OVERVIEW

We are a national high-tech enterprise, operating within the variable frequency motor manufacturing industry. 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).

On 29 July 2022, our Company received approval for the quotation of our Shares on the NEEQ, and on 21 September 2022, our Shares were quoted on the NEEQ under the stock code of 873936.

Key Development Milestones

The following table outlines our key development milestones:

Year	Key development milestones
1995	• Our Company was established as a joint stock limited company in the PRC.
1998	• We obtained quality management system ISO9002:1994 certification.
1999	• We commenced export of our products to overseas markets.
2003	• We initiated a major technical transformation and expansion project in Jinqing Town Industrial Park.
2004	• We were recognised as a National High-tech Enterprise
	• We invested in the production of high-efficiency and energy-saving special motor manufacturing facility, with the designed annual production capacity of 4 million kW.
2005	• We implemented the technical transformation project for our JM400 series high efficiency, energy-saving and high-power motors.
2006	• Our product was recognised as a Chinese Famous Brand Product (中國名牌產品) by the State Administration for Quality Supervision, Inspection and Quarantine (國家質量監督檢驗檢疫總局).
2007	• We became a member of China's domestic working group for IEC 60034-30, as approved by the National Standardisation Administration, and participated in the formulation of the national motor energy efficiency standards.
2008	• We commenced production of our high efficiency, energy-saving motors.
2009	• We established our subsidiary, Taizhou Chuangzhi Electromechanical Technology Co., Ltd. (台州市創智機電科技有限公司), to further expand electromechanical equipment and accessories operations.
2012	• We commenced PMSM production.
2014	• We established Zhejiang Jinlong Motor Remanufacturing Energy-saving Technology Co., Ltd. (浙江錦龍電機再製造節能科技有限公司) to enter the motor recycling and energy performance contracting market.
2018	• We established our Shenzhen R&D center.
2019	• We obtained multiple software copyrights for our electrohydraulic servo drive control systems, marking an advancement in our intelligent control and drive technologies.
2020	• We were recognised as a "Zhejiang Famous Export Brand" (浙江出口名牌) by the Zhejiang Provincial Department of Commerce (浙江省商務廳).

Year	Key development milestones
	• Our YE3 and YE4 series high-efficiency 3-PH IM were recognised as "Green Design Products" (綠色設計產品) by the Economy and Information Technology Department of Zhejiang (浙江省經濟和信息化廳).
2021	• Our YE4 series 3-PH IM were recognised as "Zhejiang-Made High-Quality Products" (浙江製造精品) by the Economy and Information Technology Department of Zhejiang (浙江省經濟和信息化廳).
	• We were accredited as a National-level Specialised and Sophisticated "Little Giant" Enterprise (國家級專精特新「小巨人」企業) by the Ministry of Industry and Information Technology (工業和信息化部).
	• Our TYK series PMSM were recognised as "First-of-its-kind Products in Key Areas of Taizhou's Equipment Manufacturing Industry" (台州市裝備製造業重點領域首台(套)產品) by the Taizhou Municipal Bureau of Economy and Information Technology (台州市經濟和信息化局).
2022	• Our Shares were quoted on the NEEQ
	• We commenced the research and development of IE5 3-PH IM
2023 – 2025	• We put our research and development effort on direct-drive pmsm for mechanical equipment in collaboration with a leading university in Shenyang.
May 2026	• We entered into strategic cooperation agreements with a pump manufacturer in Zhejiang and an electric vechicle manufacturer in Anhui for the supply of industrial dual-arm robots and joint modules.
	• We entered into the entrusted technology agreements with a leading research university in Zhejiang and a science and engineering university in Beijing to advance our R&D in industrial robotic-related and motor control technologies.

OUR SUBSIDIARIES

As at the Latest Practicable Date, we carried out our business through our Company and our subsidiaries in the PRC. Set out below are our subsidiaries and their respective principal business activities, dates of establishment and jurisdictions:

Name	Principal business activities	Date of establishment/ incorporation and jurisdiction
Zhejiang Jinlong Motor Remanufacturing Energy Saving Technology Co., Ltd.* (浙江錦龍電機再製造節能科技有限公司) ("**Jinlong Remanufacturing**")	motor remanufacturing and sales; waste motor recycling; energy management contracting.	25 February 2014, PRC
Taizhou Jinlong Science and Technology Innovation Park Co., Ltd.* (台州市錦龍科創園區有限公司) ("**Jinlong Science and Technology Park**")	Science and technology park property management, manufacturing and sales of general mechanical equipment and accessories, drives, frequency converters, motors, generators, water pumps, fans, machine tools, and plant protection machinery, property leasing and business management consulting.	12 March 2018, PRC

Name	Principal business activities	Date of establishment/ incorporation and jurisdiction
Taizhou Chuangzhi Electromechanical Technology Co., Ltd.* (台州市創智機電科技有限公司) ("**Chuangzhi Technology**")	Manufacturing of electrical machinery and equipment; manufacturing of wooden packaging boxes; processing of wood materials with heat treatment; sales of electromechanical equipment and accessories, metal materials, and electronic products.	17 September 2009, PRC
JLEM USA INC. ("**JLEM USA**")	Marketing and sales of motors.	29 June 2025, U.S.

ESTABLISHMENT AND DEVELOPMENT OF OUR COMPANY

1. Establishment of our Company

Our company was established as a joint stock limited company under the laws of the PRC on 22 May 1995. At establishment our registered share capital of RMB11,728,550 divided into 11,728,550 Shares of RMB1.00 each was held as to 76.98%, 17.05% and 5.97% by Huangyan City Motor Factory* (黃岩市電機廠) ("**HCM Factory**"), Huangyan Second Light Industry Cooperative Association* (黃岩市二輕工業合作聯社) ("**HSLI Cooperative Association**"), and Zhejiang Huangyan Xinqian Casting Factory* (浙江黃岩新前鑄件廠) ("**Xinqian Casting Factory**"), respectively. Each of HCM Factory, HSLI Cooperative Association and Xingqian Casting Factory was a collectively-owned enterprise established in the PRC. At the time of establishment of our Company, Mr. Ye Jinwu, our executive Director, Chairman of the Board and one of our Controlling Shareholders, was appointed a Director, the Chairman of the Board and legal representative of our Company.

2. Share Transfer in August 2001

In April 2001, the net assets of our Company as of 31 December 2000 as appraised by an independent firm of accountants were valued at RMB3,912,630.66. Taking into account (i) RMB770,000 of the net assets are state-owned assets, (ii) our Company had RMB14 million in bad debts from domestic sales in 1997, and (iii) there were RMB11 million in guarantees provided by our Company before 1997, for which our company was held jointly liable by court judgment were not included in the valuation, the net assets of our Company was negative, and the directors, shareholders and supervisors of our Company at the time resolved for the then existing Shareholders to transfer all their shareholdings to individuals at a minimum consideration of RMB500,000, by way of internal open tender. On 12 July 2001, our Company convened Board meeting, board of supervisors meeting and qualification review committee (資格審查委員會) meeting, during which it was confirmed that Mr. Ye Jinwu submitted the only tender to purchase the Shares of our Company, and on 13 July 2001, the then shareholders of our Company, Mr. Ye Jinwu, Ms. Li Chunlian[1], Mr. Ye Ye[2], Mr. Wang Xiaoyue[3] and Ms. Ye Huiqin[4] entered into a share transfer agreement for the transfer of Shares.

1 Ms. Li Chunlian, our executive Director and one of our Controlling Shareholders, is the spouse of Mr. Ye Jinwu.

2 Mr. Ye Ye, our general manager, executive Director and one of our Controlling Shareholders is the son of Mr. Ye Jinwu and Ms. Li Chunlian.

