***This summary aims to give you an overview of the information contained in this document. Since it 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 the* [REDACTED].**

***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." You should read that section carefully before you decide to* [REDACTED] *in the* [REDACTED].**

OVERVIEW

Who We Are

We are a company listed on the Main Board of Shenzhen Stock Exchange with digital marketing and pump and pumping system as our core businesses.

Our digital marketing business has become our core business after more than a decade of rapid development. According to Frost & Sullivan, digital marketing industry is highly fragmented and competitive, and we ranked as the largest digital marketing company in the PRC with a market share of 1.16% in terms of revenue in 2025. We are committed to developing a full-link AI marketing system driven by AI agents, covering the entire digital marketing workflow, including "demand insights, idea generation, advertisement placement, performance optimization, and customer service." Supported by the development of over one hundred AI agent tools and workflows, we have established a commercially valuable digital marketing service system capable of fully understanding customer needs, focusing on traffic targeting precision, reaching end-customers effectively, and achieving value conversion.

As the cornerstone of our Group's business, the pump and pumping system segment has provided us with sustained and stable revenue and cash flow. We continue to strengthen our competitive advantages, persistently advance the development of and the factory construction for intelligent products, create a highly integrated product portfolio, and establish an integrated production-sales-research platform, with a view to gradually transform from a traditional water pump manufacturer into a provider of intelligent pump and pumping system solutions. Staying committed to the 3R principles — Reachable, Reliable, and Renewable — we have become a leading pump and pumping system provider with extensive industry coverage, capable of meeting diverse customer needs. Our products have been exported to more than 160 countries and regions worldwide. We focus on intelligent control and efficiency to ensure that our products are reliable, low-carbon and environmentally friendly. We continue to expand our business scope by venturing into integrated water technology areas such as water quality improvement and energy conservation in circulating water systems. Our products have been used in various internationally influential projects, including the water supply for the Qatar World Cup, the South-to-North Water Diversion Engineering Project (南水北調工程), and the Beijing Winter Olympics. According to Frost & Sullivan, the pump and pumping system industry is highly fragmented and competitive, and we were ranked as the third largest pump and pumping system provider in China by revenue in 2025.

Our digital marketing business and our pump and pumping system business operate independently, and generally do not share any common infrastructure, technology platforms, R&D capabilities, or customer base. We intend to continue developing these two business segments in parallel following the **[REDACTED]**.

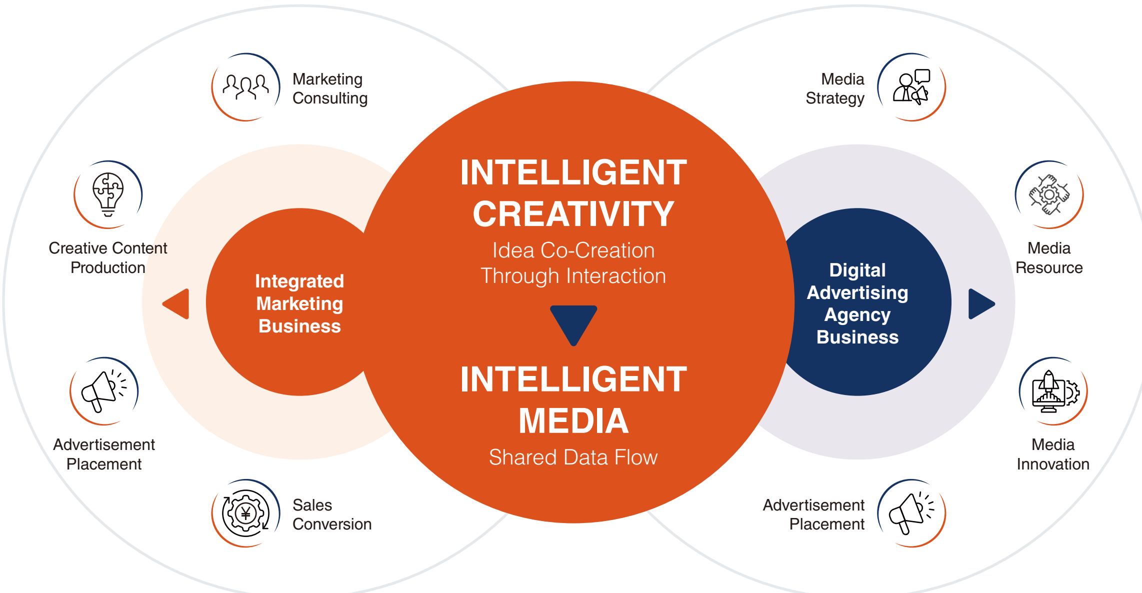
In addition, we have gradually extended and incubated our business based on our core operations, strengthening our core competitiveness in motors and controllers, two key components for pump and pumping systems. We were among the first to enter the motor sector that drives pump operation, leveraging our advanced permanent magnet motor technology to lay the foundation for the energy-saving and low-carbon transformation of pump and pumping system products, thereby building an advantage in supply chain integration. We invested in and established Liongate Semiconductor as a majority shareholder, which has achieved scalable commercial operations and generated revenue of RMB7.8 million, RMB24.4 million and RMB43.1 million all from sales to external customers in 2023, 2024 and 2025, respectively, with a product portfolio that primarily comprises a wide range of industrial-grade insulated gate bipolar transistors (IGBT) products as well as high-end silicon carbide (SiC) power module products. Liongate Semiconductor is capable of addressing the technical bottlenecks of core power semiconductors in controllers, by (i) enhancing system efficiency through creative chip design and packaging technologies; (ii) supporting high-temperature operations and extending system life through better thermal management; (iii) improving electromagnetic compatibility and reducing electromagnetic interference; and (iv) providing systematic solutions from chips. We purchased products manufactured with Liongate Semiconductor's products from such external customers for our pump and pumping system business during the Track Record Period.

