This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to ***[REDACTED]*** *in our* ***[REDACTED]****. We may not pay any dividends in the foreseeable future. Your* ***[REDACTED]*** *decision should be made in light of these considerations.*

There are risks associated with any ***[REDACTED]****. Some of the particular risks in* ***[REDACTED]*** *in the* ***[REDACTED]*** *are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to* ***[REDACTED]*** *in the* ***[REDACTED]****. Various expressions used in this section are defined or explained in the sections headed "Definitions" and "Glossary of Technical Terms" in this document.*

OVERVIEW

We are a national high-tech enterprise and were designated as a Key 'Little Giant' Enterprise in 2024 by the Ministry of Industry and Information Technology (工業和信息化部), operating within the variable frequency motor manufacturing industry and our Shares are quoted on the NEEQ in September 2022 (stock code: 873936). We are principally engaged in the design, development, manufacture and sale of small and medium-sized high-efficiency industrial motors and related control systems in the PRC. We have nearly 40 years of experience in motor manufacturing, tracing back to our predecessor, Huangyan City Motor Factory* (黃岩市電機廠) that commenced business since the 1980's. Driven by tightening energy-efficiency requirements and increasing adoption of Industry 4.0 and intelligent manufacturing, we focus on high-efficiency, variable-frequency and precision-performance industrial motors, principally permanent magnet synchronous motors (PMSM) and three-phase asynchronous motors (3-PH IM). Our products are used in a wide range of applications, including pumps, ventilation systems, compressors, HVAC systems and machine tools, and are key components in industrial and manufacturing operations. Our PMSM products were recognised by the Ministry of Industry and Information Technology as "Energy Star" (能效之星) for their energy efficiency in November 2017 and are designed for use in variable-speed drive systems to enhance operating efficiency and maintain stable performance in intelligent and robotic manufacturing applications.

We are positioned to benefit from major megatrends, including electrification, more stringent energy-efficiency requirements and the decarbonisation of heavy industry. According to the CIC Report, global electricity demand is projected to be more than double by 2050, with electrification playing a key role in cutting emissions, especially in the industrial sector, which contribute around 25% of global greenhouse gases. China's dual-carbon goals have prompted stricter energy-efficiency policies and industrial upgrades, resulting in higher-efficiency motors replacing older models. It is also estimated that global industrial robot installations reached approximately 550,000 units in 2025, with China contributing over half. Because each robot uses multiple precision motors, rising deployments will multiply demand for high performance motor solutions. We strive to help customers achieve operational and sustainability goals with high-efficiency motors, drive and related solutions.

We primarily sell our products to rotating equipment manufacturers in the PRC. In May 2026, we also commenced business development efforts in the robotic machinery sector by entering into two strategic cooperation agreements with a pump manufacturer in Zhejiang Province, China and an electric vehicle manufacturer in Anhui Province, China for the supply of industrial dual-arm robots and joint modules for the period from August 2026 to July 2028. We also export products on an OEM basis to overseas motor component vendors in over 30 overseas countries and regions, primarily in European countries such as Germany, Italy and Turkey, as well as in Africa.

Our flagship motor brand, "JinLong", was recognised as the "China Top Brand Product" (中國名牌產品) by the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (國家質量監督檢驗檢疫總局), and as the "Zhejiang Export Premium Brand" (浙江出口名牌) by the Department of Commerce of Zhejiang Province in September 2006 and January 2024 respectively. During the period from 2022 to 2026, we were designated as a "High-Tech Enterprise" (高新技術企業), a "Key 'Little Giant' Enterprise" (重點小巨人) and one of the "2022 Top 100 Fastest Growing Enterprises in Zhejiang Province" (浙江省成長性最快百强企業). We also serve as the Vice Chairman unit of the Small and Medium-Sized Motor Branch of the China Electrical Equipment Industry Association and as a member unit of the National Rotating Motor Standardisation Technical Committee.

