OVERVIEW

The Board currently consists of seven Directors, including four executive Directors and three independent non-executive Directors. The Directors serve for a term of three years and shall be subject to re-election upon retirement. The Board is responsible for and has the general power over the management and operation of our business, including determining our business strategies and investment plans, implementing resolutions passed at our general meetings, and exercising other powers, functions and duties as conferred by the Articles of Association. The Board also assumes the responsibilities for developing and reviewing the policies and practices of the Company on corporate governance, risk management, internal control and compliance with legal and regulatory requirements.

The senior management currently consists of five members who are responsible for our day-to-day management and operation.

DIRECTORS

The following table sets forth the key information about the Directors as at the Latest Practicable Date.

Name	Age	Position	Responsibilities	Date of the first appointment as a Director	Date of joining our Group	Relationship with other Directors and senior management
Mr. Wang Xiangrong (王相榮)	54	Executive Director, chairman of the Board and general manager	Responsible for the overall strategy planning and making key business and operational decisions of our Group	May 2001	May 2001	Brother of Mr. Wang Zhuangli and father of Ms. Wang Lingyu
Mr. Wang Zhuangli (王壯利)	51	Executive Director and vice chairman	Responsible for the overall strategy planning and making key business and operational decisions of our Group	January 2005	May 2001	Brother of Mr. Wang Xiangrong and uncle of Ms. Wang Lingyu
Mr. Zhang Xubo (張旭波)	56	Executive Director, vice general manager, secretary of the Board and joint company secretary	Responsible for overseeing governance matters, compliance disclosures, capital operations, investor relations management, and regulatory communications	April 2008	August 2006	None
Ms. Wang Lingyu (王聆羽)	26	Executive Director and vice general manager	Responsible for the overall strategy planning and making key business and operational decisions of our Group	September 2025	June 2023	Daughter of Mr. Wang Xiangrong and niece of Mr. Wang Zhuangli
Mr. Yan Shifu (顏世富)	61	Independent Non-executive Director	Responsible for supervising and offering independent judgment to the Board	April 2024	April 2024	None
Mr. Huang Rongbing (黃溶冰)	54	Independent Non-executive Director	Responsible for supervising and offering independent judgment to the Board	April 2024	April 2024	None

Name	Age	Position	Responsibilities	Date of the first appointment as a Director	Date of joining our Group	Relationship with other Directors and senior management
Ms. Tseng Chin I (曾瀞漪)	57	Independent Non-executive Director	Responsible for supervising and offering independent judgment to the Board	September 2025 (with effect from the **[REDACTED]**)	[•]	None

Executive Directors

Mr. Wang Xiangrong (王相榮), aged 54, founded our Group in May 2001. He was appointed as our Director in May 2001, the chairman of the Board in January 2005 and the general manager in August 2009. He will be re-designated as an executive Director upon **[REDACTED]**. He is primarily responsible for the overall strategy planning and making key business and operational decisions of our Group. Mr. Wang currently holds directorships in a number of subsidiaries of our Group.

Being the founder of our Group, Mr. Wang has accumulated over three decades of knowledge and experience in the pump machinery field and business management. Mr. Wang founded Wenling Xinke Water Pump Research Institute (溫嶺市新科水泵研究所) (currently known as Taizhou Xinke Environmental Protection Research Institute Co., Ltd. (台州新科環保研究所有限公司)) in January 1995, served as the chairman of the board and general manager and currently serving as the executive director.

Mr. Wang was awarded Taizhou 7th Top Talent Award (台州市第七屆拔尖人才) by the Taizhou Municipal People's Government, Wenling Science and Technology Progress Award (溫嶺市科學技術進步獎) by the Wenling Municipal People's Government and Taizhou Science and Technology Progress Award (台州市科學技術進步獎) by the Taizhou Municipal People's Government in May 2015, December 2015 and January 2016 respectively. Mr. Wang was later named a 15th Zhejiang Province Outstanding Entrepreneur (第十五屆浙江省優秀企業家) in September 2016 and an Outstanding Figure in Cross-border Operations among Local (Private) Enterprises in Taizhou for 2022 (2022年度台州市本土(民營)企業跨國經營風雲人物) in December 2022 by the Office of Taizhou Municipal People's Government.