In 2023, 2024 and 2025, our total revenue amounted to RMB20,471.4 million, RMB21,170.5 million and RMB20,050.4 million, respectively.

Digital Marketing Business

Since embarking on our digital marketing business in 2014, we have followed a development trajectory from industrial acquisition and consolidation to productivity innovation, and the digital marketing business has now grown into our most promising business segment. Starting in 2022, with the rapid proliferation of AI applications, we entered a new phase of growth with AI technologies as the core driver. As an industry leader, we launched a proprietary AIGC ecosystem platform LEO AIAD, and continuously developed an AI agent framework and tool library with end-to-end coverage, and full-link AI marketing system driven by AI agents, significantly improving human efficiency and optimizing advertising performance. In 2025, we were among the first in China to launch the programmatic advertising tool (being a full-process internet advertising delivery model based on automated systems and data interfaces, using data-driven and algorithmic decision-making to achieve intelligent trading, precise targeting, and dynamic optimization of advertising resources) in the advertising industry that fully supports the Model Context Protocol (MCP), which enables large language models and AI agents to seamlessly integrate with existing advertising software tools, accelerating the AI transformation of the programmatic advertising market. We also actively promote the standardization of AI applications in the industry, and have taken a leading role in establishing and compiling the industry guidelines for both the China Advertising Association and the China Communications Standards Association.

Our current digital marketing business adopts an end-to-end model integrating "Branding-Effect-Sales (品-效-銷)," that is, from branding and marketing consulting services, to advertising placement to realize broadcasting effects and eventually sales of products and services of our customers, connecting all aspects of the marketing ecosystem. We manage our digital marketing services under two segments due to their different revenue models, being (i) integrated marketing services, which is a one-stop, full-spectrum digital marketing services, primarily including marketing consulting services, creative content production, and advertisement placement, so as to help our customers realize sales conversion. We charge fixed service fees for marketing consulting services and creative content production, and service fees as a percentage of gross spending on media platforms for advertisement placement; and (ii) digital advertising agency services, which is primarily advertisement placing, namely purchasing advertising resources from media platforms and placing advertisements to promote our customers' products and services to their target audience; we may also provide ancillary consulting and content creation services integrated into our digital advertising agency services, but we charge our customers service fees as a percentage of gross spending on media platforms in these cases. For integrated marketing services, our customers primarily include well-recognized domestic and international enterprises in automotive, maternal and child care and healthcare sectors. For digital advertising agency services, we have built end-to-end service capabilities for our major customer groups — media platforms, game publishers and internet service platforms.



During the Track Record Period, the business scale of our digital marketing segment remained generally stable, recording revenue of RMB16,513.8 million, RMB16,434.7 million and RMB15,605.1 million in 2023, 2024 and 2025, respectively. We have been ranked first among digital marketing companies by the Internet Weekly (《互聯網週刊》) of Chinese Academy of Sciences for consecutive years and were awarded the honorary title of "Leading Company in Digital Advertising (數字廣告領軍企業)" in Shanghai's advertising industry by the Shanghai Advertising Association.

Pump and Pumping System Business

As the cornerstone of our Group's business, the pump and pumping system business underpins the long-term and stable growth of our Group. Our founding team boasts 30 years of industry experience, and started entrepreneurship with civil pumps. With strategic foresight, the team was able to accurately target European consumers in the early stages and to obtain European quality certification, establishing itself as a pioneer in the market.

We have accelerated the expansion of our product lines and application industries through organic growth and external mergers and acquisitions, forming a product matrix covering the seven sectors of construction, hydraulic engineering, industry and supporting facilities, energy and power, petrochemical, municipal infrastructure as well as agriculture. Based on our solid foundation in traditional applications, we have tapped into new fields such as data center, wind power and energy storage, further expanding our application scope in the high-end fields.

We have five modern manufacturing bases in Wenling, Zhejiang Province, Xiangtan, Hunan Province, Dalian, Liaoning Province, Indonesia and Hungary. By virtue of our high-quality product and sound management system, we have built a brand reputation with international recognition and established a global sales network. We sell our products through direct sales, Original Design Manufacturer (ODM)/Original Equipment Manufacturer (OEM) and distribution. As of December 31, 2025, we had established deep partnership with over 380 distributors, continuously providing customers with comprehensive services of high quality and efficiency. We continue to promote the coordinated development in both domestic and international markets with brand footprint spreading to more than 160 countries and regions. Our major customers include world-renowned equipment brands, and domestic leading infrastructure-related central and state-owned enterprises, establishing strong competitive barriers for us with respect to customer resources.

Moreover, we have expanded beyond our core businesses, and conducted R&D and innovation in motors, the “power heart” of pumps, and controllers, the “control center” of motors, enabling the efficient and energy-saving transformation of the motors and the precise and intelligent regulation of the controllers, improving our product portfolio and developing the ability to provide comprehensive intelligent pump and pumping system solutions. By applying advanced technologies to permanent magnet motors, we achieve lower energy loss and faster response speed, so as to meet the market demand for energy-saving, compact and intelligent pump products. We have independently developed intelligent variable frequency drive and control system products, which automatically regulate equipment performance based on operating conditions to meet the intelligent operation needs in different scenarios. For example, household circulation pumps automatically adjust rotational speed according to room temperature, and data center cooling pumps regulate circulation volume in real time according to load changes. Leveraging our expertise in water applications and our continuous R&D in core technologies, we have further tapped into integrated water technology fields such as water quality enhancement and energy conservation in circulating water systems.