3 Mr. Wang Xiaoyue, our deputy general manager, executive Director and one of our Controlling Shareholders, is the son-in-law of Mr. Ye Jinwu and Ms. Li Chunlian.

4 Ms. Ye Huiqin, our executive Director and one of our Controlling Shareholders, is the sister of Mr. Ye Jinwu.

In August 2001, with the approval of the Office of the Mayor of Luqiao District People's Government of Taizhou City* (台州市路橋區人民政府區長辦公室), (i) HCM Factory transferred 3,281,750 Shares, 1,759,600 Shares, 1,759,600 Shares, 1,759,600 Shares and 468,000 Shares to Mr. Ye Jinwu, Ms. Li Chunlian, Mr. Ye Ye, Mr. Wang Xiaoyue and Ms. Ye Huiqin, respectively, (ii) HSLI Cooperative Association transferred 2,000,000 Shares to Mr. Ye Jinwu, and (iii) Xinqian Casting Factory transferred 700,000 Shares to Mr. Ye Jinwu.

The aggregate consideration for the transfer of the Shares of HCM Factory to the five individuals was RMB2.40 million, which was confirmed by the Taizhou Luqiao District Economic and Information Bureau, the competent authority for HCM Factory.

The consideration of the transfer of Shares from HSLI Cooperative Association to Mr. Ye Jinwu was RMB2 million, based on the par value of the Shares, and as the share capital contribution of RMB2 million from HSLI Cooperative Association remained outstanding at the time, the consideration was settled by Mr. Ye Jinwu via paying our Company RMB2.00 million as share capital.

The capital contribution of Xinqian Casting Factory to our Company at establishment was initially by way of a loan of RMB700,000, but which was subsequently settled by our Company, and therefore the consideration of the transfer of Shares from Xinqian Casting Factory to Mr. Ye Jinwu of RMB700,000, based on the par value of the Shares, was settled by Mr. Ye Jinwu via paying our Company RMB700,000 as share capital.

Upon completion of the Share transfer in August 2001, our Company was owned as to 51.00%, 15.00%, 15.00%, 15.00% and 4.00% by Mr. Ye Jinwu, Mr. Ye Ye, Ms. Li Chunlian, Mr. Wang Xiaoyue and Ms. Ye Huiqin, respectively.

3. Capital Increase in July 2004

On 7 July 2004, the shareholders of our Company at the time approved an increase in registered capital of our Company from RMB11,728,550 to RMB30 million, by way of issuing new Shares at par to all the shareholders at the time in proportion to their shareholdings prior to the increase in registered capital of our Company.

The capital increase of our Company in July 2004 was approved by the Zhejiang Provincial People's Government Enterprise Listing Working Group* (浙江省人民政府企業上市工作領導小組) on 27 July 2004. All the increased capital of the Company were fully paid.

The shareholding of our Company immediately after the increase in registered capital in July 2004 is set out below:

Name of shareholder	Number of Shares held	Ownership percentage
Mr. Ye Jinwu	15,300,000	51.00%
Ms. Li Chunlian	4,500,000	15.00%
Mr. Ye Ye	4,500,000	15.00%
Mr. Wang Xiaoyue	4,500,000	15.00%
Ms. Ye Huiqin	1,200,000	4.00%
Total	**30,000,000**	**100.00%**

4. Capital Increase in February 2012

On 21 February 2012, the shareholders of our Company at the time approved an increase in registered capital of our Company from RMB30.00 million to RMB37.30 million, by way of issuing new Shares to new shareholders.

On 22 February 2012 and 23 February 2012, the shareholders of our Company entered into capital increase agreements and supplemental agreements with Shanghai Hongli Investment Co., Ltd.* (上海鴻立投資有限公司) ("**Hongli Investment**"), a company established in the PRC with limited liability, Mr. Cheng Gang (程剛), Jiarong Investment Co., Ltd.* (嘉融投資有限公司) ("**Jiarong Investment**"), a company established in the PRC with limited liability, Zhejiang Yicheng Entrepreneurship Investment Co., Ltd.* (浙江億誠創業投資有限公司) ("**Zhejiang Yicheng**"), a company established in the PRC with limited liability, Hangzhou Yuehai Weiqi Investment Partnership Enterprise (Limited Partnership)* (杭州悦海偉祺投資合夥企業(有限合夥)) ("**Yuehai Weiqi LP**"), a limited partnership registered under the laws of the PRC, and Hangzhou Qiaoyou Investment Partnership Enterprise (Limited Partnership)* (杭州橋友投資合夥企業(有限合夥)) ("**Qiaoyou LP**"), a limited partnership registered under the laws of the PRC, pursuant to which Hongli Investment, Mr. Cheng Gang, Jiarong Investment, Zhejiang Yicheng, Yuehai Weiqi LP and Qiaoyou LP each agreed to subscribe new Shares.

Details of the increase in registered capital are set out below:

New Shareholder	Number of Shares Subscribed	Consideration	Contribution to Registered Capital
Hongli Investment	2,478,261	RMB28,500,000	RMB2,478,261
Zhejiang Yicheng	1,739,131	RMB20,000,000	RMB1,739,131
Jiarong Investment	1,739,130	RMB20,000,000	RMB1,739,130
Qiaoyou LP	869,565	RMB10,000,000	RMB869,565
Yuehai Weiqi LP	343,478	RMB3,950,000	RMB343,478
Mr. Cheng Gang	130,435	RMB1,500,000	RMB130,435
Total:	**7,300,000**	**RMB83,950,000**	**RMB7,300,000**

All the contributions to the registered capital of our Company set out above were fully paid. Registration of the said capital increase was completed on 6 March 2012.

The shareholding of our Company immediately after the increase in registered capital in February 2012 is set out below:

Name of shareholder	Number of Shares held	Approximate ownership percentage
Mr. Ye Jinwu	15,300,000	41.02%
Ms. Li Chunlian	4,500,000	12.06%
Mr. Ye Ye	4,500,000	12.06%
Mr. Wang Xiaoyue	4,500,000	12.06%
Hongli Investment	2,478,261	6.64%
Zhejiang Yicheng	1,739,131	4.66%
Jiarong Investment	1,739,130	4.66%
Ms. Ye Huiqin	1,200,000	3.22%
Qiaoyou LP	869,565	2.33%
Yuehai Weiqi LP	343,478	0.92%
Mr. Cheng Gang	130,435	0.35%
Total:	**37,300,000**	**100.00%**

5. Share Transfer in November 2012

On 8 November 2012, Qiaoyou LP entered into a share transfer agreement with Mr. Liu Weijun (劉偉鈞), pursuant to which Qiaoyou LP agreed to sell, and Mr. Liu Weijun agreed to purchase, the entire shareholding of Qiaoyou LP in our Company of 869,565 Shares at a consideration of RMB10 million. The said transfer was approved at a shareholders' meeting of our Company on 16 November 2012 and registration of the said share transfer was completed on 25 December 2012.