OUR BUSINESS MODEL

Motors convert electrical energy into mechanical motion and are widely used in industrial applications, where motor-driven systems account for a significant share of electricity consumption. In China, demand has grown with industrial upgrading, intelligent manufacturing and energy-efficiency initiatives. According to the CIC Report, China's industrial AC motor market is expected to increase from approximately RMB258.2 billion in 2025 to approximately RMB457.3 billion in 2030 at a CAGR of approximately 12.1% during the period. 3-PH IM remains the prevailing technology for general industrial use due to its mature technology, cost efficiency and compatibility with installed equipment, and is expected to remain dominant due to switching and operational constraints. PMSM products are projected to outpace the China's industrial AC motor market, and increase from approximately RMB71.1 billion in 2025 to approximately RMB147.0 billion in 2030, growing at a CAGR of approximately 15.6% over the same period, driven by demand for higher efficiency and torque-density as intelligent manufacturing and robot adoption rises. China is also the world's largest exporter of motors, with the export value of industrial AC motors having increased from approximately RMB56.1 billion in 2025 to approximately RMB86.4 billion by 2030 at a CAGR of approximately 9.0%, according to the CIC Report.

Our Directors believe that we differentiate ourselves from our peers through our manufacturing capabilities, engineering expertise, and technical know-how in high-efficiency industrial motors and control systems, together with our established customer relationships, which position us to capture growth opportunities. We typically collaborate closely with customers throughout their product development cycles to achieve design alignment and production according to customised specifications, and to develop new products and optimise existing offerings.

To meet customers' customisation needs, we primarily adopt a "Make-to-Order" (MTO) model, under which we manufacture products based on confirmed purchase orders and agreed specifications. Our Directors considers this model enables us to deliver tailored solutions, enhances customer stickiness and maintains disciplined inventory and capacity management. For our major PRC customers, we generally enter into sales framework agreements setting out key commercial terms, complimented by purchase orders specifying price, quantity and delivery schedules, with indicative forecasts subject to periodic adjustments. For overseas customers, we typically enter into order-based sales contracts.

We generally set pricing on a cost-plus basis after considering various factors, among other things, production costs, technology specifications, customer demand, order volume, supply chain considerations, prevailing market conditions and target margins. Given the significant proportion of raw materials in our cost of sales, our pricing is subject to fluctuations. To mitigate such exposure, we may incorporate price adjustment mechanisms in our sales arrangements to reflect changes in raw material costs such as copper, aluminium, silicon steel and other metals.

OUR PRODUCTS

We offer a comprehensive portfolio of high-efficiency industrial motors and control systems, comprising approximately 3,000 models across various voltages, speed control options, efficiency ratings and other specifications. Our motors cover a power range from 0.12 kW to 1400 kW and our variable frequency drives range from 0.1 kW to 500 kW, serving a wide range of industrial applications. We principally offer two main product lines, namely PMSM and 3-PH IM, as set out below.

(i) ***PMSM:*** this product line comprises direct-drive and high-speed configurations, together with servo drives and encoders, forming integrated motor-drive systems for intelligent manufacturing and motor control applications. These products are designed to deliver high power density, a wide speed-regulation range and inverter-based control, enabling precise and stable control of speed and torque. Our drive products support multiple control modes, including closed-loop servo control, vector control and V/F control, to facilitate high-precision motion control and stable operation. Compared with conventional 3-PH IM and standalone drive configurations, our integrated solutions generally offer higher energy efficiency, enhanced torque density over a wide speed range and improved system reliability, which may reduce energy consumption and support more compact system designs. Such products are primarily used in rotating equipment, such as pumps, HVAC systems, compressors, machine tools and forklifts, and may, depending on customer requirements, be adaptable to certain robotic intelligent manufacturing scenarios.