In addition, we have adhered to a technology-driven approach. As an intelligent pump manufacturing factory, our base in Wenling, Zhejiang Province, has been included in the List of Excellent Intelligent Factories in 2025 (2025年度卓越級智能工廠名單) by the MIIT, marking a transition from traditional manufacturing to a new stage of intelligent manufacturing. We were among the early-movers to complete the construction of a 5G fully connected demonstration workshop, enabling real-time data collection and stable video stream transmission, which has been fully rolled out across the Leo Wenling base. Building on this 5G-enabled factory, we have applied AI big model technology to establish a fault model library based on AI algorithms, enabling us to achieve autonomous fault warning, diagnosis, decision-making, execution and optimization, as well as predictive maintenance to reduce equipment downtime. Furthermore, we have integrated data channels across all production factors, and conduct real-time, in-depth analysis and remote visualized management of equipment data by building a digital twin platform to generate multi-dimensional operational indicators, providing accurate data support for production scheduling and strategic decision-making.

During the Track Record Period, our revenue from pump and pumping system business was RMB3,483.2 million, RMB4,234.0 million and RMB4,141.3 million in 2023, 2024 and 2025, respectively. By virtue of our technological innovation and industry expertise, we have received numerous prestigious honors. LEO Group has been listed among the top 500 manufacturing enterprises in China, demonstrating its strong comprehensive strength. In recognition of our outstanding contributions in the field of smart water conservancy, we were awarded the AAA Smart Water Conservancy Enterprise Certification (智慧水利AAA級企業認證). In terms of technological innovation, we have received the Second Prize of the National Science and Technology Progress Award (國家科學技術進步獎). Our technology center is the first national-level enterprise technology center in the industry and has been approved to establish a national-level postdoctoral research workstation, continuously driving our development through technological innovation.

Our Market Opportunities

With digital marketing as our core business, the deep empowerment of AI technology has unlocked growth potential for us by converting existing traffic into new incremental value.

- China's digital marketing industry continues to expand while maintaining steady growth. As the market transitions from traditional marketing to digital and AI-powered marketing, internet advertising has become a key channel for companies to reach customers and build brand awareness. According to Frost & Sullivan, the market size of China's digital marketing industry is expected to increase from RMB1,347.1 billion in 2025 to RMB1,858.6 billion in 2030, with an estimated CAGR of 6.6% from 2025 to 2030, maintaining a strong growth momentum. Leading companies in the digital marketing industry, represented by us, have completed the planning of the end-to-end digital marketing, covering high-quality media resources and customer base, thereby establishing a clear advantages scale-wise.

- The development of AI marketing technology has driven the establishment of AI-powered digital marketing tool platforms. With the acceleration of digitalization, the industry demand for advertising and marketing is undergoing a dual upgrade toward "personalized content" and "large-scale deployment." AI-powered marketing technology have been adopted more broadly across the industry. According to Frost & Sullivan, the market value of China's AI-integrated marketing market had grown from RMB26.7 billion in 2021 to RMB62.5 billion in 2025 at a CAGR of 23.7%. From 2025 to 2030, the market value is projected to reach RMB149.8 billion at a CAGR of 19.1%. We are among the first digital marketing enterprises in China to deploy AI technologies. Through forward-looking strategic planning of AI and extensive industry experience, we have developed a complete full-link AI marketing system driven by AI agents, which has improved human efficiency through the deep empowerment of AI technology, and enable us to expand market share and maintain our leading position in the digital marketing revolution.

In parallel, our pump and pumping system serves as our cornerstone segment. Under the background of general market expansion, green and low-carbon transformation of traditional industries, and emergence of new application scenarios, we will seize new growth opportunities in both existing and emerging markets.

- Pumps, as key equipment for fluid transmission in the fields of industry, agriculture, architecture and municipal infrastructure, and energy supply, are taking on an overall trend of steady growth in terms of market size. According to Frost & Sullivan, the market size of the global pump industry was RMB588.0 billion in 2025 and is expected to continuously grow at a CAGR of 3.0% and reach RMB680.4 billion in 2030. The Asia-Pacific region will dominate the global market, with its market size expected to increase from RMB299.4 billion in 2025 to RMB356.0 billion in 2030, representing a CAGR of 3.5%. As China's Belt and Road Initiative advances, China has been actively participating in the construction of energy infrastructure and traditional energy upgrades, municipal infrastructure and water conservancy projects, and industrial manufacturing and supporting industrial parks in related countries, presenting significant growth opportunities for the pump companies in China. As a leading pump and pumping system company in China and one of the earliest Chinese enterprises to establish an overseas presence in this sector, we are seizing opportunities presented by the Belt and Road Initiative. Our products are already deployed in multiple countries along the route, with breakthroughs achieved in emerging markets, and actively capitalized on policy-derived opportunities.

- Under the strategic framework of green and low-carbon transformation in traditional industries, the advancement of the "dual carbon" targets and policies such as the "Trade-in" Program have created new growth opportunities for the pump and pumping system industry, which is centered around pumps, driving the direction of product development towards high efficiency, energy conservation and environmental protection. Taking the petrochemical sector as an example, driven by national policies, demand for renovation of existing petrochemical pumps continues to expand. National and local governments are encouraging energy-saving renovations of pump equipment in the petrochemical sector through financial support, subsidies and incentives, and regulatory guidance, which will accelerate the phase-out of inefficient and energy-intensive products and promote the widespread adoption of high-efficiency, energy-saving technologies such as permanent magnet motors and variable frequency control. Leveraging our technological strengths, our products can also be applied to residue oil hydrogenation projects, achieving domestic substitution.
- We are well positioned to capture the market growth in new application scenarios. (i) The explosive growth of AI continues to drive the evolution of the data center industry, with surging computing power requirements creating unprecedented demand for energy. According to Frost & Sullivan, China's data center liquid cooling market is expected to grow from RMB98.6 billion to RMB380.3 billion from 2025 to 2030 at a CAGR of over 31.0%, and the market size of the liquid cooling pump segment is expected to increase from RMB7.9 billion to RMB27.0 billion at a CAGR of 27.7%. As the core equipment in data center infrastructure, the quality of liquid cooling pumps is crucial to the safety and stability of data centers. We have launched products such as the liquid cooling centrifugal pumps and the innovative canned motor pump, offering features such as high efficiency, maintenance-free operation, and high-temperature adaptability. We also provide integrated cooling services through our intelligent operation and maintenance platform. (ii) The drinking water safety industry is benefiting from a dual engine of policy support and rising consumer demand, enabling us to quickly capture the market opportunities in water purification systems.