The shareholding of our Company immediately after the Share transfer in November 2012 is set out below:

Name of shareholder	Number of Shares held	Approximate ownership percentage
Mr. Ye Jinwu	15,300,000	38.93%
Ms. Li Chunlian	4,500,000	11.45%
Mr. Ye Ye	4,500,000	11.45%
Mr. Wang Xiaoyue	4,500,000	11.45%
Hongli Investment	2,478,261	6.31%
Zhejiang Yicheng	1,739,131	4.43%
Jiarong Investment	1,739,130	4.43%
Ms. Ye Huiqin	1,200,000	3.05%
Mr. Liu Weijun	869,565	2.21%
Yuehai Weiqi LP	343,478	0.87%
Mr. Cheng Gang	130,435	0.33%
Total:	**37,300,000**	**100.00%**

6. Capital Increase in November 2012

On 8 November 2012, our Company, Mr. Ye Jinwu and Haitong Capital Co., Ltd (海通開元投資有限公司) ("**Haitong Capital**"), a company established in the PRC with limited liability, entered into a capital increase agreement, as supplemented by supplemental agreements on 8 November 2012 and 29 April 2014, respectively, pursuant to which Haitong agreed to subscribe 2,000,000 Shares at a consideration of RMB23,200,000.

On 23 November 2012, the shareholders of our Company at the time approved the increase in registered capital of our Company from RMB37.30 million to RMB39.30 million.

Details of the increase in registered capital is set out below:

New Shareholder	Number of Shares Subscribed	Consideration	Contribution to Registered Capital
Haitong Capital	2,000,000	RMB23,200,000	RMB2,000,000
Total:	**2,000,000**	**RMB23,200,000**	**RMB2,000,000**

All the contributions to the registered capital of our Company set out above were fully paid. Registration of the said capital increase was completed on 25 December 2012.

The shareholding of our Company immediately after the increase in registered capital in November 2012 is set out below:

Name of shareholder	Number of Shares held	Approximate ownership percentage
Mr. Ye Jinwu	15,300,000	38.93%
Ms. Li Chunlian	4,500,000	11.45%
Mr. Ye Ye	4,500,000	11.45%
Mr. Wang Xiaoyue	4,500,000	11.45%
Hongli Investment	2,478,261	6.31%
Haitong Capital	2,000,000	5.09%
Zhejiang Yicheng	1,739,131	4.43%
Jiarong Investment	1,739,130	4.43%
Ms. Ye Huiqin	1,200,000	3.05%
Mr. Liu Weijun	869,565	2.21%
Yuehai Weiqi LP	343,478	0.87%
Mr. Cheng Gang	130,435	0.33%
Total:	**39,300,000**	**100.00%**

7. Share Transfers in March 2014

Pursuant to the capital increase agreement and supplemental agreement entered into among Mr. Ye Jinwu, Ms. Li Chunlian, Mr. Ye Ye, Hongli Investment and Mr. Cheng Gang, if the net profit of our Company were not to reach the specified targets for the financial years 2011, 2012 and 2013, Mr. Ye Jinwu, Ms. Li Chunlian and Mr. Ye Ye shall compensate Hongli Investment and Mr. Cheng Gang for the deficit. As a result of the net profit of our Company for the financial year 2012 not reaching the specified target stipulated in the said supplemental agreement, and after arms-length negotiations among the parties, Mr. Ye Jinwu, Ms. Li Chunlian, Mr. Ye Ye, Hongli Investment and Mr. Cheng Gang entered into an agreement on 5 November 2013 pursuant to which Mr. Ye Jinwu would transfer 419,065 Shares and 22,056 Shares, at a consideration of RMB1.00, to Hongli Investment and Mr. Cheng Gang, respectively.

On 4 March 2014, Shanghai Jieju Investment Partnership Enterprise (Limited Partnership)* (上海潔聚投資合夥企業(有限合夥) ("**Jieju Investment LP**"), a limited partnership registered in the PRC, entered into a share transfer agreement with each of Zhejiang Yicheng and Yuehai Weiqi LP, and on 13 January 2015, entered into a supplemental agreement with Mr. Ye Jinwu, pursuant to which Zhejiang Yicheng and Yuehai Weiqi LP transferred 1,739,131 Shares and 343,478 Shares, respectively, to Jieju Investment LP, at a consideration of RMB21,738,750 and RMB4,293,750, respectively.

On 20 May 2014, the shareholders of our Company at the time approved the above transfers of Shares and registration of the said transfers of Shares was completed on 20 June 2014.

The shareholding of our Company immediately after the transfers of Shares in March 2014 is set out below:

Name of shareholder	Number of Shares held	Approximate ownership percentage
Mr. Ye Jinwu	14,858,879	37.81%
Ms. Li Chunlian	4,500,000	11.45%
Mr. Ye Ye	4,500,000	11.45%
Mr. Wang Xiaoyue	4,500,000	11.45%
Hongli Investment	2,897,326	7.37%
Jieju Investment LP	2,082,609	5.30%
Haitong Capital	2,000,000	5.09%
Jiarong Investment	1,739,130	4.43%
Ms. Ye Huiqin	1,200,000	3.05%
Mr. Liu Weijun	869,565	2.21%
Mr. Cheng Gang	152,491	0.39%
Total:	**39,300,000**	**100.00%**

8. Share Transfer in September 2014

On 23 September 2014, Jiarong Investment entered into a share transfer agreement with Shanghai Taihao Chuangye Investment Center (Limited Partnership)* (上海泰豪創業投資中心(有限合夥)) ("**Taihao Chuangye LP**"), a limited partnership registered in the PRC, and on 24 September 2014, Taiho Chuangye LP entered into a supplemental agreement with Mr. Ye Jinwu and Mr. Ye Ye, pursuant to which Jiarong Investment transferred 1,739,130 Shares to Taihao Chuanye LP at a consideration of RMB20,870,000.

On 28 September 2014, the shareholders of our Company at the time approved the above transfers of Shares and registration of the said transfers of Shares was completed on 10 October 2014.

The shareholding of our Company immediately after the transfers of Shares in September 2014 is set out below:

Name of shareholder	Number of Shares held	Approximate ownership percentage
Mr. Ye Jinwu	14,858,879	37.81%
Ms. Li Chunlian	4,500,000	11.45%
Mr. Ye Ye	4,500,000	11.45%
Mr. Wang Xiaoyue	4,500,000	11.45%
Hongli Investment	2,897,326	7.37%
Jieju Investment LP	2,082,609	5.30%
Haitong Capital	2,000,000	5.09%
Taihao Chuangye LP	1,739,130	4.43%
Ms. Ye Huiqin	1,200,000	3.05%
Mr. Liu Weijun	869,565	2.21%
Mr. Cheng Gang	152,491	0.39%
Total:	**39,300,000**	**100.00%**

9. Share Transfer in December 2014

On 18 December 2014, Mr. Liu Weijun and Mr. Ye Ye entered into a share transfer agreement, pursuant to which Mr. Liu Weijun transferred the 869,565 Shares to Mr. Ye Ye.

On 23 December 2014, the shareholders of our Company at the time approved the above transfers of Shares and registration of the said transfers of Shares was completed on 7 January 2015.

The shareholding of our Company immediately after the transfers of Shares in December 2014 is set out below:

Name of shareholder	Number of Shares held	Approximate ownership percentage
Mr. Ye Jinwu	14,858,879	37.81%
Mr. Ye Ye	5,369,565	13.66%
Ms. Li Chunlian	4,500,000	11.45%
Mr. Wang Xiaoyue	4,500,000	11.45%
Hongli Investment	2,897,326	7.37%
Jieju Investment LP	2,082,609	5.30%
Haitong Capital	2,000,000	5.09%
Taihao Chuangye LP	1,739,130	4.43%
Ms. Ye Huiqin	1,200,000	3.05%
Mr. Cheng Gang	152,491	0.39%
Total:	**39,300,000**	**100.00%**

10. Share Transfer in November 2015

Pursuant to the supplemental agreement to the capital increase agreement entered into among Mr. Ye Jinwu, Mr. Ye Ye and Taihao Chuangye LP on 24 September 2014, if the net profit of our Company for the financial years 2014 and 2015 were not to reach the specified targets, Taihao Chuanye LP has the right to request Mr. Ye Jinwu and/or Mr. Ye Ye to acquire all the Shares held by Taihao Chuangye LP. As a result of the net profit of our Company not reaching the specified target stipulated in the said supplemental agreement, and after arms-length negotiations among the parties, Mr. Ye Jinwu and entered into a share transfer agreement on 8 November 2015 pursuant to which Taihao Chuanye LP transferred 1,739,130 Shares to Mr. Ye Jinwu at a consideration of RMB23,305,800.