(ii) ***3-PH IM:*** this product line comprises standard and customised industrial motors across multiple energy efficiency classes, including IE5, IE4 and IE3 motors, as well as intermittent duty motors and variable frequency drive ("VFD") motors, designed to address varying operating requirements in intelligent manufacturing. Our high-efficiency motors are engineered to optimise energy performance and reduce power consumption, with IE5 and IE4 motors meeting stringent energy-saving standards, while VFD motors enable wide speed regulation and enhanced control efficiency under variable load conditions, and intermittent duty motors are designed for cyclical operations requiring high torque and durability. These products are primarily applied in rotating equipment and industrial systems, including compressors, pumps, fans and other electromechanical equipment. In addition, we offer specialised motor products, including explosion-proof motors for use in hazardous environments, and have obtained approved supplier certification from a major PRC oil and gas producer in respect of such products, enabling us to participate in its procurement framework.

Set forth below is a breakdown of our revenue by types of our product categories for the Track Record Period:

	FY2023		FY2024		FY2025	
	RMB'000	%	RMB'000	%	RMB'000	%
PMSM and drives	136,654	20.0	156,296	21.8	163,766	22.3
3-PH IM						
— Ultra and super premium efficiency (IE5 & IE4)	54,460	8.0	53,354	7.4	63,446	8.7
— Premium efficiency (IE3)	301,498	44.0	305,085	42.6	310,568	42.3
— Intermittent duty motors	143,424	20.9	155,459	21.7	140,171	19.1
— VFD motors and others	38,645	5.6	28,240	3.9	23,264	3.2
	538,027	78.5	542.138	75.6	537,449	73.3
Others	10,116	1.5	18,593	2.6	32,405	4.4
Total	684,797	100.0	717,027	100.0	733,620	100.0

Set forth below is a breakdown of our revenue by major applications for the Track Record Period:

	FY2023		FY2024		FY2025	
	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%
HVAC	266,869	39.0	260,076	36.3	310,609	42.3
Compressors	138,364	20.2	174,389	24.3	183,239	25.0
Pumps	183,253	26.8	178,577	24.9	150,637	20.5
Machine tools and others	67,946	9.9	73,539	10.3	56,136	7.7
Forklifts	28,365	4.1	30,446	4.2	32,999	4.5
	684,797	**100.0**	**717,027**	**100.0**	**733,620**	**100.0**

OUR RESEARCH AND DEVELOPMENT

We regard technological innovation and R&D as fundamental to our long-term development. We operate a provincial-level enterprise research institute and a provincial high-tech research and development centre, supported by approximately 200 personnel handling R&D duties, with expertise in electrical and electromagnetic theory, mechanical design, materials science, power electronics, drive control, thermal management, simulation and testing, and application integration for intelligent manufacturing and industrial robotics-related applications. We have consistently invested in R&D, with research and development expenses of approximately RMB28.5 million, RMB29.4 million and RMB30.0 million for each of the Track Record Period. As a national high-tech enterprise, we held 66 registered patents (including 15 inventions) and 15 software copyrights in China as at the Latest Practicable Date.

We also collaborate closely with academic and research institutions to support our technology development. In May 2026, we entered into entrusted technology development agreements with a leading research university in Zhejiang and a national technology university in Beijing to advance our R&D in industrial robotic-related and motor control technologies. These collaborations cover, among others, the co-development of industrial robot joint modules based on PMSM technology, as well as single-arm, dual-arm and multi-degree-of-freedom robotic systems, with milestone-based deliverables including system prototypes and related technical outputs over the term of the agreements.

OUR PRODUCTION FACILITIES

Our technologically advanced and highly automated production facilities in Taizhou, Zhejiang Province, occupy a total site area of 150,000 sqm, and is recognised as a key hub for motor and supporting industries in eastern China. As of 31 December 2025, we operated production lines with a total annual designed capacity of approximately 6,200,000 kW, which includes 3-PH IM production lines with an annual designed capacity of approximately 3,400,000 kW and PMSM production lines with an annual designed capacity of approximately 2,800,000 kW. Average utilisation rates of our 3-PH IM production lines were approximately 88.8%, 98.7% and 87.7% for the Track Record Period, respectively, while utilisation rates of our PMSM production lines reached approximately 76.4%, 86.3% and 96.0% over the same periods.