Mr. Wang obtained a professional diploma in chemical machinery from Hangzhou School of Chemical Industry (杭州化學工業學校) (currently known as Zhejiang Gongshang University (浙江工商大學)) in July 1991.

Mr. Wang Zhuangli (王壯利), aged 51, joined our Group in May 2001 and was appointed as a Director in January 2005 and the vice chairman of the Board in May 2011. He will be re-designated as an executive Director upon **[REDACTED]**, and is primarily responsible for the overall strategy planning and making key business and operational decisions of our Group. Mr. Wang currently holds directorships in a number of subsidiaries of our Group.

Mr. Wang has over two decades of experience in the pump machinery industry and business management. Since January 1995, Mr. Wang has been serving as the supervisor of Wenling Xinke Water Pump Research Institute (溫嶺市新科水泵研究所) (currently known as Taizhou Xinke Environmental Protection Research Institute Co., Ltd. (台州新科環保研究所有限公司)) and once served as the vice general manager of the marketing department. From May 2001 to January 2005, he served as a supervisor and vice general manager of Zhejiang Leo Electricity Co., Ltd. (浙江利歐電氣有限公司), the predecessor of our Company.

Mr. Wang obtained an associate degree in business administration (business enterprise management concentration) from China Central Radio and TV University (which is currently known as The Open University of China) in January 2007.

Mr. Zhang Xubo (張旭波), aged 56, joined our Group in August 2006 as vice general manager and secretary of the board, and was appointed as a Director in April 2008. He resigned from his position as secretary of the board in August 2019 and continued to serve as a Director and vice general manager from August 2019 to August 2023. He was reappointed as the secretary of the board in August 2023. He will be re-designated as an executive Director upon **[REDACTED]**, and is primarily responsible for overseeing governance matters, compliance disclosures, capital operations, investor relations management, and regulatory communications. Mr. Zhang currently holds directorships in a number of subsidiaries of our Group.

Prior to joining our Group, Mr. Zhang worked at GF Securities Co., Ltd. (廣發證券股份有限公司) and BOCI Securities Limited (中銀國際證券股份有限公司) from March 1998 to February 2002 and from February 2002 to August 2006, respectively, where he was involved in various capital market projects.

Mr. Zhang obtained a bachelor's degree in economics from Zhongnan University of Finance and Economics (中南財經大學) (which is currently known as Zhongnan University of Economics and Law (中南財經政法大學)) in July 1991 and a master's degree in economics from Shanghai University of Finance and Economics (上海財經大學) in January 1998. He has been a certified board secretary at the Shenzhen Stock Exchange since September 2007.

Ms. Wang Lingyu (王聆羽), aged 26, was appointed as a Director in September 2025 and as the vice general manager in April 2026, and is primarily responsible for the overall strategy planning and making key business and operational decisions of our Group. She will be re-designated as an executive Director upon **[REDACTED]**. Ms. Wang currently holds directorships in a number of subsidiaries of our Group.

Ms. Wang joined our Group as a fund manager in June 2023 and since then she has participated in the governance of several key subsidiaries and departments within our Group and has developed a deep understanding of our Group as a whole.

Ms. Wang obtained a bachelor's degree in science from the University of Southern California in May 2022.

Independent Non-executive Directors

Mr. Yan Shifu (顔世富), aged 61, was appointed as an independent Director in April 2024 and will be re-designated as an independent non-executive Director upon **[REDACTED]**. He is responsible for supervising and offering independent judgment to the Board.

Prior to joining our Group, Mr. Yan served as the executive deputy director at the Psychological Counseling Center at Fudan University. From January 2022 to January 2025, Mr. Yan served as the dual-appointment professor of the Institute of Psychology and Behavioral Science of Shanghai Jiao Tong University. Mr. Yan currently serves as the director of the Oriental Management Research Center of Shanghai Jiao Tong University, as well as a doctoral advisor in business administration of the Antai College of Economics & Management of Shanghai Jiao Tong University. Mr. Yan also holds executive positions in several private enterprises, serving as an executive director of Beichuan Futai Rose Co., Ltd. (北川複泰玫瑰有限責任公司) since August 2009, an executive director of Shanghai Xiangzhi Futai Cosmetics Co., Ltd. (上海香之複泰化妝品有限公司) since December 2011, an executive director of Shanghai Huisheng Consulting Co., Ltd. (上海慧聖諮詢有限責任公司) since April 2002. He has also served as an independent director of Jiangsu Jujie Microfiber Technology Group Co., Ltd. (江蘇聚傑微纖科技集團股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange (SZSE: 300819), since August 2023 and Zhejiang Shapuaisi Pharmaceutical Co., Ltd. (浙江莎普愛思藥業股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (SSE: 603168), since May 2024.