On 12 December 2015, the shareholders of our Company at the time approved the above transfers of Shares and registration of the said transfers of Shares was completed on 8 January 2016.

The shareholding of our Company immediately after the transfers of Shares in November 2015 is set out below:

Name of shareholder	Number of Shares held	Approximate ownership percentage
Mr. Ye Jinwu	16,598,009	42.24%
Mr. Ye Ye	5,369,565	13.66%
Ms. Li Chunlian	4,500,000	11.45%
Mr. Wang Xiaoyue	4,500,000	11.45%
Hongli Investment	2,897,326	7.37%
Jieju Investment LP	2,082,609	5.30%
Haitong Capital	2,000,000	5.09%
Ms. Ye Huiqin	1,200,000	3.05%
Mr. Cheng Gang	152,491	0.39%
Total:	**39,300,000**	**100.00%**

11. Share Transfer in November 2016

Pursuant to the supplemental agreement entered into among Mr. Ye Jinwu, Ms Li Chunlian, Mr. Ye Ye, Hongli Investment and Mr. Cheng Gang on 5 November 2013, if (i) our Company fails to submit its listing application to CSRC by 31 December 2014, (ii) the listing application of our Company is rejected by CSRC, or (iii) our Company voluntarily withdraws its listing application, Mr. Ye Jinwu or his designated third party shall acquire all Shares held by Hongli Investment and Mr. Cheng Gang.

Pursuant to the supplemental agreement entered into between Jieju Investment LP and Mr. Ye Jinwu on 4 March 2014, if (i) our Company fails to submit its listing application to the CSRC by 31 December 2015, (ii) the listing application of our Company is rejected by the CSRC, or (iii) our Company voluntarily withdraws its listing application, Jieju Investment LP has the right to request Mr. Ye Jinwu to acquire all Shares held by Jieju Investment LP.

Pursuant to undertaking of Mr. Ye Jinwu in the supplemental agreement entered into between Haitong Capital and Mr. Ye Jinwu on 29 April 2014, our Company shall submit its listing application to CSRC by 30 April 2015 and complete its A share listing by 31 December 2016.

On 18 March 2016, our Company submitted the application for its A share listing on the Shanghai Stock Exchange, but subsequently such application was voluntarily withdrawn by our Company in September 2016. For details of our previous A share listing application, please refer to the subsection headed "Previous A Share Listing Plan" in this section. The withdrawal of the listing application triggered the obligation of Mr. Ye Jinwu to repurchase Shares from Hongli Investment, Mr. Cheng Gang, Jieju Investment LP and Haitong Capital.

On 10 November 2016, Mr. Ye Jinwu, Hongli Investment, Jieju Investment LP and Mr. Cheng Gang entered into a share transfer agreement, pursuant to which Mr. Ye Jinwu transferred 1,303,814 Shares, 937,170 Shares and 68,605 Shares, at a consideration of RMB1.00 to Hongli Investment, Jieju Investment LP and Mr. Cheng Gang, respectively,

On 10 November 2016, Mr. Ye Jinwu and Haitong Capital entered into a share transfer agreement, pursuant to which Mr. Ye Jinwu transferred 1,495,666 Shares at a consideration of RMB1.00 to Haitong Capital.

In November 2016, Mr. Ye Jinwu and Mr. She Xiaoxin (佘笑新) entered into a share transfer agreement pursuant to which Mr. Ye transferred 200,000 Shares to Mr. She at a consideration of RMB1.63 million based on arms-length negotiations.

On 22 December 2016, the shareholders of our Company at the time approved the above transfers of Shares and registration of the said transfers of Shares was completed on 29 December 2016.

The shareholding of our Company immediately after the transfers of Shares in November 2016 is set out below:

Name of shareholder	Number of Shares held	Approximate ownership percentage
Mr. Ye Jinwu	12,592,754	32.04%
Mr. Ye Ye	5,369,565	13.66%
Ms. Li Chunlian	4,500,000	11.45%
Mr. Wang Xiaoyue	4,500,000	11.45%
Hongli Investment	4,201,140	10.69%
Haitong Capital	3,495,666	8.89%
Jieju Investment LP	3,019,779	7.68%
Ms. Ye Huiqin	1,200,000	3.05%
Mr. Cheng Gang	221,096	0.56%
Mr. She Xiaoxin	200,000	0.51%
Total:	**39,300,000**	**100.00%**

12. Capital Increase and Share Transfer in March 2017

On 5 March 2017, the shareholders of our Company at the time approved an increase in registered capital of our Company from RMB39,300,000 to RMB52,300,000, by way of issuing new Shares to new shareholders.

On 6 March 2017, our Company entered into a capital increase agreement with Hangzhou Chenpu Xingshang Investment Management Partnership Enterprise (Limited Partnership)* (杭州晨浦星上投資管理合夥企業(有限合夥)) ("**Chenpu Xingshang LP**"), a limited partnership registered in the PRC, supplemented by a supplemental agreement among Chengpu Xingshang, Mr. Ye Jinwu, Ms. Li Chunlian, Mr. Ye Ye, Mr. Wang Xiaoyue and Ms. Ye Huiqin on 7 March 2017, pursuant to which Chenpu Xingshang agreed to subscribe new Shares.

On 7 March 2017, our Company entered into a capital increase agreement with Chengdu F&D Equity Investment Co., Ltd.* (成都富恩德股權投資有限公司) ("**F&D Equity Investment**"), a company established in the PRC, supplemented by a supplemental agreement among F&D Equity Investment, our Company, Mr. Ye Jinwu, Ms. Li Chunlian, Mr. Ye Ye, Mr. Wang Xiaoyue and Ms. Ye Huiqin on the same day, pursuant to which F&D Equity Investment agreed to subscribe new Shares.

On 13 March 2017, our Company entered into a capital increase agreement with Mr. Shao Yutian (邵雨田), supplemented by a supplemental agreement among Mr. Shao Yutian, Mr. Ye Jinwu, Ms. Li Chunlian, Mr. Ye Ye, Mr. Wang Xiaoyue and Ms. Ye Huiqin, pursuant to which Mr. Shao Yutian agreed to subscribe new Shares.

On 16 March 2017. our Company entered into a capital increase agreement with Ms. Xiong Fang (熊芳), supplemented by a supplemental agreement among Ms. Xiong Fang, our Company, Mr. Ye Jinwu, Ms. Li Chunlian, Mr. Ye Ye, Mr. Wang Xiaoyue and Ms. Ye Huiqin, pursuant to which Ms. Xiong Fang agreed to subscribe new Shares.

Details of the aforementioned increase in registered capital are set out below:

New Shareholder	Number of Shares Subscribed	Consideration	Contribution to Registered Capital
Chenpu Xingshang LP	2,180,000	RMB19,968,800.00	RMB2,180,000.00
F&D Equity Investment	6,420,000	RMB58,807,200.00	RMB6,420,000.00
Mr. Shao Yutian	3,300,000	RMB30,228,000.00	RMB3,300,000.00
Ms. Xiong Fang	1,100,000	RMB10,076,000.00	RMB1,100,000.00
Total:	**13,000,000**	**RMB119,080,000**	**RMB13,000,000**

All the contributions to the registered capital of our Company set out above were fully paid.