See "Business — Overview — Our Market Opportunities."

OUR STRENGTHS

We believe that the following strengths contribute to our market position, ensuring our success and distinguishing us from our competitors:

- Strengths in digital marketing segment: we have developed robust competitive barriers across platforms, technologies and customers powered by our end-to-end ecosystem driven by AI;
- Strengths in our pump and pumping system segment: we have established a comprehensive product matrix and system solutions, supported by a comprehensive product development framework and core technologies, leveraging our over 30 years of industry experience and

continuous R&D innovation. Our long-term accumulation has laid the foundation for global operations and built competitive advantages in intelligentization, integralization and platformization;

- An experienced management team and a high-caliber talent pipeline.

OUR STRATEGIES

We are committed to building our corporate competitiveness centered on continuous innovation, efficient operation and experienced talent. We plan to pursue the following strategies:

- Strategy for digital marketing business: reshaping the entire marketing chain with AI agents, building an open and mutually beneficial marketing ecosystem platform, and pioneering a new paradigm of marketing intelligentization worldwide;
- Strategy for pump and pumping system business: empowering the full lifecycle of intelligent pumps and systems with AI to establish a global industry benchmark;
- Strategy for core business extension: cultivating our strength in emerging semiconductor industries, leveraging advanced technologies to support pump and pumping system, seeking AI-backed innovation, expanding new growth frontiers, and fully achieving sustainable development objective.

COMPETITION

We primarily compete digital marketing industry and pump and pumping system industry, both of which are highly competitive. Driven by rapid technological advancements and diverse customers' demands, both industries have continued to develop in recent years and are expected to grow rapidly in the future.

Our competitive strengths derive from our extensive industry track record, strong market standing and solid R&D capabilities. Our leadership position has been reinforced by our global footprint, diversified product offerings, trusted customer relationships, technological know-how and forward-looking management team. Therefore, we believe that we are well-positioned to maintain our leadership position and to capture future opportunities in the digital marketing industry and pump and pumping system industry.

See "Industry Overview."

OUR CUSTOMERS

During the Track Record Period, our major customers for digital marketing business primarily consisted of enterprises with advertising demands across sectors such as e-commerce, automotive, and technology. In 2023, 2024 and 2025, our five largest customers for digital marketing business in each year accounted for approximately 22.5%, 18.9% and 17.0% of our total revenue, respectively, and sales to the largest customer for digital marketing business in each year accounted for approximately 8.4%, 10.1% and 6.8% of our total revenue, respectively.

During the Track Record Period, our major customers for pump and pumping system business primarily consisted of international distributors, traders, and service providers primarily involved in gardening tools, power tools, pumps, hardware, electromechanical equipment, logistics, and related technical or commercial services. In 2023, 2024 and 2025, our five largest customers for our pump and pumping system business in each year accounted for approximately 2.5%, 3.0% and 3.1% of our total revenue, respectively, and sales to the largest customer for our pump and pumping system business accounted for approximately 0.6%, 1.0% and 1.2% of our total revenue, respectively.

As of the Latest Practicable Date, none of our Directors, their close associates or any of our Shareholders had any interest in any of our five largest customers in each period during the Track Record Period. During the Track Record Period and up to the Latest Practicable Date, none of our customers requested to terminate their agreements with us.

See "Business — Our Customers."

OUR SUPPLIERS

During the Track Record Period, our major suppliers for digital marketing business primarily consisted of media platforms. In 2023, 2024 and 2025, the aggregate purchases from our five largest suppliers for digital marketing business in each of such period accounted for approximately 74.7%, 63.7%, and 61.3%, respectively, of our total purchases, and the purchases from our largest supplier for digital marketing business in each year accounted for approximately 45.6%, 33.2% and 28.2%, respectively, of our total purchases. In 2023, 2024 and 2025, average rebate rate provided by the five largest suppliers for our digital marketing business was 8.8%, 12.2% and 7.4%, respectively. Such rebate rate is generally impacted by our gross spending on the relevant platforms, the quality of our advertisements and client base, and the respective KPI policies of the media platforms.

During the Track Record Period, our major suppliers for pump and pumping system business primarily consisted of manufacturers and suppliers of electromagnetic wires, cables, metal materials and mechanical and electromechanical components. In 2023, 2024 and 2025, the aggregate purchases from our five largest suppliers for our pump and pumping system business in each year accounted for approximately 2.5%, 3.4% and 2.9% of our total purchases, respectively, and the aggregate purchases from the largest supplier for our pump and pumping system business accounted for approximately 0.7%, 0.9% and 0.8% of our total purchases, respectively.

The Directors confirm that we did not experience any material shortage of supply, disruptions, disputes or delays in relation to the supply of suppliers, or any material breach or early termination of our contractual arrangements with suppliers during the Track Record Period and up to the Latest Practicable Date.

See "Business — Our Suppliers."