Mr. Yan obtained a bachelor's degree in medicine from Chengdu University of Traditional Chinese Medicine in July 1989, a master's degree in education from Shanghai Normal University in July 1994, and a doctorate's degree in economics from Fudan University in the PRC in July 1999. He obtained an independent director qualification certificate issued by the Shenzhen Stock Exchange Growth Enterprises Training Centre in November 2023.

Mr. Huang Rongbing (黃溶冰), aged 54, was appointed as an independent Director in April 2024 and will be re-designated as an independent non-executive Director upon **[REDACTED]**. He is responsible for supervising and offering independent judgment to the Board.

Prior to joining our Group, Mr. Huang has served as an associate professor and professor at the School of International Auditing at Nanjing Audit University (南京審計大學) since November 2006 and has served at Zhejiang Gongshang University (浙江工商大學) as a professor and tutor of doctorate students at the School of Accounting since January 2017. Since June 2025, Mr. Huang has served as an independent director at Sinyada Technology Co., Ltd. (信雅達科技股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (SSE: 600571).

Mr. Huang obtained his certified public account examination certificate issued by the Examination Committee of the Ministry of Finance in January 2004 and he has been a member of the Chinese Institute of Certified Public Accountants since June 2004. He obtained an independent director qualification certificate issued by the Shanghai Stock Exchange in November 2017.

Mr. Huang was awarded the Zhejiang Provincial Award for Outstanding Achievements in Philosophy and Social Sciences (浙江省哲學社會科學優秀成果獎) in November 2019 issued by the People's Government of Zhejiang Province. He has been a member of the National Steering Committee for Graduate Education in Auditing since December 2021 and has been appointed a director of the 9th Council of the China Auditing Society since July 2025.

Mr. Huang obtained a bachelor's degree in economics from Huazhong University of Science and Technology in the PRC in July 1994, a master's degree in business administration from Harbin Engineering University in July 2002 and a doctorate's degree in management from Harbin Institute of Technology in March 2006 respectively.

Ms. Tseng Chin I (曾瀞漪), aged 57, was appointed as an independent non-executive Director in September 2025, with effect from the **[REDACTED]**. She is responsible for supervising and offering independent judgment to the Board.

Ms. Tseng currently serves as a committee member of the 14th National Committee of the Chinese People's Political Consultative Conference, a standing committee member of the Hong Kong Federation of Journalists Ltd, the founding vice president of the Greater Bay Area ("**GBA**") Carbon Neutrality Association, an honorary advisor of the GBA Association of Listed Companies, an honorary advisor to the Hong Kong Science & Technology Youth Federation, an honorary advisor to the Hong Kong Web 3.0 Association, the president of the BC Philanthropic Foundation, a partner of BC Capital Group, and the honorary president of the Jiangsu Enterprise Association Hong Kong. Ms. Tseng has worked at Phoenix Satellite Television Company Limited ("**Phoenix TV**") since July 1997 and is currently the host/producer of "Financial Journal" at Phoenix TV. From November 2019 to March 2025, she served as an independent non-executive director at Future Machine Limited, the shares of which are listed on the Hong Kong Stock Exchange (stock code: 1401). Since March 2025, she has been appointed an independent non-executive director of Geely Automobile Holdings Limited, the shares of which are listed on the Hong Kong Stock Exchange (stock code: 0175).

Ms. Tseng obtained a bachelor's degree of arts from Fu Jen Catholic University in Taiwan in June 1991.

SENIOR MANAGEMENT

The following table sets forth the key information about the senior management of the Company.