On 20 March 2017, Haitong Capital entered into a share transfer agreement with Dangtuhong New Cultural Industrial Fund (Limited Partnership)* (當塗鴻新文化產業基金(有限合夥)) ("**Dangtuhong LP**"), a limited partnership registered in the PRC, and Shannan Hongzhen Xuanjie Venture Capital Partnership (Limited Partnership)* (山南鴻臻軒傑創業投資合夥企業(有限合夥)) ("**Hongzhen Xuanjie LP**"), a limited partnership registered in the PRC, pursuant to which Haitong Capital transferred 1,650,000 Shares to Dantuhong LP at a consideration of RMB15,114,000 and 1,845,666 Shares to Hongzhen Xuanjie LP at a consideration of RMB16,906,300. The said transfer of Shares was approved by the then shareholders of the Company on 5 March 2017.

Registration of the above capital increase and share transfer was completed on 13 April 2017.

The shareholding of our Company immediately after the increase in capital and transfer of Shares in March 2017 is set out below:

Name of shareholder	Number of Shares held	Approximate ownership percentage
Mr. Ye Jinwu	12,592,754	24.08%
F&D Equity Investment	6,420,000	12.28%
Mr. Ye Ye	5,369,565	10.27%
Ms. Li Chunlian	4,500,000	8.60%
Mr. Wang Xiaoyue	4,500,000	8.60%
Hongli Investment	4,201,140	8.03%
Mr. Shao Yutian	3,300,000	6.31%
Jieju Investment LP	3,019,779	5.77%
Chenpu Xingshang LP	2,180,000	4.17%
Hongzhen Xuanjie LP	1,845,666	3.53%
Dangtuhong LP	1,650,000	3.16%
Ms. Ye Huiqin	1,200,000	2.29%
Ms. Xiong Fang	1,100,000	2.10%
Mr. Cheng Gang	221,096	0.42%
Mr. She Xiaoxin	200,000	0.38%
Total:	**52,300,000**	**100.00%**

13. Share Transfers from October 2018 to December 2019

Pursuant to the supplemental agreements entered into among Mr. Ye Jinwu, Ms. Li Chunlian, Mr. Ye Ye, Mr. Wang Xiaoyue and Ms. Ye Huiqing with Chenpu Xingshang and F&D Equity Investment respectively on 7 March 2017, Chenpu Xingshang and F&D Equity Investment have the right to request Mr. Ye Jinwu, Ms. Li Chunlian, Mr. Ye Ye, Mr. Wang Xiaoyue and Ms. Ye Huiqing to repurchase their Shares if our Company does not submit a listing application to CSRC by 31 December 2017 or the submitted listing application is not approved or withdrawn.

Pursuant to the supplemental agreements entered into by Mr. Ye Jinwu with Hongli Investment, Jiefu Investment LP, Dangtuhong LP, Hongzhen Xuanjie LP, Ms. Xiong Fang, Mr. Cheng Gang and Mr. She Xiaoxin on 1 December 2018, if the parties determine that our Company does not meet the standards for an application for listing on the Shenzhen Stock Exchange or the Shanghai Stock Exchange in 2020 or 2021, or if such listing application is not approved, the aforementioned parties have the right to require Ye Jinwu to repurchase all of his shares in Jinlong Electric.

As our Company did not submit any listing application as contemplated in the aforementioned supplemental agreements, F&D Equity Investment, Ms. Xiong Fang, Mr. She Xiaoxin, Jieju Investment LP, Dangtuhong LP, Hongzhen Xuanjie LP, Hongli Investment, Mr. Cheng Gang, and Chenpu Xingshang LP entered into share transfer agreements with Taizhou Jinlong Electric Machinery Co., Ltd. (台州市金龍電機有限公司) ("**Taizhou Jinlong**"), a company established in the PRC with limited liability which was at the time owned by Ms. Ye Ping, sister of Mr. Ye Jinwu, and Ms. Li Chunlian, respectively, pursuant to which the aforementioned shareholders transferred all the Shares they held to Taizhou Jinlong. Details of the transfers are set out in the table below:

Date of agreement	Seller	Number of shares transferred	Total Consideration	Approximate Consideration per Share
10 October 2018	FD Equity Investment	6,420,000	RMB72,005,566.57	RMB11.22
15 May 2019	Ms. Xiong Fang	1,100,000	RMB12,386,854.68	RMB11.26
15 May 2019	Mr. She Xiaoxin	200,000	RMB2,042,635.62	RMB10.21
10 June 2019	Jieju Investment LP	3,019,779	RMB38,382,254.56	RMB12.71
10 June 2019	Dangtuhong LP and Hongzhen Xuanjie LP	3,495,666	RMB39,480,992.88	RMB11.29
15 June 2019	Hongli Investment and Mr. Cheng Gang	4,422,236	RMB52,269,958.91	RMB11.82
10 December 2019	Chenpu Xingshang LP	2,180,000	RMB24,379,728.70	RMB11.18

The considerations of the above transfers were determined with reference to the considerations paid by each of the sellers when the Shares were acquired by them and any accrued dividends.

On 20 December 2019, the shareholders of our Company at the time approved the above transfers of Shares and registration of the said transfers of Shares was completed on 20 May 2020.

The shareholding of our Company immediately after the transfers of Shares from October 2018 to December 2019 is set out below:

Name of shareholder	Number of Shares held	Approximate ownership percentage
Taizhou Jinlong	20,837,681	39.84%
Mr. Ye Jinwu	12,592,754	24.08%
Mr. Ye Ye	5,369,565	10.27%
Ms. Li Chunlian	4,500,000	8.60%
Mr. Wang Xiaoyue	4,500,000	8.60%
Mr. Shao Yutian	3,300,000	6.31%
Ms. Ye Huiqin	1,200,000	2.29%
Total:	**52,300,000**	**100.00%**

14. Share Transfer in August 2020

Pursuant to the supplemental agreements entered into among Mr. Ye Jinwu, Ms. Li Chunlian, Mr. Ye Ye, Mr. Wang Xiaoyue and Ms. Ye Huiqing and Mr. Shao Yutian on 13 March 2017, Mr. Shao Yutian has the right to request Mr. Ye Jinwu, Ms. Li Chunlian, Mr. Ye Ye, Mr. Wang Xiaoyue and Ms. Ye Huiqing to repurchase their Shares if our Company does not submit a listing application to CSRC by 31 December 2017 or the submitted listing application is not approved or withdrawn.

On 2 August 2020, Mr. Shao Yutian and Taizhou Jinlong entered into a share transfer agreement pursuant to which Mr. Shao Yutian transferred 1,100,000 Shares to Taizhou Jinlong at a consideration of RMB13,464,879.88, determined by the parties with reference to the considerations paid by Mr. Shao Yutian when the Shares were acquired by him and any accrued dividends.

On 16 October 2020, the shareholders of our Company at the time approved the above transfers of Shares and registration of the said transfers of Shares was completed on the same date.