To enhance production efficiency and precision, we deploy CNC high-speed lathes, fully automatic CNC machining centres, and high-speed presses, and have established laboratories with industry-leading motor performance testing and quality inspection capabilities. Our production processes are certified under ISO 9001, ISO 14001, and GB/T45001, ensuring compliance in quality, environmental, and occupational health and safety management.

OUR CUSTOMERS

Our customers primarily comprise rotating equipment manufacturers, motor solution providers, motor resellers and motor brand companies mainly based in China, and overseas markets, including European countries such as Germany, Italy and Turkey, as well as Africa and other regions. For the Track Record Period, the aggregate revenue from our five largest customers accounted for approximately 51.5%, 46.4% and 39.3% of our total revenue, respectively, and the revenue from our largest customers accounted for approximately 19.9%, 16.3% and 10.5% of our total revenue for the same periods. Up to the Latest Practicable Date, we had established business relationships ranging from approximately 8 to 24 years with our five largest customers, all of which are Independent Third Parties.

Set forth below is a breakdown of our revenue by major types of our customers for the Track Record Period:

	FY2023		FY2024		FY2025	
	(HK$'000)	%	(HK$'000)	%	(HK$'000)	%
Rotating equipment manufacturers	449,348	65.5	468,506	65.4	459,686	62.7
Overseas motor solution providers	198,976	29.1	209,655	29.2	234,112	31.9
Motors resellers	19,600	2.9	20,760	2.9	18,005	2.5
Motor brand companies and Others	16,873	2.5	18,106	2.5	21,817	3.0
	684,797	**100.0**	**717,027**	**100.0**	**733,620**	**100.0**

Set forth below is a breakdown of our revenue by major principal location of our customers for the Track Record Period:

	FY2023		FY2024		FY2025	
	(HK$'000)	%	(HK$'000)	%	(HK$'000)	%
China	448,371	65.5	465,337	64.9	451,547	61.6
Overseas						
— European countries	207,184	30.3	211,316	29.5	244,523	33.3
— Others	29,242	4.3	40,374	5.6	37,550	5.1
	684,797	**100.0**	**717,027**	**100.0**	**733,620**	**100.0**

OUR RAW MATERIALS AND SUPPLIERS

Our raw materials and components primarily include silicon steel, enamelled copper wire, aluminium, permanent magnetic material and casting frames. We have established a network of more than approximately 300 suppliers in China primarily comprising manufacturers. Up to the Latest Practicable Date, we had established business relationships ranging from approximately 2 to 9 years with our five largest suppliers, all of which are Independent Third Parties. Our Directors believe our stable relationships with our suppliers will continue to ensure a sufficient and reliable supply of raw materials and components, while also helping to mitigate fluctuations in raw materials going forward. For each of the Track Record Period, the aggregate purchases from our five largest suppliers accounted for approximately 48.6%, 48.7% and 50.1% of our total purchases, respectively, and the purchases from our largest supplier accounted for approximately 23.7%, 30.8% and 30.9% of our total purchases for the same periods.

OUR COMPETITIVE STRENGTHS

Our Directors believe that the following competitive strengths have contributed to our success, differentiated us from our competitors, and will continue to be the key drivers of our growth: (i) established market position in high-efficiency industrial motor solutions in China; (ii) advanced manufacturing facilities with scalable, flexible and quality-driven capabilities; (iii) comprehensive product offering anchored by robust R&D capabilities; (iv) diversified and quality customer base with long-term collaborative relationships; and (v) experienced and execution-driven management with deep industry expertise. For further details, please refer to the section headed "Business — Our Competitive Strengths" in this document.

OUR BUSINESS STRATEGIES

Our mission is to become a leading PRC-based provider of intelligent industrial motor solutions, advancing intelligent manufacturing and industrial robotic applications globally. To achieve this, we plan to pursue the following strategies: (i) reinforce the strength and scale of our PMSM production; (ii) expanding PMSM application coverage in high-growth industrial robotic and intelligent manufacturing applications; (iii) digitalisation and intelligent manufacturing upgrade; and (iv) sustained investment in technology and innovation. For further details, please refer to the section headed "Business — Our Business Strategies" in this document.