Name	Age	Position	Responsibilities	Date of appointment as senior management	Date of joining our Group	Relationship with other Directors and senior management
Mr. Wang Xiangrong (王相榮)	54	Executive Director, chairman of the Board and general manager	Responsible for the overall strategy planning and making key business and operational decisions of our Group	May 2001	May 2001	Brother of Mr. Wang Zhuangli and father of Ms. Wang Lingyu
Mr. Zhang Xubo (張旭波)	56	Executive Director, vice general manager and secretary of the Board and joint company secretary	Responsible for overseeing governance matters, compliance disclosures, capital operations, investor relations management, and regulatory communications	August 2006	August 2006	None
Ms. Wang Lingyu (王聆羽)	26	Executive Director and vice general manager	Responsible for the overall strategy planning and making key business and operational decisions of our Group	April 2026	June 2023	Daughter of Mr. Wang Xiangrong and niece of Mr. Wang Zhuangli
Mr. Yan Tufu (顏土富)	46	Vice general manager	Responsible for assisting the general manager in the daily operation management of our pump and pumping system business of our Group	January 2005	May 2001	None
Mr. Zheng Xiaodong (鄭曉東)	49	Vice general manager	Responsible for assisting the general manager in the daily operation management of our digital marketing business of our Group	June 2014	June 2014	None
Mr. Yang Hao (楊浩)	40	Vice general manager and chief financial officer	Responsible for financial management of our Group	December 2023	December 2023	None

For the biographical details of Mr. Wang Xiangrong, Mr. Zhang Xubo, and Ms. Wang Lingyu, see "— Directors."

Mr. Yan Tufu (顏土富), aged 46, was appointed as the vice general manager of the Company in January 2005. He is responsible for assisting the general manager in the daily operation management of our pump and pumping system business of our Group. Mr. Yan currently holds directorships and managerial positions in a number of subsidiaries of our Group. Mr. Yan was appointed a director, general manager and the chairman of the board from October 2018 to July 2023 and has been serving as an executive director, legal representative and general manager of Leo Group Pump (Hunan) Co., Ltd. (利歐集團湖南泵業有限公司) since July 2023. Mr. Yan has been serving as director and general manager since December 2015 and served as chairman of the board of Leo Group Pump (Zhejiang) Co., Ltd. (利歐集團浙江泵業有限公司) from September 2019 to March 2025. Since March 2021, he has served as a director of Leo Group Pump Co., Ltd. (利歐集團泵業有限公司).

During his over two-decade tenure in our Group, Mr. Yan has been substantially involved in the business operations of our Group and has equipped him with extensive knowledge and experience in the pump machinery industry. Mr. Yan served as a technician and a research and development director at Wenling Xinke Water Pump Research Institute (溫嶺市新科水泵研究所) (currently known as Taizhou Xinke Environmental Protection Research Institute Co., Ltd. (台州新科環保研究所)) from June 1997 to May 2001. Since May 2001, he served as a research and development director of Zhejiang Leo Electricity Co., Ltd. (浙江利歐電氣有限公司), the predecessor of our Company and was formerly known as Taizhou Leo Electric Co., Ltd. (台州利歐電氣有限公司), and was responsible for providing technical support and research and development for our products.

Mr. Yan obtained a bachelor's degree in engineering from Anhui University of Mechanical and Electrical Engineering in July 2001.

Mr. Yan was awarded the third prize in the China Machinery Industry Science and Technology Award (中國機械工業科學技術獎三等獎) in December 2009, issued by China Machinery Industry Federation. He has been serving as an executive council member at the 12th Executive Council of the Chinese Society for Agricultural Machinery since December 2022. Since October 2024, he has served as a member of the Drainage and Irrigation Equipment and Systems Sub-technical Committee of the National Technical Committee on Agricultural Machinery Standardization. Since November 2024, he has served as chairman of the Eighth Council of the Drainage and Irrigation Machinery Branch of the China Agricultural Machinery Industry Association. Since October 2025, he has served as a member of the Seventh National Technical Committee on Pumps Standardization.

Mr. Zheng Xiaodong (鄭曉東), aged 49, was first appointed as the vice general manager of the Company in June 2014. He served as the vice general manager of the Company from June 2014 to March 2021, a Director from April 2017 to March 2021, and was reappointed as vice general manager since April 2023. He is responsible for assisting the general manager in the daily operation management of our digital marketing business of our Group. Mr. Zheng currently holds directorships and managerial positions in our Group. Since December 2009, Mr. Zheng has served as an executive director and general manager of Shanghai MediaV Advertising Co., Ltd. (上海聚勝萬合廣告有限公司). Since October 2015, Mr. Zheng has served as director and general manager of Leo Digital. Since November 2015, he has served as a director of Beijing Micro Innovation Era Advertising Co., Ltd. (北京微創時代廣告有限公司).