The shareholding of our Company immediately after the transfers of Shares in August 2020 is set out below:

Name of shareholder	Number of Shares held	Approximate ownership percentage
Taizhou Jinlong	20,837,681	41.95%
Mr. Ye Jinwu	12,592,754	24.08%
Mr. Ye Ye	5,369,565	10.27%
Ms. Li Chunlian	4,500,000	8.60%
Mr. Wang Xiaoyue	4,500,000	8.60%
Mr. Shao Yutian	2,200,000	4.21%
Ms. Ye Huiqin	1,200,000	2.29%
Total:	**52,300,000**	**100.00%**

15. Repurchase of Shares and Decrease in Registered Capital in December 2020

On 9 October 2018, our Company and Taizhou Jinlong entered into an agreement, pursuant to which, as a result of the triggering of the repurchase obligations under the supplemental agreements with various shareholders, Taizhou Jinlong would repurchase the Shares from the relevant shareholders with fundings for the consideration provided by our Company, and upon completion of the repurchase, the repurchased Shares would be repurchased by our Company and then cancelled, and our registered capital would be decreased accordingly.

On 28 December 2020, with the approval of the shareholders of our Company at the time, our Company repurchased 20,837,681 Shares from Taizhou Jinlong, at a consideration of 269,532,153.08, based on the valuation of the market value our Company by an independent valuer, and our registered share capital was decreased from RMB52,300,000 to RMB30,362,324. Registration for the decrease in registered capital was completed on 23 December 2020.

The shareholding of our Company immediately after the decrease in registered capital in December 2020 is set out below:

Name of shareholder	Number of Shares held	Approximate ownership percentage
Mr. Ye Jinwu	12,592,754	41.47%
Mr. Ye Ye	5,369,565	17.69%
Ms. Li Chunlian	4,500,000	14.82%
Mr. Wang Xiaoyue	4,500,000	14.82%
Mr. Shao Yutian	2,200,000	7.25%
Ms. Ye Huiqin	1,200,000	3.95%
Total:	**30,362,324**	**100.00%**

16. Increase in Registered Capital in April 2021

On 22 April 2021, the shareholders of our Company at the time approved an increase in registered capital of our Company from RMB30,362,324 to RMB33,130,000, by way of issuing new Shares to new shareholder Digital Intelligent Control Equity Investment Partnership Enterprise (Limited Partnership) of Luqiao District, Taizhou City* (台州市路橋區數字智控股權投資合夥企業(有限合夥)), a limited partnership established in the PRC ("**Digital Intelligent Control LP**"), the general partner of which is Yijia Jintou Investment Management Co., Ltd. of Luqiao District, Taizhou City* (台州市路橋區壹嘉金投投資管理有限公司) ("**Yijia Jintou**"), which holds 0.02% of the partnership interests in Digital Intelligent Control LP, and the sole limited partner is Taizhou Hengjin Venture Capital Co., Ltd.* (台州恒金創業投資有限公司) ("**Taizhou Hengjin**"), which holds 99.98% of the partnership interests. Taizhou Hengjin is wholly owned by Taizhou Luqiao District Financial Investment Co., Ltd.* (台州市路橋區金融投資有限公司), which is a state-owned enterprise.

On 30 April 2021, our Company entered into a capital increase agreement with Digital Intelligent Control LP, pursuant to which Digital Intelligent Control LP agreed to subscribe 2,767,676 Shares at a consideration of RMB29,973,931.08, of which RMB2,767,676 was contributed to the registered share capital of our Company and was fully paid.

On 15 June 2021, registration for the said increase in registered capital of our Company was completed.

The shareholding of our Company immediately after the increase in registered capital in April 2021 is set out below:

Name of shareholder	Number of Shares held	Approximate ownership percentage
Mr. Ye Jinwu	12,592,754	38.02%
Mr. Ye Ye	5,369,565	16.21%
Ms. Li Chunlian	4,500,000	13.58%
Mr. Wang Xiaoyue	4,500,000	13.58%
Digital Intelligent Control LP	2,767,676	8.35%
Mr. Shao Yutian	2,200,000	6.64%
Ms. Ye Huiqin	1,200,000	3.62%
Total:	**33,130,000**	**100.00%**

17. Quotation on the NEEQ in July 2022

On 29 July 2022, our Company received approval for the quotation of its Shares on the NEEQ. On 21 September 2022, all issued Shares of our Company were listed on the NEEQ under the stock code of 873936.

18. Private Placement in April 2023

On 12 January 2023, our Company entered into a share subscription agreements regarding the private placement of shares with (i) Ms. Pan Linghui (潘玲慧), Ms. Guo Ping (郭萍), Mr. Mao Qingzhong (毛青中), Mr. Wu Xiaofu (吳小夫), Mr. Liang Wenhui (梁文輝), Mr. Luo Yibo (羅毅博) and Ms. Chen Jinjiao (陳金嬌), each of whom were a director, supervisor or senior management personnel of our Company at the relevant time; and (ii) our employee shareholding platform, Hangzhou Jinlong Zhichuang Enterprise Management Partnership (Limited Partnership)* (杭州錦龍智創企業管理合夥企業(有限合夥)) ("**Jinlong Zhichuang LP**"), a limited partnership registered in the PRC, the general partner of which is Ms. Ye Weilei, the spouse of Mr. Ye Ye, and the limited partners of which are employees of the Group. Pursuant to the share subscription agreements regarding the private placement of shares, our Company offered the aforementioned placees in aggregate not more than 2,920,000 Shares for subscription at RMB4.35 per Share, which was determined based on, among others, the net assets per Share and earnings per Share, consideration for previous issuance of Shares, and net assets and earnings per share of comparable companies quoted on the NEEQ. On 10 February 2023, the shareholders of our Company at the time approved the private placement.

Details of the subscription of Shares under the private placement in April 2023 are set out below:

Name of Subscriber	Number of Shares Subscribed	Consideration
Jinlong Zhichuang LP	1,060,000	RMB4,611,000
Mr. Wu Xiaofu	380,000	RMB1,653,000
Ms. Pan Linghui	350,000	RMB1,522,500
Mr. Liang Wenhui	350,000	RMB1,522,500
Mr. Luo Yibo	300,000	RMB1,305,000
Ms. Chen Jinjiao	300,000	RMB1,305,000
Ms. Guo Ping	70,000	RMB304,500
Mr. Mao Qingzhong	70,000	RMB304,500
Total:	**2,880,000**	**RMB12,702,000**

On 16 February 2023, National Equities Exchange And Quotations Co., Ltd.* (全國中小企業股份轉讓系統有限責任公司), which operates the NEEQ, approved the private placement. Registration for the increase in registered capital and changes in shareholding of our Company was completed on 8 May 2023.

The registered capital of our Company was increased from RMB33,130,000 to RMB36,010,000, and the contribution to the increase in the registered capital of our Company from the private placing are fully paid.

The shareholding of our Company immediately after the private placement February 2023 is set out below:

Name of shareholder	Number of Shares held	Approximate ownership percentage
Mr. Ye Jinwu	12,592,724	34.98%
Mr. Ye Ye	5,369,600	14.91%
Ms. Li Chunlian	4,500,000	12.50%
Mr. Wang Xiaoyue	4,500,000	12.50%
Digital Intelligent Control LP	2,767,676	7.69%
Mr. Shao Yutian	2,200,000	6.11%
Ms. Ye Huiqin	1,200,000	3.33%
Jinlong Zhichuang LP	1,060,000	2.94%
Wu Xiaofu	380,000	1.06%
Ms. Pan Linghui	350,000	0.97%
Mr. Liang Wenhui	350,000	0.97%
Mr. Luo Yibo	300,000	0.83%
Ms. Chen Jinjiao	300,000	0.83%
Ms. Guo Ping	70,000	0.19%
Mr. Mao Qingzhong	70,000	0.19%
Total:	**36,010,000**	**100.00%**

19. Share Transfer in December 2024

On 31 December 2024, Mr. Shao Yutian and Mr. Ye Ye entered into a share transfer agreement pursuant to which Mr. Shao Yutian transferred 500,000 Shares to Mr. Ye Ye at a consideration of RMB5.75 million based on arms-length negotiations between the parties.