COMPETITION

The competitive landscape of China's industrial AC motor industry is characterised by the coexistence of international and domestic manufacturers, with competition driven by factors such as technological capabilities, product performance, manufacturing efficiency and service responsiveness. International manufacturers generally maintain advantages in high-end industrial applications through long-term technological accumulation, established brand recognition and extensive industry experience. Domestic manufacturers have continuously improved their capabilities in research and development, manufacturing processes and operational efficiency in recent years, and have gradually enhanced their competitiveness through ongoing technological upgrades, cost advantages and localised service capabilities. As industrial customers increasingly demand higher energy efficiency, reliability and customised solutions, competition within the industry has gradually evolved from product-based competition towards comprehensive capability competition. Our Directors believe that we are positioned to compete with domestic manufacturers by leveraging our diversified product portfolio, technological capabilities in high-efficiency motors and integrated drive solutions, and established application coverage, which support our ability to capitalise on continuing demand for energy-efficient and intelligent industrial motor systems in China.

BUSINESS ACTIVITIES SUBJECT TO INTERNATIONAL SANCTIONS

During the Track Record Period, based on the information provided by us, our International Sanctions Legal Advisers has advised us that we made certain sales and deliveries of motors to customers in non-material transactions that were identified as potentially involving goods, services or payments to, or for the benefit of, an entity on the Specially Designated Nationals and Blocked Persons List ("**SDN List**") maintained by the Office of Foreign Assets Control ("**OFAC**") with secondary sanctions risk indicators ("**SDN Sales**"). In addition, based on the information provided by us, our International Sanctions Legal Advisers has advised us that certain Russia-related transactions involved receipt of non-material funds through a financial institution on the SDN List ("**SDN Payments**"). We have ceased the SDN Sales since May 2025.

As advised by our International Sanctions Legal Advisers, during the Track Record Period, no activity that would constitute a direct violation of U.S. primary sanctions laws and regulations was identified during the Track Record Period. However, as advised by our International Sanctions Legal Advisers, the SDN Sales were denominated in U.S. dollars and processed through U.S. financial institutions, such transactions may implicate U.S. primary sanctions restrictions applicable to U.S. persons and U.S. financial institutions, and could give rise to direct U.S. sanctions exposure if we were found to have caused a U.S. person to process a prohibited transaction or otherwise to have evaded U.S. sanctions. Should such transactions implicate U.S. primary sanctions, we may face administrative penalties and reputational harm.

Furthermore, our International Sanctions Legal Advisers has advised that, in light of the nature of the SDN Sales and SDN Payments and the fact that SDN Sales and SDN Payments were of relatively small amount, it is less likely that we would be viewed as providing material assistance to the said counterparties and hence the possibility that SDN Sales and SDN Payments will result in the exercise of discretionary authority under secondary U.S. sanctions is relatively low.

Please refer to the section headed "Risk Factors — Risks relating to our Business and Industry — Sanctions and regulatory compliance risks may materially and adversely affect our business, financial condition and results of operations" and "Business — Business Activities with Customers in Countries Subject to International Sanctions" in this document for further details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Set forth below is the selected financial data derived from our combined financial statements for the period indicated, the details of which are set forth in the Accountants' Report in Appendix I to this document.

Selected Items of Combined Statements of Profit or Loss and Other Comprehensive Income

	FY2023	FY2024	FY2025
	RMB'000	RMB'000	RMB'000
Revenue	684,797	717,027	733,620
Gross profit	101,920	102,631	96,882
Profit for the year	37,495	30,662	38,606

Our revenue increased by approximately 4.7% from approximately RMB684.8 million in FY2023 to approximately RMB717.0 million in FY2024, and further increased by approximately 2.3% to approximately RMB733.6 million in FY2025. The increase was primarily attributable to increased sales of our PMSM. Our revenue from PMSM increased from approximately RMB136.7 million in FY2023 to RMB156.3 million in FY2024, and further increased to RMB163.8 million in FY2025, were primarily attributable to an increase in sales volume of our PMSM.