Mr. Zheng has accumulated extensive experience in the field of digital marketing in his career. Prior to joining our Group, he worked at Great Wall Broadband Network Service Shanghai Co., Ltd. (長城寬帶網絡服務上海有限公司) from November 2001 to July 2002. From February 2003 to February 2007, he worked at Shanghai AdChina Advertising Co., Ltd. (上海好耶廣告有限公司). From March 2007 to July 2009, he worked in New AdChina Information Technology (Shanghai) Co., Ltd. (新好耶信息技術(上海)有限公司). In December 2009, Mr. Zheng founded Shanghai MediaV Advertising Co., Ltd. (上海聚勝萬合廣告有限公司), a provider of precision marketing and advertising technology services, specializing in delivering targeted and digital marketing solutions, which was subsequently acquired by our Group in March 2014.

Mr. Zheng was named the 2021 CEO of the Year at the Shanghai International Advertising Awards (上海國際廣告獎 — 年度精英 — 年度首席執行官) by the Shanghai International Advertising Festival Organizing Committee in May 2022. He was the chairperson of the jury at the 14th Tiger Roar Awards (第十四屆虎嘯獎評審團主席) from 2022 to 2023. He was accredited the top ten annual figures in Shanghai Cultural Enterprises (第四屆上海文化企業十大年度人物) in November 2022 and top 60 figures honoring 20 years of internet marketing in China at the Golden Web Awards (金網獎致敬中國網絡營銷20年TOP60人物) in November 2016. He gained an outstanding industry contribution award (2023-2024年度中國商務廣告協會行業傑出貢獻獎) from the China Business Advertising Association in November 2024.

Mr. Zheng obtained a bachelor's degree in economics in July 1998 and a master's degree in economics in June 2006 from Fudan University. Mr. Zheng was appointed the co-president of the Digital Committee of the China Business Advertising Association for 2024 in November 2023 and for 2025 in March 2025. He was also appointed the vice president of the Shanghai Advertising Association in March 2025.

Mr. Yang Hao (楊浩), aged 40, was appointed as the vice general manager and the chief financial officer of the Company in December 2023. He is responsible for financial management of our Group.

Prior to joining our Group, Mr. Yang worked at Sinochem Corporation (中國中化股份有限公司), where he served as a member of the financial integration department from February 2010 to February 2013 and the deputy manager of the financing department of the capital management division and the manager of the capital control department from March 2013 to January 2017. From January 2017 to February 2022, he served as the general manager of the innovation strategy department at Sinochem Capital Co., Ltd. (中化資本有限公司). From March 2022 to June 2023, he served as the chief financial officer at Sinochem Group Finance Co., Ltd. (中化集團財務有限責任公司).

Mr. Yang obtained a bachelor's degree in finance in June 2006 and a master's degree in finance (including insurance) in June 2009 from Central University of Finance and Economics in the PRC. He also obtained a master's degree in business administration at Peking University in July 2016.

FURTHER INFORMATION ABOUT OUR DIRECTORS AND SENIOR MANAGEMENT

The 2023 Incident

On July 5, 2023 and August 24, 2023, Mr. Wang Xiangrong and Mr. Wang Zhuangli received a regulatory letter issued by Shenzhen Stock Exchange (關於對王相榮、王壯利的監管函 (公司部監管函[2023]第77號)) (the "**2023 Regulatory Letter**") and a warning letter issued by Zhejiang Regulatory Bureau of China Securities Regulatory Commission (關於對王相榮、王壯利採取出具警示函措施的決定) (the "**2023 Warning Letter**") on the basis that the securities account of Ms. Yan Suyun (顏素雲) ("**Ms. Yan**"), the mother of Mr. Wang Xiangrong and Mr. Wang Zhuangli, purchased a total of 484,200 shares of the Company (with a total transaction amount of RMB1,237,160) between March 22 and 24, 2023 and sold the same number of shares on May 30, 2023 (with a transaction amount of RMB1,113,660), which constituted the act of selling the held shares of the Company within six months after purchase (a form of short-term trading) (the "**Short-term Trading**"). On May 14, 2024, Mr. Wang Xiangrong and Mr. Wang Zhuangli received the "Administrative Penalty Decision" ([2024] No. 16) (行政處罰決定書[2024] 16號) from Zhejiang Regulatory Bureau of the CSRC (the "**2024 Administrative Penalty Decision**"), and were each subject to administrative penalties for a fine of RMB100,000 imposed by the Zhejiang Regulatory Bureau of the CSRC for violation of the applicable securities law of the PRC.