The shareholding of our Company immediately after the transfer of Shares in December 2024, and up to the Latest Practicable Date is set out below:

Name of shareholder	Number of Shares held	Approximate ownership percentage
Mr. Ye Jinwu	12,592,724	34.98%
Mr. Ye Ye	5,869,600	16.30%
Ms. Li Chunlian	4,500,000	12.50%
Mr. Wang Xiaoyue	4,500,000	12.50%
Digital Intelligent Control LP	2,767,676	7.69%
Mr. Shao Yutian	1,700,000	4.72%
Ms. Ye Huiqin	1,200,000	3.33%
Jinlong Zhichuang LP	1,060,000	2.94%
Wu Xiaofu	380,000	1.06%
Ms. Pan Linghui	350,000	0.97%
Mr. Liang Wenhui	350,000	0.97%
Mr. Luo Yibo	300,000	0.83%
Ms. Chen Jinjiao	300,000	0.83%
Ms. Guo Ping	70,000	0.19%
Mr. Mao Qingzhong	70,000	0.19%
Total:	**36,010,000**	**100.00%**

PREVIOUS A SHARE LISTING PLAN

In view of the growing potential of the stock market in the PRC at the time, on 18 March 2016, our Company submitted an A share listing application with the CSRC for a proposed listing on the Shanghai Stock Exchange. Subsequent to the submission of the A share listing application and prior to receiving any comments on our A share listing application from the CSRC, due to the downturn in the economic environment in the PRC and the industry we principally engaged in, as well as the amount of accrued government grants which was outstanding which affected our cashflow at the time, our Directors were of the view that it was no longer a suitable time to continue to pursue an A share listing. On 20 September 2016, our shareholders at the time resolved to withdraw our A share listing application, and on 29 September 2016, a submission was made to the CSRC for the voluntary withdrawal of our A share listing application.

On 19 December 2022, with a view to further explore an A share listing to capture the potential of the stock market in the PRC, our Company entered into a tutoring agreement with Changjiang Securities Consignment Inward & Sponsoring Broker Co., Ltd.* (長江證券承銷保薦有限公司) ("**Changjiang Securities**") in preparation for a listing application on the Beijing Stock Exchange, and a preliminary tutoring filing (上市輔導備案) was made with the Zhejiang office of CSRC (中國證券監督管理委員會浙江監管局) on the same day. On 13 September 2024, our Company and Changjiang Securities mutually agreed to terminate the tutoring agreement and the preliminary tutoring filing with the Zhejiang office of CSRC (中國證券監督管理委員會浙江監管局) was withdrawn. On 11 December 2024, our Company entered into a tutoring agreement with Caitong Securities Co., Ltd.* (財通證券股份有限公司) ("**Caitong Securities**") in preparation for a listing application on the Beijing Stock Exchange, and a preliminary tutoring filing (上市輔導備案) was made with the Zhejiang office of CSRC (中國證券監督管理委員會浙江監管局) on the same day. On 8 May 2026, in preparation for the listing application on the Stock Exchange, we terminated the engagement with Caitong Securities for the A share listing plan and withdrew the preliminary tutoring filing with the Zhejiang office of CSRC.

Since the entry of the tutoring agreement with Changjiang Securities in December 2022 and as at the Latest Practicable Date, we had neither filed any formal A share listing application with any representative office of the CSRC nor received any material comments or inquiries from the CSRC or the Beijing Stock Exchange.

During the preparation for the A share listing plan, we did not encounter any disagreements with the professional parties or the CSRC. Our Directors and the Sole Sponsor have confirmed that there are no other matters relating to the A share listing plan that may affect our Company's suitability for listing on the Stock Exchange or that are required to be brought to the attention of the Stock Exchange.

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 cast reasonable doubt on the Directors' and the PRC Legal Advisor's confirmation stated above with regard to the compliance records of the Company on the NEEQ in material aspects.

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. For details, please see the section headed "Future Plans and **[REDACTED]**".

OUR EMPLOYEE SHAREHOLDING PLATFORM

To recognise the contributions of our employees and to further incentivise them to promote our Group's development, we established Jinlong Zhichuang LP as our employee shareholding platform.

As at the Latest Practicable Date, all of the awards under Jinlong Zhichuang LP had been granted, and the grantees held the limited partnership interests in Jinlong Zhichuang LP. Pursuant to the relevant partnership agreements, the general partner is responsible for the management and administration of Jinlong Zhichuang LP.

Jinlong Zhichuang LP is a limited partnership registered in the PRC, with Ms. Ye Weilei acting as the sole general manager. Ms. Ye Weilei is the spouse of Mr. Ye Ye, one of our Controlling Shareholders, our executive Director and general manager. Ms. Ye Weilei holds approximately 32.29% of the partnership interest in Jinlong Zhichuang LP. All of the limited partners of Jinlong Zhichuang LP are employees or former employees of our Company, none of whom holds more than 30% partnership interests in Jinglong Zhichuang LP.

As at the date of this document, Jinlong Zhichuang LP held approximately **[REDACTED]**% of the issued share capital in our Company.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

Our Company had not carried out any major acquisitions, disposals or mergers during the Track Record Period and up to the Latest Practicable Date.

THE CONTROLLING SHAREHOLDER GROUP

Mr. Ye Jinwu, Ms. Li Chunlian, Mr. Ye Ye, Mr. Wang Xiaoyue and Ms. Ye Huiqing (collectively, the ("**Concert Parties**") entered into a concert parties agreement dated 5 January 2020, pursuant to which the Concert Parties agreed to act in concert with each other in exercising their respective voting rights in the Company. Each of the Concert Parties has agreed that that they will be acting in concert with each other by aligning their votes at the shareholders' meetings of our Company in accordance with the consensus achieved among them until the relevant Concert Parties cease to hold any interests in our Company, and shall vote in accordance with the view and decision of Mr. Ye Jinwu in the event that they are unable to reach consensus on any matter presented.

On 8 May 2023, as a result of the subscription of Shares by Jinlong Zhichuang LP pursuant to the private placement, Jinlong Zhichuang also became a party acting in concert with the Concert Parties in exercising its voting rights in the Company.

For purpose of the Listing Rules, 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. See the section headed "Relationship with our Controlling Shareholders" for further details. As of the Latest Practicable Date, our Controlling Shareholders held in aggregate approximately **[REDACTED]**% of the total issued Shares of our Company.

PUBLIC FLOAT AND FREE FLOAT

Satisfaction of the Public Float Requirement

Our Shares quoted on NEEQ are not counted towards our public float for the purpose of Rule 19A.13A(1) of the Listing Rules. **[REDACTED]** H Shares to be issued pursuant to the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), representing **[REDACTED]** of the total issued shares in the class to which H shares belong upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised) will be counted towards the public float of our Company. Pursuant to Rule 19A.13A(1) of the Listing Rules, where the expected market value at the time of **[REDACTED]** of our Company's H Shares does not exceed HK$**[REDACTED]**, at least **[REDACTED]** of the total number of H Shares must at the time of the Listing be held by the public. With respect to the indicative **[REDACTED]** Range of HK$**[REDACTED]**, HK$**[REDACTED]** and HK$**[REDACTED]** per **[REDACTED]** (being the low end, mid-point and the upper-end, respectively), the expected **[REDACTED]** of the Company's H Shares would not exceed HK$**[REDACTED]**. As such, our Directors are of the view that our Company will be able to satisfy the public float requirement under Rule 19A.13A(1) of the Listing Rules.