RISK FACTORS

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to digital marketing business, (ii) risks relating to our pump and pumping system business, (iii) risks relating to our business and industry, (iv) risks relating to financial, accounting and tax matters, (v) risks relating to operations, and (vi) risks relating to **[REDACTED]**, which we strongly urge you to read in full before making an investment in our Shares. For further details, see "Risk Factors." These risks include, among others, the following:

- We incurred net losses and net operating cash outflows for certain years during the Track Record Period, which may continue in the future.
- We rely on several media platforms to provide digital advertising agency services for our clients during the Track Record Period. If we fail to maintain our business relationship with such media platforms, our brand, business, financial condition and results of operations could be materially and adversely affected.
- If we fail to introduce new or enhanced services to keep up with the technological developments or new business models of the digital marketing industry, or the changing requirements of advertisers, publishers and AI technology users, our business, financial condition and results of operations may be materially and adversely affected.
- We face ethical, legal and reputational risks associated with the use of our AI technology, open-source technology and AI-generated marketing content.
- If the digital marketing industry or the pump and pumping system market fails to continue to develop and grow, or develops or grows more slowly than expected, our profitability and prospects may be materially and adversely affected.

- Our manufacturing processes are potentially vulnerable to disruptions that can increase our production costs for our pump and pumping system business. We may experience potential disruptions in operations due to manufacturing difficulties or potential accidents.
- The industries in which we operate are highly competitive, fragmented and characterized by constant changes. If we fail to continually innovate our technologies and provide quality products and services that meet the expectations of our clients, our business, financial condition and results of operations may be materially and adversely affected.
- Fair value changes for our financial assets at fair value through profit or loss may materially and adversely affect our results of operations and financial performance.
- We may be exposed to credit risks arising from our trade receivables. Failure to collect our trade receivables in a timely manner or at all could have a material and adverse impact on our business, financial condition, liquidity and prospects.

OUR SINGLE LARGEST SHAREHOLDER GROUP

Immediately following the completion of the **[REDACTED]** (excluding [143,536,043] treasury Shares, assuming the **[REDACTED]** is not exercised, no additional Shares are issued pursuant to the 2022 Share Option Incentive Plan and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the **[REDACTED]**), Mr. Wang Xiangrong and Mr. Wang Zhuangli will collectively be entitled to exercise **[REDACTED]**% of the voting power at general meetings of our Company. Mr. Wang Xiangrong and Mr. Wang Zhuangli are brothers and were acting in concert during the Track Record Period. It is expected that they will continue to act in concert after **[REDACTED]**. Upon **[REDACTED]**, they will become our Single Largest Shareholder Group.

See "Relationship with Our Single Largest Shareholder Group."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary of consolidated financial information should be read together with the consolidated financial information to the Accountants' Report in Appendix I to this document, including the accompanying notes and the information set out in "Financial Information" in this document.

Summary of Consolidated Statements of Profit or Loss

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Revenue	20,471,408	100.0	21,170,505	100.0	20,050,435	100.0
Cost of sales	(18,761,746)	(91.6)	(19,278,530)	(91.1)	(18,314,230)	(91.3)
Gross profit	**1,709,662**	**8.4**	**1,891,975**	**8.9**	**1,736,205**	**8.7**
General and administrative expenses	(533,742)	(2.6)	(630,257)	(3.0)	(601,433)	(3.0)
Selling and marketing expenses	(767,899)	(3.8)	(821,592)	(3.9)	(727,993)	(3.6)
Research and development expenses	(134,326)	(0.7)	(177,119)	(0.8)	(193,980)	(1.0)
Net impairment losses on financial assets and contract assets	(362,877)	(1.8)	(182,303)	(0.9)	(66,321)	(0.3)
Net gains/Losses on changes in fair value on financial assets/liabilities	1,255,392	6.1	(873,047)	(4.1)	(169,230)	(0.8)
Other income	118,984	0.6	78,167	0.4	64,539	0.3
Other gains/(losses), net	1,302,126	6.4	303,050	1.4	155,987	0.7
Operating profit	**2,587,320**	**12.6**	**(411,126)**	**(1.9)**	**197,774**	**1.0**
Finance income	120,914	0.6	123,035	0.6	67,353	0.3
Finance costs	(91,164)	(0.4)	(106,037)	(0.5)	(99,524)	(0.5)
Finance costs, net	29,750	0.1	16,998	0.1	(32,171)	(0.2)

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Share of net profit/(loss) of investments in associates	(18,208)	(0.1)	2,002	*	16,639	0.1
Impairment provision for investments in associates	—	—	(20,283)	(0.1)	(145,061)	(0.7)
Profit/(loss) before tax	**2,598,862**	**12.7**	**(412,409)**	**(1.9)**	**37,181**	**0.2**
Income tax expense	(659,748)	(3.2)	108,198	0.5	(47,306)	(0.3)
Profit/(loss) for the year	**1,939,114**	**9.5**	**(304,211)**	**(1.4)**	**(10,125)**	**(0.1)**

Note:

* Refers to a figure that is less than 0.1

We recorded a net loss of RMB304.2 million in 2024, compared to a net profit of RMB1,939.1 million in 2023, primarily attributable to net losses on changes in fair value on financial assets of RMB873.0 million, resulting from the decline in the stock price of Li Auto. Our loss for the year decreased to RMB10.1 million in 2025, primarily attributable to a one-off impairment provision for investments in associates of RMB145.1 million in relation to our investment in Shanghai Prosolar Resources Development Co., Ltd., reflecting a loss on our investment following the delisting process of an associate, partially offset by (i) a diminished impact from the share price fluctuations of Li Auto as we reduced our shareholding, which mitigated the negative effect of its valuation adjustment on our profit or loss, and (ii) reduced impairment losses on financial assets, resulting from an improvement in the credit quality of our trade receivables.

Income tax expense for 2023 was RMB659.7 million, including deferred income tax expense of RMB559.3 million, which was primarily attributable to the substantial appreciation in the share price of Li Auto. This appreciation resulted in the carrying value of our investment significantly exceeding its tax base under relevant PRC tax laws, thereby creating a taxable temporary difference and the recognition of a significant deferred tax liability.

For more details, see "Financial Information — Review of Historical Results of Operations."

