Shares [**REDACTED**] on the Stock Exchange that are not subject to any disposal restrictions at the time of the [**REDACTED**] is not less than HK$[**REDACTED**] (based on the bottom end of the [**REDACTED**] and assuming the [**REDACTED**] is not exercised). Accordingly, our Company will be able to satisfy the requirements under Rule 19A.13C of the Listing Rules.

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Shareholding and Corporate Structure Immediately Before the [REDACTED]

The following chart sets forth the simplified shareholding and corporate structure of our Group as of the Latest Practicable Date and immediately before the [**REDACTED**]:



Notes:

(1) Mr. JC Chen is the father of Ms. YN Chen. As of the Latest Practicable Date, the remaining interests in Wolong Holding were held by five other shareholders (each being an independent third party), none of which holds more than 5% of the interests in Wolong Holding. As of the Latest Practicable Date, Ms. YN Chen also directly held 48,516 A Shares.

(2) Other subsidiaries include, in aggregate, over 100 subsidiaries established in various jurisdictions.

(3) As of the Latest Practicable Date, the remaining 30.00% interests in Wolong Jinan was held by Haier Smart Home Co., Ltd (海爾智家股份有限公司).

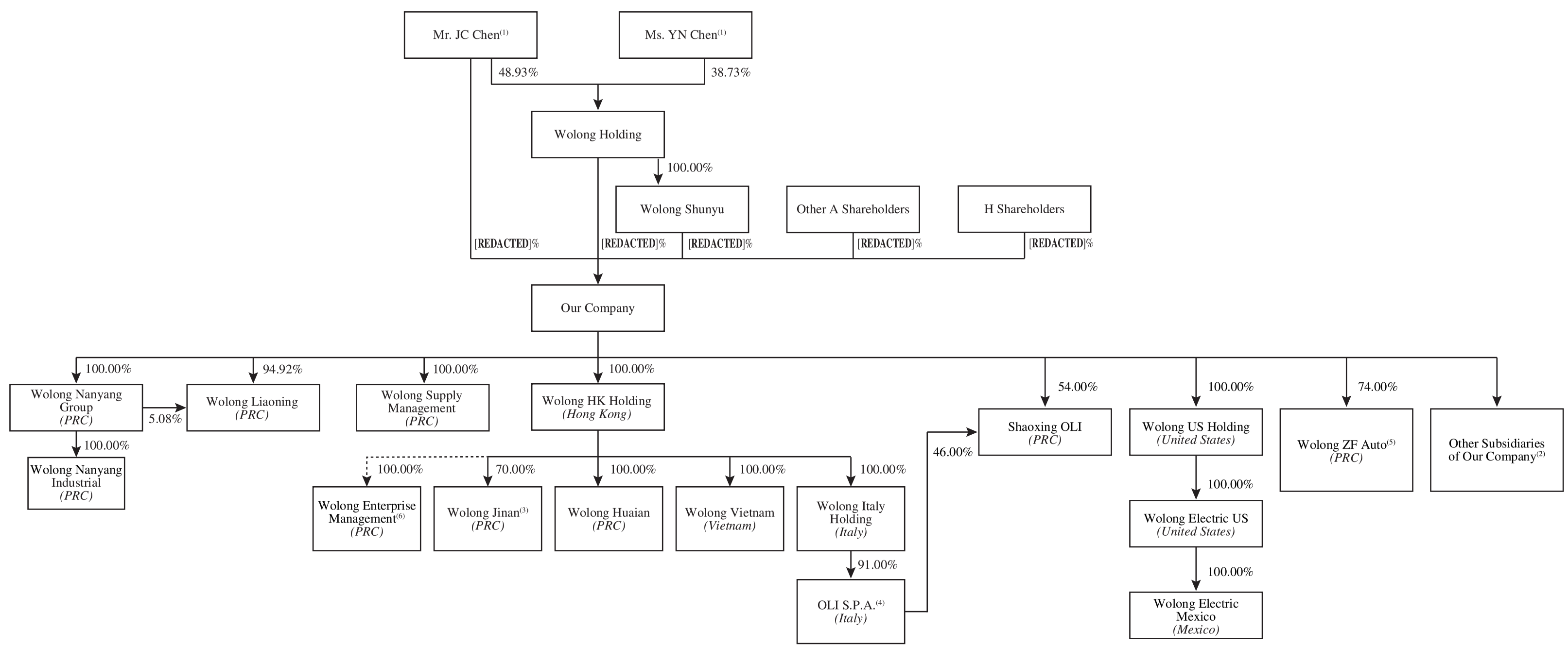
(4) As of the Latest Practicable Date, the remaining 9.00% interests in OLI S.P.A. was held as to 8.00% by WAMGROUP SPA and as to 1.00% by Gavioli Giorgio, each being an independent third party.

(5) As of the Latest Practicable Date, the remaining 26.00% interests in Wolong ZF Auto was held by ZF (China) Investment Co., Ltd. (采埃孚(中國)投資有限公司), an independent third party.

(6) As of the Latest Practicable Date, Wolong Enterprise Management was wholly owned by Wolong (Zhejiang) New Material Technology Co., Ltd. (臥龍(浙江)新材料科技有限公司), and in turn wholly owned by Wolong HK Holding.

Shareholding and Corporate Structure Immediately Following the [REDACTED]

The following chart sets forth the shareholding and corporate structure of our Group immediately following the [**REDACTED**], assuming that the [**REDACTED**] is not exercised and that no changes are made to the issued share capital of our Company between the Latest Practicable Date and [**REDACTED**]:



Notes:

(1) to (6): Please refer to the corresponding notes to the corporate structure of the Company under "— Our Shareholding and Corporate Structure — Shareholding and Corporate Structure Immediately Before the [**REDACTED**]" in this document for more information.