Our gross profit remained relatively stable at approximately RMB101.9 million and RMB102.6 million in FY2023 and FY2024, respectively. Our gross profit decreased by approximately 5.7% from approximately RMB102.6 million in FY2024 to RMB96.8 million in FY2025, primarily due to increase in cost of our major raw materials, namely, copper and aluminium.

Selected Items of Combined Statements of Financial Position

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Non-current assets	245,393	245,449	251,084
Current Assets	544,763	576,362	722,736
Non-current liabilities	58,551	—	8,962
Current liabilities	541,715	607,436	706,792
Net current assets/(liabilities)	3,048	(31,074)	15,944
Net assets	189,890	214,375	258,066

Our net current assets turn from approximately RMB3.0 million as at 31 December 2023 into net current liabilities of approximately RMB31.1 million as at 31 December 2024, primarily due to (i) the decrease in restricted deposits by RMB33.0 million because of the reduction of use of bills receivables for settlement of our trade payables; (ii) the increase in dividend payables of RMB10.8 million pending payment as at 31 December 2024; and (iii) the increase in bank borrowing of RMB74.0 million as the general working capital of our Company.

Our net current assets improved from net current liabilities of approximately RMB31.1 million as at 31 December 2024 to net current assets of approximately RMB15.9 million as at 31 December 2025, primarily due to (i) the increase in cash and cash equivalents from RMB75.4 million as at 31 December 2024 to RMB135.3 million as at 31 December 2025 primarily a result of the increase in bank borrowing; (ii) the reduction in dividend payables from RMB10.8 million as at 31 December 2024 to nil as at 31 December 2025; (iii) the increase in trade and bills receivables from RMB294.5 million as at 31 December 2024 to RMB350.2 million as at 31 December 2025 because of the increase in sales and the extension of credit periods to certain major customers.

Selected Items of Combined Statements of Cash Flows

	FY2023	**FY2024**	**FY2025**
	RMB'000	**RMB'000**	**RMB'000**
Net cash from operating activities	184,732	51,794	75,238
Net cash from/(used in) investing activities	6,052	(21,352)	(2,184)
Net cash used in financing activities	(126,473)	(23,560)	(9,559)
Net increase in cash and cash equivalents	64,311	6,882	63,495
Cash and cash equivalents at beginning of the year	7,503	67,059	75,383
Exchange effect	(4,755)	1,442	(3,621)
Cash and cash equivalents at the end of the year	67,059	75,383	135,257

In FY2024, our net cash used in investing activities was RMB21.4 million, primarily consisting of payments for purchase of property, plant and equipment of approximately RMB17.4 million for the purchase of machineries for production and the placement of time deposits of approximately RMB6.8 million.

In FY2025, our net cash used in investing activities was RMB2.2 million, primarily consisting of payments for purchase of property, plant and equipment of approximately RMB17.6 million for the purchase of machineries for production, which is partly offset by the receipt of government grants of RMB8.2 million and the withdrawal of time deposit of RMB6.8 million.

During the Track Record Period, our net cash used in investing activities were primarily a result of the repayments of bank and other borrowings, which is partly offset by the bank and bother borrowings raised.

SUMMARY OF KEY FINANCIAL RATIOS

Set forth below are the key financial ratios for the years and as at the dates indicated:

	For the year ended/As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Profitability			
Gross profit margin (%)	14.9%	14.3%	13.2%
Net profit margin (%)	5.5%	4.3%	5.3%
Return on equity (%)	19.7%	14.3%	15.0%
Return on total assets (%)	4.7%	3.7%	4.0%
Liquidity			
Current ratio	1.01	0.95	1.02
Quick ratio	0.75	0.70	0.77
Capital sufficiency			
Gearing ratio	1.55	1.45	1.51
Net debt to equity ratio	1.20	1.09	1.00
Interest coverage	4.00	4.99	7.81

For details, please refer to section headed "Financial Information — Year-to-year Comparison of Results of Operations" in this document.