Revenue

The following table sets forth a breakdown of our revenue by business segment, in absolute amounts and as percentages of our total revenue, for the period indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Digital marketing business	16,513,802	80.7	16,434,676	77.6	15,605,066	77.8
Pump and pumping system business	3,483,182	17.0	4,234,047	20.0	4,141,255	20.7
Other business	474,424	2.3	501,782	2.4	304,114	1.5
Total	**20,471,408**	**100.0**	**21,170,505**	**100.0**	**20,050,435**	**100.0**

See "Financial Information — Review of Historical Results of Operations."

Summary of Consolidated Statements of Financial Position

	As of December 31,		
	2023	2024	2025
	Amount	Amount	Amount
		(RMB in thousands)	
Total current assets	15,644,215	14,404,243	14,935,070
Total current liabilities	8,185,842	6,565,176	6,324,478
Total non-current assets	9,000,035	7,582,333	6,569,250
Total non-current liability	2,774,859	2,559,601	2,453,893
Net current assets	7,458,374	7,839,067	8,610,592
Net assets	13,683,550	12,861,799	12,725,949

See "Financial Information — Selected Balance Sheet Items — Net Current Assets."

Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our cash flows during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
	Amount	Amount	Amount
		(RMB in thousands)	
Net cash generated from/(used in) operating activities	(592,917)	(190,008)	430,875
Net cash generated from/(used in) investing activities	1,841,495	(1,431,017)	87,485
Net cash generated from/(used in) financing activities	1,250,749	(537,280)	275,602
Cash and cash equivalents at the beginning of the period	679,734	3,296,882	1,144,331
Effects of exchange rate changes on cash and cash equivalents	117,821	5,754	(25,710)
Cash and cash equivalents at the end of the period	**3,296,882**	**1,144,331**	**1,912,583**

In 2023 and 2024, we recorded net operating cash outflows of RMB592.9 million and RMB190.0 million, respectively, primarily due to the mismatch in credit terms between our upstream and downstream partners. We maintained competitive credit offerings for high-potential customers while adhering to the cash payment requirements of major platform suppliers. Through disciplined working capital management and our enhanced efforts in the collection and recovery of trade receivables, we achieved a notable turnaround in our operating cash flow, reaching a net inflow of RMB430.9 million in 2025.

For further details, see "Financial Information — Operating Activities."

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates or for the periods indicated:

	Year ended/As of December 31,		
	2023	2024	2025
Debt-to-asset ratio (%)[1]	15.9	13.3	13.5
Current ratio[2]	1.9 times	2.2 times	2.4 times
Gross profit margin (%)[3]	8.4	8.9	8.7

Notes:

(1) Debt-to-asset ratio: Debt-to-asset ratio was calculated by dividing our Group's total debts (total borrowings plus total lease liabilities) by its total assets.

(2) Current ratio: Current ratio was calculated as our total current assets at the end of the year/period divided by our total current liabilities.

(3) Gross profit margin: Gross profit margin was calculated by our gross profit divided by our revenue, expressed as a percentage.

OUR INVESTMENT ACTIVITIES

During the Track Record Period, we engaged in investment and trading activities, including substantial equity investments in Li Auto, primarily to utilize idle cash. Our investments principally comprised direct controlling and minority equity investments, private fund investments and fixed-income products and other low-risk wealth management products. These activities contributed to volatility in our financial performance during the Track Record Period, particularly due to fair value changes and realized gains or losses in relation to our investment portfolio, including our investment in Li Auto. To manage and monitor our ongoing investment and trading activities, as well as to minimize investment risks, we have formulated certain measures and systems to regulate the entire process of our investment and trading activities. For details, please see "Financial Information — Our Investment Activities."

LEGAL PROCEEDINGS AND NON-COMPLIANCE

Legal Proceedings

We may from time to time be subject to various legal or administrative proceedings arising from the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management's time and attention.

During the Track Record Period and up to the Latest Practicable Date, we were involved in one ongoing litigation related to investment dispute and had obtained initial judgment in our favor which is now in appeal, and one litigation related to the same investment dispute where the court had granted our motion to dismiss (with leave to amend) as of the Latest Practicable Date. Other than that, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance.

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material non-compliance incidents that have led to fines, enforcement actions, or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, results of operations and financial conditions. For more information about the laws and regulations applicable to us, please see "Regulatory Overview."

DIVIDENDS

We declared RMB201.7 million, RMB193.4 million and RMB229.7 million to the shareholders in 2023, 2024 and 2025, respectively.

Our dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by us in the future.

After completion of the **[REDACTED]**, we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. Any proposed distribution of dividends shall be formulated by our Board and will be subject to approval of our Shareholders. A decision to declare or to pay any dividends in the future, and the amount of any dividend, will depend upon a number of factors, including our earnings and financial condition, operating requirements, capital requirements, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends, and any other factors that our Directors may consider important.

According to the PRC Company Law, a PRC incorporated company is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reaches 50% of its registered capital. Such company may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above. As confirmed by our PRC Legal Advisors, according to relevant PRC laws, any future net profit that our Company or any of our PRC subsidiaries make will have to be first applied to make up for any historically accumulated losses, after which we will be obliged to allocate 10% of net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses (if any) have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

There is no assurance that dividends of any amount will be declared or be distributed in any year. Currently, we do not intend to adopt a formal dividend policy or a fixed dividend distribution ratio following the **[REDACTED]**.

FUTURE PLANS AND [REDACTED]

The estimated **[REDACTED]** from the **[REDACTED]** that we will receive, after deduction of **[REDACTED]**, fees and estimated expenses payable in connection with the **[REDACTED]**, will be approximately HK$**[REDACTED]** (assuming the **[REDACTED]** is not exercised and an **[REDACTED]** of HK$**[REDACTED]** per H Share (being the mid-point of the indicative **[REDACTED]** range stated in this Document)).