Mr. Wang Xiangrong and Mr. Wang Zhuangli were not informed of the trades, did not participate in the decision-making, and did not provide any inside information or investment advice when the Short-term Trading occurred.

As advised by our PRC Legal Advisors, (i) the Short-term Trading does not constitute a major non-compliance and it will not affect the Company's eligibility for a filing to the CSRC in connection with the proposed **[REDACTED]** according to the Trial Measures and the related guidelines; and (ii) the Short-term Trading does not involve fraudulent or dishonest behavior of any director or member of our senior management personally and thus it will not affect the suitability of our Directors and members of our senior management under PRC laws, regulations, or rules.

Based on the foregoing, given that (i) the incident did not involve fraud, deceit, or dishonesty on the part of Mr. Wang Xiangrong or Mr. Wang Zhuangli; (ii) it was an isolated event, does not evidence systemic non-compliance, and has been remedied through enhanced internal controls; and (iii) it does not constitute a material non-compliance nor did it result in any severe regulatory or administrative penalty, our Directors are of the view that it does not affect the suitability of Mr. Wang Xiangrong and Mr. Wang Zhuangli to continue to serve as our Directors.

The 2022 Incident

On April 15, 2022, the Company, Mr. Wang Xiangrong, Mr. Wang Zhuangli and Mr. Chen Linfu (陳林富) (a former Director and senior management of the Company) received the "Decision on Taking the Measure of Issuing a Warning Letter to Leo Group Co., Ltd. and Relevant Personnel" (關於對利歐集團股份有限公司及相關人員採取出具警示函措施的決定) (the "**2022 Warning Letter**") issued by Zhejiang Regulatory Bureau of the CSRC, due to inadequate and ineffective implementations of financial and accounting management systems and general deficiencies in internal controls (including funds receipt and payment management (資金收付管理)) and inaccurate disclosure of information in the Company's "2020 Annual Internal Control Evaluation Report" (2020年度內部控制評價報告), which constitute violations of applicable laws in the PRC.

As advised by our PRC Legal Advisors, the 2022 Warning Letter does not constitute a major or serious administrative regulatory measure. Further, it does not constitute an administrative penalty or public condemnation of Mr. Wang Xiangrong, Mr. Wang Zhuangli and Mr. Chen Linfu. As such, the Directors are of the view that the incident mentioned in the 2022 Warning Letter was an internal control defect identified by the CSRC, which was subsequently rectified and it does not constitute a material non-compliance on the part of our Company and any of Mr. Wang Xiangrong, Mr. Wang Zhuangli or Mr. Chen Linfu.

Our Company has also engaged an internal control consultant in connection with the proposed **[REDACTED]**. The internal control consultant of our Company has not identified any material deficiency in the Company's internal control system in this regard after its review of our Company's internal control system.

The 2019 Incident

On July 2, 2019, the Shenzhen Stock Exchange issued a regulatory letter (關於對利歐集團股份有限公司的監管函(中小板管函[2019]第120號)) (the "**2019 Letter**") against the Directors of our Company at the relevant time due to (i) the failure to comply with the requisite internal approval procedures of a RMB15.0 million financial assistance provided by our Company on March 21, 2018 to our participating company, Beijing Shengxia Xingkong Film and Television Media Co., Ltd. (北京盛夏星空影視傳媒股份有限公司) ("**Shengxia Xingkong**") and information disclosure obligations as such financial assistance and the fact that Shengxia Xingkong failed to repay the funds within the agreed period and the progress of repayment were not disclosed until April 27, 2019; and (ii) failure to disclose the transaction progress for a sale of 24.33% equity interest in our subsidiary, Zhejiang Danong Industrial Co., Ltd. (浙江大農實業股份有限公司) ("**Danong Industrial**"), for RMB102.0 million to Wang Hongren, Wang Jing, and Gongqingcheng Tianying Zhonghe Investment Management Partnership (Limited Partnership) ("**Tianying Zhonghe**"), which was announced on July 13, 2018, in a timely manner. The agreement required 50% of the consideration to be paid within five days of signing, with the remainder due upon completion. Although the equity transfer (21%) to Wang Hongren and Wang Jing was completed by December 31, 2018, our Company had not received the payment and had failed to disclose this delay until our 2018 annual report released on April 27, 2019.