CONTROLLING SHAREHOLDERS

As at the date of this document, Mr. Ye Jinwu, Ms. Li Chunlian, Mr. Ye Ye, Mr. Wang Xiaoyue, Ms. Ye Huiqing, Jinlong Zhichuang LP and Ms. Ye Weilei, the general partner of Jinlong Zhichuang LP, constitute a group of our Controlling Shareholders. For details of our Controlling Shareholders, please see the section headed "History, Development and Corporate Structure — The Controlling Shareholder Group".

Immediately following completion of the **[REDACTED]**, the group of our Controlling Shareholders will be, in aggregate, entitled to control the exercise of approximately **[REDACTED]**% of the voting rights (assuming the **[REDACTED]** is not exercised) or approximately **[REDACTED]**% of the voting rights (assuming the **[REDACTED]** is exercised in full) and thus remain as a group of Controlling Shareholders.

QUOTATION OF OUR SHARES ON THE NEEQ AND REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

Since 2022, our Shares have been quoted on the NEEQ. Since the quotation of our Shares on the NEEQ and as of the Latest Practicable Date, we had no instances of material non-compliance with the rules of the NEEQ and other applicable securities laws and regulations of the PRC in any material respects, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the **[REDACTED]**' attention in relation to our compliance record on the NEEQ. 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 independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that would cause them to disagree with the Directors' confirmation with regard to the compliance records of the Company on the NEEQ.

Our Company seeks to **[REDACTED]** on the Stock Exchange in order to further advance our global strategic layout, establish an international capital operation platform, and enhance our comprehensive competitiveness. We believe that the Stock Exchange would provide us with access to the international equity market, enhance our brand awareness in both domestic and overseas markets, and improve our corporate governance in line with global standards.

RECENT DEVELOPMENTS SUBSEQUENT TO THE TRACK RECORD PERIOD

Based on the unaudited management account of the Group for the three months ended 31 March 2026, we have delivered sales order of motors of more than approximately 200,000 units. Subsequent to 31 March 2026 and up to the Latest Practicable Date, we have received additional sales orders of more than approximately 300,000 units.

Save for the above, subsequent to the Track Record Period and up to the date of this document, our business and operation have remained stable. Our Directors confirm that as at the date of this document, there has been no material adverse change in our financial, trading position or prospects since 31 December 2025 being the end of the year reported on as set out in "Appendix I — Accountants' Report" to this document.

[REDACTED] STATISTICS

All statistics in the following table are based on the assumption that the **[REDACTED]** is not exercised.

	Based on an [REDACTED] of HK$[REDACTED] per H Share	Based on an [REDACTED] of HK$[REDACTED] per H Share
[REDACTED] of our Shares(1)	HK$**[REDACTED]**	HK$**[REDACTED]**
Unaudited **[REDACTED]** adjusted net tangible asset per Share(2)	HK$**[REDACTED]**	HK$**[REDACTED]**

Notes:

(1) The calculation of market capitalisation is based on **[REDACTED]** Shares, comprising **[REDACTED]** Unlisted Shares and **[REDACTED]** H Shares, expected to be in issue and conversion following completion of the **[REDACTED]**.

(2) The unaudited **[REDACTED]** adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in "Appendix II — Unaudited **[REDACTED]** Financial Information" in this document.

(3) No adjustment has been made to the unaudited **[REDACTED]** adjusted net tangible assets of our Group to reflect any trading results or other transactions of our Group entered into subsequent to 31 December 2025.

DIVIDENDS

We declared a cash dividend of approximately RMB10.8 million in FY2024. Except for the above, no dividends were paid or declared to the then equity owners of the entities now comprising our Group during the Track Record Period.