We plan to use the **[REDACTED]** from the **[REDACTED]** for the following purposes:

- Approximately **[REDACTED]** (or [HK$**[REDACTED]**]) will be allocated to the investments in the AI infrastructure associated with our business.
- Approximately **[REDACTED]** (or [HK$**[REDACTED]**]) will be allocated to capacity expansion and global planning.
- Approximately **[REDACTED]** (or [HK$**[REDACTED]**]) will be allocated to R&D of technology for our intelligent pump and pumping system and semiconductor.
- The remaining balance of approximately **[REDACTED]**% (or [HK$**[REDACTED]**]) will be allocated to our working capital.

For further details, see "Future Plans and **[REDACTED]**."

STATISTICS OF THE [REDACTED]

All statistics presented in the table below are based on the assumption that the **[REDACTED]** is not exercised and no additional Shares are issued pursuant to the 2022 Share Option Incentive Plan:

	Based on an [REDACTED] of HK$[REDACTED] per H Share	Based on an [REDACTED] of HK$[REDACTED] per H Share
[REDACTED] of our H Shares[(1)]	HK$**[REDACTED]**	HK$**[REDACTED]**
[REDACTED] of our Shares upon the completion of the **[REDACTED]**[(2)]	HK$**[REDACTED]**	HK$**[REDACTED]**

	Based on an [REDACTED] of HK$[REDACTED] per H Share	Based on an [REDACTED] of HK$[REDACTED] per H Share
Unaudited **[REDACTED]** adjusted consolidated net tangible asset value per Share(3)	HK$**[REDACTED]**	HK$**[REDACTED]**

Notes:

(1) The calculation of **[REDACTED]** of our Shares is based on **[REDACTED]** H Shares expected to be in **[REDACTED]** immediately upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised).

(2) The calculation of total **[REDACTED]** of our Shares is based on (i) 6,628,242,660 A Shares (excluding 143,536,043 treasury shares) in issue as of the Latest Practicable Date at an average closing price of the A Shares of the Company for the five business days immediately preceding the Latest Practicable Date at RMB6.89 (or approximately HK$7.89) per Share; and (ii) the **[REDACTED]** of the **[REDACTED]** H Shares immediately upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised). For details, see "Share Capital — Upon Completion of the **[REDACTED]**."

(3) The unaudited **[REDACTED]** adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that **[REDACTED]** Shares (including [236,236,043] treasury shares) were in issue assuming that the **[REDACTED]** has been completed on December 31, 2025 but takes no account of any Shares which may be allotted and issued by the Company pursuant to the exercise of the **[REDACTED]**, any Shares that may be issued by the Company pursuant to the exercise of options or the vesting of restricted shares or other awards that have been or may be granted from time to time under the 2022 Share Option Incentive Plan or any Shares which may be issued or repurchased by the Company after the Latest Practicable Date.

[REDACTED] EXPENSES

Our **[REDACTED]** expenses mainly include (i) **[REDACTED]**-related expenses, such as **[REDACTED]** fees and commissions, and (ii) non-**[REDACTED]**-related expenses, comprising professional fees paid to our legal advisors and reporting accountants for their services rendered in relation to the **[REDACTED]** and the **[REDACTED]**, and other fees and expenses. Assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share (being the mid-point of the indicative **[REDACTED]** range stated in this document), the estimated total **[REDACTED]** for the **[REDACTED]** are approximately RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**) accounting for approximately **[REDACTED]**% of our **[REDACTED]**, of which RMB**[REDACTED]** (HK$**[REDACTED]**) is recognized as expenses in our consolidated statements of profit or loss, and of which RMB**[REDACTED]** (HK$**[REDACTED]**) is attributable to the issue of Shares and will be deducted from equity. Among such estimated total **[REDACTED]** expenses, we expect to pay **[REDACTED]**-related expenses of RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**), professional fees for our legal advisors and reporting accountants of RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**) and other fees and expenses of RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**).

LISTING ON THE SHENZHEN STOCK EXCHANGE

On April 27, 2007, our A Shares were listed on the Shenzhen Stock Exchange (stock code: 002131.SZ). In connection with our A Share listing, we issued an aggregate of 19,000,000 A Shares, accounting for approximately 25.2% of our then enlarged share capital, raising net proceeds of approximately RMB240.0 million. The shareholding structure of our Company immediately after the completion of the A Share offering was as follows:

No.	Shareholder	Number of Shares	Percentage of shareholding in our Company
			(%)
1.	Mr. Wang Xiangrong	20,260,800	26.91
2.	Mr. Wang Zhuangli	15,195,600	20.19
3.	Mr. Zhang Lingzheng	15,195,600	20.19
4.	Wenling Zhongheng Investments Co., Ltd. (溫嶺中恒投資有限公司)	4,502,400	5.98
5.	Other A Shareholders(1)	20,125,600	26.73
	Total	**75,280,000**	**100.00**

Note:

(1) None of the then other A Shareholders hold more than 1% of the issued share capital of our Company.

BUSINESS ACTIVITIES RELATING TO SANCTIONED COUNTRIES

The U.S. and other jurisdiction or organizations, including the European Union, the UK and other relevant sanctions authorities, have, through executive order, passing of legislation or other governmental means, implemented International Sanctions targeting entities and individuals including Sanctioned Targets, entities and individuals that are nationals of or located in certain Sanctioned Countries, and entities and individuals that are associated with certain industries or sectors in specific countries.

During the Track Record Period, we had sales and deliveries of pumps and pumping systems to customers located in jurisdictions affected by International Sanctions, in particular, Iran, Syria, Russia, Belarus, and Venezuela (each, a "**Relevant Region**", and collectively, "**Relevant Regions**"). Among the Relevant Regions, Iran and Syria are subject to comprehensive U.S. economic sanctions. Russia, Belarus, and Venezuela are not currently subject to comprehensive U.S. economic sanctions, but a significant number of entities, individuals, and industries in Russia, Belarus, and Venezuela are subject to U.S. economic sanctions.