Satisfaction of the Free Float Requirement

Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no other **[REDACTED]** shares 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 and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of **[REDACTED]**, must: (a) represent at least 10% 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 (b) have an expected market value at the time of **[REDACTED]** of not less than HK$600,000,000.

Our Shares quoted on NEEQ are not counted as other **[REDACTED]** shares for the purpose of Rule 19A.13C(2) of the Listing Rules. To the best knowledge of our Directors, the **[REDACTED]** H Shares to be issued pursuant to the **[REDACTED]** (assuming the **[REDACTED]** is not exercised) are expected to be held by the public and will not be subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise). Based on the low-end, mid-point and the upper-end of the indicative **[REDACTED]**, respectively, our Company will satisfy the free float requirements under Rule 19A.13C(1) of the Listing Rules.

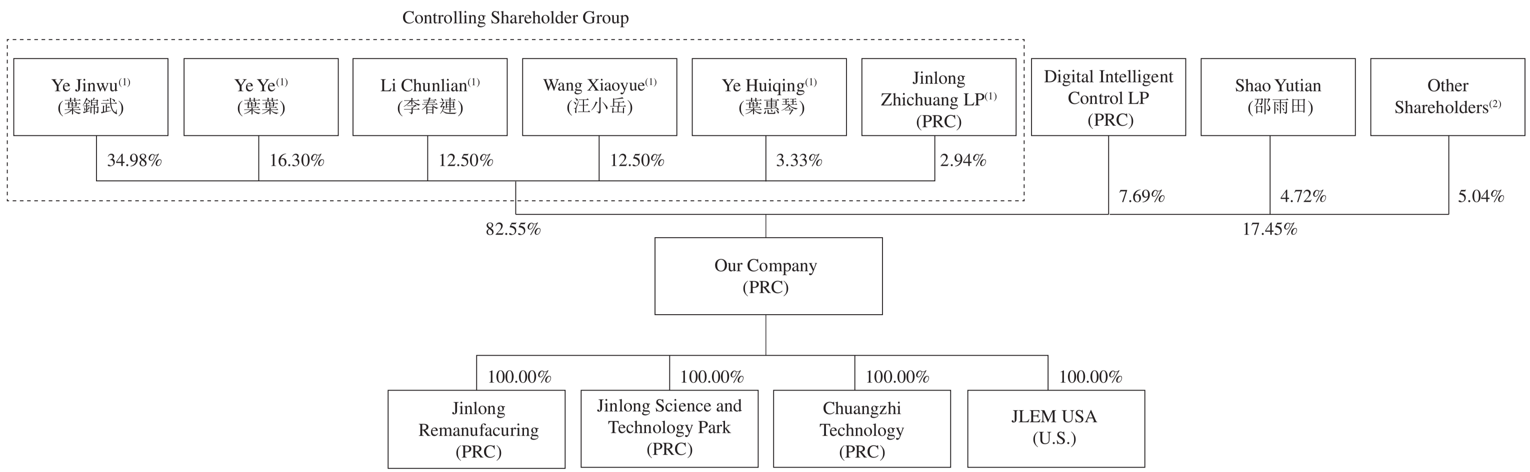
COMPLIANCE WITH PRC LAWS AND REGULATIONS

Our PRC Legal Advisers have confirmed that, according to applicable PRC laws and regulations, all equity transfers and changes in the registered capital of our Company set out in this section have been properly and legally completed and our Company has obtained all necessary approvals and made all necessary filings, and has complied with applicable PRC laws and regulations in relation to the changes of shareholdings as set out in this section.

CORPORATE AND SHAREHOLDING STRUCTURE

Shareholding and Corporate Structure Immediately before the [REDACTED]

The following chart depicts the shareholding and corporate structure of our Group immediately before the completion of the **[REDACTED]**, assuming that no changes are made to the total **[REDACTED]** share capital of our Company since the Latest Practicable Date and up to the **[REDACTED]**:



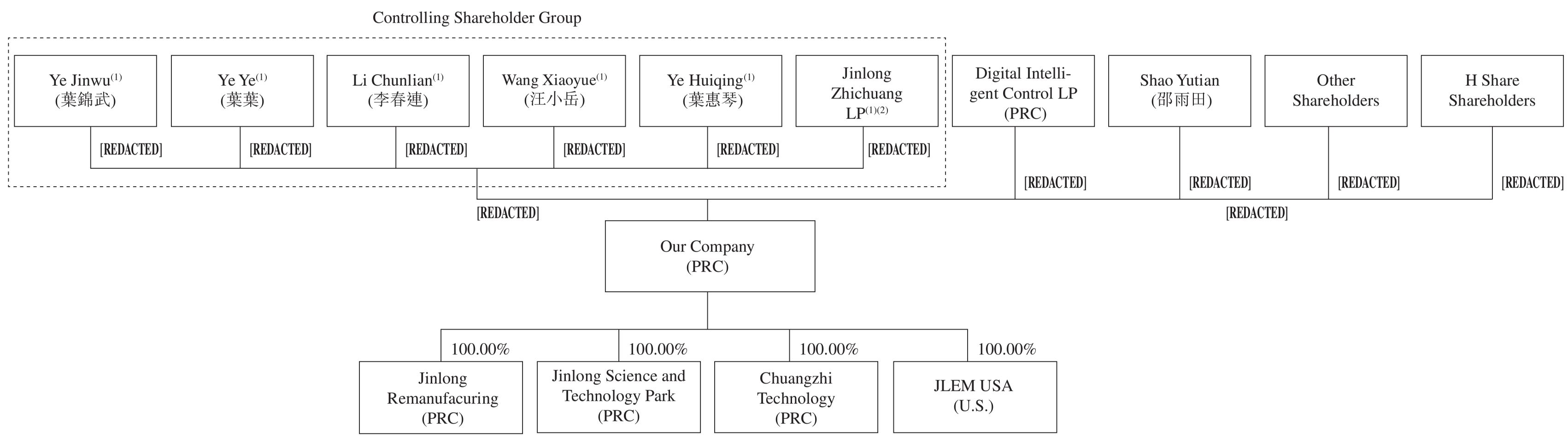
Notes:

(1) Pursuant to a concert parties agreement dated 5 January 2020 and as a result of the subscription of Shares by Jinlong Zhichuang under a private placement, Mr. Ye Jinwu, Ms. Li Chunlian, Mr. Ye Ye, Mr. Wang Xiaoyue, Ms. Ye Huiqing and Jinlong Zhichuang are parties acting in concert in exercising the voting rights of their respective shareholding in our Company.

(2) Other shareholders comprise Ms. Pan Linghui (潘玲慧), Ms. Guo Ping (郭萍), Mr. Mao Qingzhong (毛青中), Mr. Wu Xiaofu (吳小夫), Mr. Liang Wenhui (梁文輝), Mr. Luo Yibo (羅毅博) and Ms. Chen Jinjiao (陳金嬌), each of whom is a director, senior management or former supervisor of our Company.

Shareholding and Corporate Structure upon Completion of the [REDACTED]

The following chart depicts the shareholding and corporate structure of our Group upon completion of the **[REDACTED]**, assuming that the **[REDACTED]** are not exercised and no changes are made to the total **[REDACTED]** share capital of our Company since the Latest Practicable Date and up to the **[REDACTED]**:



Notes:

Notes (1) to (2): see "— Shareholding and Corporate Structure Immediately before the **[REDACTED]**."