As at the Latest Practicable Date, we did not have any specific dividend policy nor any pre-determined dividend payout ratio. In principle, we prioritise cash dividends as the profit distribution method if the conditions for cash dividends are met. When we have major investment plans or significant cash expenditures, we may distribute dividends in the form of share equity. A decision to declare or to pay dividends in the future and the amount of dividends will be at the discretion of our Board and will depend on a number of factors, including our results of operations, cash flows, financial condition, payments by our subsidiaries of cash dividends to us, business prospects, statutory and regulatory restrictions on our declaration and payment of dividends and other factors that our Board may consider important. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant laws. As advised by our PRC legal advisers, a PRC company can pay dividends after covering all accumulated losses from prior years with its current profits after tax and statutory reserve allocations. Our Shareholders may approve any declaration of dividends. For details, please refer to section headed "Financial Information — Dividend" in this document.

[REDACTED]

The total **[REDACTED]** payable by our Company are estimated to be approximately RMB**[REDACTED]** million (or approximately HK$**[REDACTED]**) assuming the **[REDACTED]** are not exercised and based on an **[REDACTED]** of HK$**[REDACTED]** (being the mid-point of our **[REDACTED]** of HK$**[REDACTED]** to HK$**[REDACTED]** per **[REDACTED]**), accounting for approximately **[REDACTED]**% of gross **[REDACTED]**. Among such estimated total **[REDACTED]**, (i) **[REDACTED]**-related expenses, including **[REDACTED]**, are expected to be approximately RMB**[REDACTED]** million, and (ii) non-**[REDACTED]**-related expenses of approximately RMB**[REDACTED]** million, comprising (a) fees and expenses of legal advisors and Reporting Accountant of approximately RMB**[REDACTED]** million, representing **[REDACTED]**% of the **[REDACTED]**; and (b) other fees and expenses of approximately RMB**[REDACTED]** million, representing **[REDACTED]**% of the **[REDACTED]**.

Among the total **[REDACTED]** of RMB**[REDACTED]**, (i) approximately RMB**[REDACTED]** is expected to be expensed through the statement of profit or loss after the Track Record Period, and (ii) the remaining amount of RMB**[REDACTED]** is directly attributable to the issue of shares and would be deducted from equity upon the **[REDACTED]**.

The professional fees and/or other expenses related to the preparation of the **[REDACTED]** are currently in estimates for reference only and the actual amount to be recognised is subject to adjustment based on audit and the then changes in variables and assumptions.

[REDACTED]

We estimate the aggregate **[REDACTED]** from the **[REDACTED]**, after deducting **[REDACTED]** fees and other estimated expenses in connection with the **[REDACTED]**, assuming the **[REDACTED]** is not exercised and assuming an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]** of HK$**[REDACTED]** to HK$**[REDACTED]**), will be approximately HK$**[REDACTED]**.

We intend to use the **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts set forth below:

(i) approximately **[REDACTED]**% of the **[REDACTED]** (approximately HK$**[REDACTED]**) will be used for constructing a new production facility and establishing new PMSM production lines;

(ii) approximately **[REDACTED]**% (approximately HK$**[REDACTED]**) will be used for expanding our PMSM application into industrial robotic and intelligent manufacturing applications;

(iii) approximately **[REDACTED]**% (approximately HK$**[REDACTED]**) will be used for accelerating the digitalisation of our manufacturing operations; and

(iv) approximately **[REDACTED]**% (approximately HK$**[REDACTED]**) will be used for our general working capital.

For details, please refer to the section headed "Future Plans and **[REDACTED]**" in this document.

RISK FACTORS

Our operations involve certain risks and uncertainties. The more significant risks relating to our business and industry include: (i) our business is dependent on the performance of downstream industries, and any slowdown may materially and adversely affect our business; (ii) we operate in a competitive industry, and our inability to compete effectively may adversely affect our business; (iii) we may face challenges managing our expansion into new products, services and business activities and in maintaining and expanding our customer base; (iv) increases in prices or instability in the supply of the raw materials used in production may adversely affect our business; and (v) we derive a significant portion of our revenue from the domestic market, and our performance may be influenced by changes in the macroeconomic, social and regulatory environment within the market. For details, please refer to the section headed "Risk Factors" in this document.