As advised by our PRC Legal Advisors, the 2019 Letter was a self-disciplinary regulatory measure instead of an administrative penalty. The 2019 Letter does not constitute major or severe administrative regulatory action and does not fall under the circumstances listed in Article 8 of the "Trial Measures for the Administration of Domestic Enterprises Issuing Securities and Listing Overseas" and will not affect the suitability of the Company's directors and members of our senior management under PRC laws, regulations, or rules. Accordingly, our Directors consider that the failures to comply with internal approval procedures and disclosure obligations do not amount to material non-compliance by the Company or the Directors.

The 2017 Incidents

On August 11, 2017, our Company received the "Decision on Taking the Measure of Imposing Rectification Measures Order to Leo Group Co., Ltd." (關於對利歐集團股份有限公司採取命令改正措施的決定) and Mr. Xu Jialiang (徐佳亮), who was the general manager of our subsidiary Shanghai Zhiqu Advertising Co., Ltd. (上海智趣廣告有限公司), Mr. Wang Xiangrong, Mr. Chen Linfu and Mr. Zhang Xubo received the "Decision on Taking the Measure of Issuing a Warning Letter to Mr. Xu Jialiang, Mr. Wang Xiangrong, Mr. Chen Linfu and Mr. Zhang Xubo" (關於對徐佳亮、王相榮、陳林富、張旭波採取出具警示函措施的決定) from the Zhejiang Regulatory Bureau of CSRC, and on December 14, 2017, our Company, Mr. Xu Jialiang, Mr. Wang Xiangrong, Mr. Chen Linfu and Mr. Zhang Xubo received a regulatory letter issued by the Shenzhen Stock Exchange (關於對利歐集團股份有限公司的監管函(中小板監管函[2017]第191號) (collectively, the "**2017 Letters**") due to the following matters:

(i) accounting issues in revenue and cost recognition by our wholly-owned subsidiary, Shanghai Zhiqu Advertising Co., Ltd., where revenue from nine companies (including Beijing Bihe Technology Co., Ltd. (北京璧合科技股份有限公司) and Yunlian Media (Shanghai) Co., Ltd. (雲聯傳媒(上海)有限公司) and costs from companies such as Shanghai Yueshi Information Technology Co., Ltd. (上海悦石信息技術有限公司) and Nanjing Lecui Information Technology Co., Ltd. (南京樂萃信息科技有限公司) have not been properly accounted in accordance with applicable accounting standards. As a result, our Company's 2016 consolidated financial statements misrecognized revenue, cost of revenue, and operating profit by RMB65.8 million, RMB56.3 million, and RMB9.6 million, respectively. Such errors were only disclosed and corrected until August 31, 2017, when we issued a public announcement on the correction of prior accounting errors. After adjustment, our Company's net profit for 2016 was RMB580 million, with a change of 1.46% from the previously reported figure;

(ii) premature revenue recognition of RMB3.0 million in revenue and RMB453,600 in profit in 2016, as our then majority-owned subsidiary, Shanghai Manku, recognized revenue based on prepaid amounts from customers rather than actual consumption; and

(iii) procedural oversight in conducting requisite internal approval procedures and delayed compliance of information disclose obligations, in relation to certain related party transactions where Mr. Zheng Xiaodong (our former Director and a current member of our senior management) provided a loan of RMB50.0 million during the period between May 2016 to November 2016 and a loan of RMB30.0 million on May 12, 2017 to Shanghai MediaV Advertising Co., Ltd. (上海聚勝萬合廣告有限公司), the wholly-owned subsidiary of our then majority-owned subsidiary Shanghai Manku. The amount of interest involved was RMB758,000 and RMB855,000, respectively.