Sanction Risks

U.S. Sanctions

Primary sanction risk

During Track Record Period, we have made sales of pump and pumping systems to customers located in Iran and Syria through our subsidiaries, which are subject to comprehensive U.S. economic sanctions. Such sales to Iran and Syria include sales denominated in RMB and other currencies. However, we received payments in USD for certain sales to Iran ("**Iran USD Sales**") and certain sales to Syria ("**Syria USD Sales**"). As advised by our International Sanctions Legal Advisors, such USD-denominated transactions in relation to Iran and Syria appear to be in violation of U.S. primary sanctions laws that prohibit the use of U.S. financial system for this type of trade with Iran or Syria. The payments received during the Track Record Period for USD-denominated transactions in relation to Iran USD Sales and Syria USD Sales were in an aggregate amount of approximately US$22.75 million, approximately 0.2% of our aggregated revenue for the Track Record Period.

After consulting with our International Sanctions Legal Advisors, we made an initial notification of VSD to OFAC on September 26, 2025 and a comprehensive VSD report to OFAC on April 29, 2026 related to the Iran USD Sales and the Syria USD Sales. Such VSD was already acknowledged by OFAC.

According to the base penalty matrix specified under the OFAC Enforcement Guidelines, the cases where the apparent violation is disclosed through a VSD can result in a 50 percent reduction in the base amount of a proposed civil penalty. In a non-egregious case, the base penalty amount applicable to our Group would be one-half of the transaction value, capped at a maximum base amount of USD188,850 per violation, except where the statutory maximum penalty applicable to the apparent violation is less than USD377,700, in which case the base amount of the proposed civil penalty shall be capped at one-half the statutory maximum penalty applicable to the apparent violation; in an egregious case, the base penalty amount applicable to our Group would be one-half of the applicable statutory maximum penalty applicable to the violation. However, whether our case shall be deemed egregious or not is subject to the discretion of OFAC. As advised by our International Sanctions Advisors, in practice, OFAC is unlikely to impose a civil penalty greater than the transaction value in cases where a VSD is filed, and OFAC may impose a civil penalty that is significantly lower than 50 percent of a proposed civil penalty, or even close its investigation without taking further action during a negotiated settlement process by considering mitigating factors such as first-time offense, voluntary disclosure and cooperation with OFAC.

Soon after receiving advice from our International Sanctions Legal Advisors based on their necessary due diligence procedures in early September, our Group ceased the then existing Iran USD Sales and Syria USD Sales which were subject to comprehensive sanctions immediately. Since September 26, 2025, we have ceased all business activities in connection with Iran and Syria, which are subject to comprehensive sanctions.

Secondary sanctions risk

The U.S. has enacted secondary sanctions targeting non-U.S. persons who are engaged in dealings with certain types of sectors in Iran, Russia and Belarus.

The sale of products to Iran by the subsidiaries might be considered as operating in the sanctioned energy, construction, mining, and manufacturing sectors of the Iranian economy, and therefore expose us to secondary sanction risks. Considering that no counterparty in Iran has been designated on the SDN List, and we have terminated the sales business to Iran, our exposure to secondary sanctions risks under the Iranian sanctions regime remains relatively limited in the foreseeable future.

The sale of products to Russia by the subsidiaries and our establishment of the subsidiary in Russia might be considered as operating in the sanctioned architecture, engineering, construction, metals and mining, energy, and manufacturing sectors of the Russian economy, and therefore expose us to secondary sanction risks. Considering that no counterparty in Russia has been designated on the SDN List, our exposure to secondary sanctions risks under the Russian sanctions regime remains relatively limited in the foreseeable future.

The sale of products to Belarus by the subsidiary might be considered as operating in the sanctioned energy and construction sectors of the Belarus economy, and therefore expose us to secondary sanction risks. Considering that no counterparty in Belarus has been designated on the SDN List, our exposure to secondary sanctions risks under the sanctions regime for Belarus remains relatively low in the foreseeable future.

Besides, the U.S. has also enacted secondary sanctions targeting Syria and Venezuela.

Considering that no counterparty in Syria has shown relationship with the government of Syria or has been designated on the SDN List and the U.S. government has removed U.S. sanctions on Syria currently, our exposure to secondary sanctions risks under the Syrian sanctions regime should be remote in the foreseeable future.

Considering that no counterparty in Venezuela has shown relationship with the government of Venezuela or Petroleos de Venezuela, S.A., or has been designated on the SDN List, our exposure to secondary sanctions risks under the Venezuelan sanctions regime should be remote in the foreseeable future.

However, as advised by our International Sanctions Legal Advisors, if we continue the sales business in Syria, Russia, Belarus and Venezuela while any counterparty in such Relevant Regions becomes designated on the SDN List in the future, our exposure to secondary sanctions risks would correspondently increase. As such, our Directors have decided to cease all the sales now and any future business activities relating to Iran, Syria, Russia, Belarus and Venezuela against which secondary sanctions may be imposed after we wind down the ongoing dealings.

See "Business — Business Activities Relating to Sanctioned Countries."

[REDACTED] FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the **[REDACTED]** under Rule 8.05(3) of the Listing Rules and satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to (i) our revenue for the year ended December 31, 2025 exceeding HK$500 million; and (ii) our expected **[REDACTED]** at the time of **[REDACTED]**, based on the **[REDACTED]**, exceeds HK$4 billion.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, there has been no material adverse change in our business, financial condition and results of operations since December 31, 2025, being the latest balance sheet date of our consolidated financial statements as set out in Appendix I to this document, and up to the date of this document.