As advised by our PRC Legal Advisors, (i) the 2017 Letters were administrative and self-disciplinary regulatory measures but not administrative penalties. The 2017 Letters do not constitute major or severe administrative regulatory actions and do not fall under the circumstances listed in Article 8 of the "Trial Measures for the Administration of Domestic Enterprises Issuing Securities and Listing Overseas" and thus will not affect the suitability of the Company's directors and senior management member under PRC laws, regulations, or rules; (ii) our Company has completed all rectification matters stated in the 2017 Letters and had submitted a rectification report to the Zhejiang Regulatory Bureau of the CSRC; (iii) given that the Zhejiang Regulatory Bureau of the CSRC and the Shenzhen Stock Exchange have already taken regulatory actions regarding the aforementioned non-compliance, the possibility of further actions by securities regulatory authorities against our Company, our Directors, or members of our senior management is remote. Based on the above, our Directors are of the view that the above irregularities and internal control issues do not constitute material non-compliance of our Company and our Directors.

GENERAL

As of the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries,

(i) save as disclosed above, none of the Directors or senior management has held any directorship in any public company the securities of which are listed on any securities market in Hong Kong or overseas during the three years immediately preceding the date of this document;

(ii) none of the Directors or members of the senior management of the Company was related to any other Directors and members of the senior management;

(iii) save as disclosed in "Statutory and General Information" set out in Appendix IV to this document, none of the Directors or general manager of the Company held any interest in the Shares which would be required to be disclosed pursuant to Part XV of the Securities and Futures Ordinance; and

(iv) there was no additional matter with respect to the appointment of the Directors that needs to be brought to the attention of the Shareholders, and there was no additional information relating to the Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

As of the Latest Practicable Date, none of our Directors and their respective close associates had any interest in any business which competes or is likely to compete, either directly or indirectly with our Group's business which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirmed that he or she (i) had obtained the legal advice referred to under Rule 3.09D of the Listing Rules in September 2025, and (ii) understood his or her obligations as a director of a **[REDACTED]** issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of our independent non-executive Directors had confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules; (ii) that he or she had no past or present financial or other interest in the business of the Company or its subsidiary or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date; and (iii) that there were no other factors that may affect his or her independence at the time of his appointments. Each of our independent non-executive Directors will inform us and the Stock Exchange as soon as practicable if there is any subsequent change of circumstances which may affect his or her independence.

JOINT COMPANY SECRETARIES

The Company has appointed Mr. Zhang Xubo (張旭波) and Ms. Ng Wing Shan (吳詠珊) as our joint company secretaries.

For the biographical details of Mr. Zhang, see "— Directors."

Ms. Ng Wing Shan (吳詠珊) was appointed as one of our joint company secretaries in September 2025 (with effect from the **[REDACTED]**). She currently serves as a director of the corporate services department of Vistra Corporate Services (HK) Limited. She is responsible for providing corporate secretarial and compliance services to Hong Kong listed companies, private and offshore companies. Ms. Ng has over 20 years of experience in the field of corporate secretarial and compliance service. She has been acting as company secretary or joint company secretary in multiple companies listed on the Hong Kong Stock Exchange since 2015 and is currently acting as the joint company secretary of certain companies listed on the Hong Kong Stock Exchange, including Damai Entertainment Holdings Limited (stock code: 1060) and Noah Holdings Private Wealth and Asset Management Limited (stock code: 6686).

Ms. Ng is a fellow member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

BOARD COMMITTEES

We have established four Board Committees in accordance with the relevant PRC laws and regulations, the Articles of Association and the Corporate Governance Code, namely the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee and the Strategy and Sustainability Committee.

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the Corporate Governance Code. The Audit Committee consists of three Directors, namely Mr. Huang Rongbing, Mr. Yan Shifu and Ms. Tseng Chin I, with Mr. Huang Rongbing currently serving as the chairman. Mr. Huang Rongbing has the appropriate professional experience as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include, but are not limited to, the following:

(i) proposing the appointment or change of external auditors to our Board, monitoring the independence of external auditors and evaluating their performance;

(ii) examining the financial information of the Company and reviewing financial reports and statements of the Company;

(iii) examining the financial reporting system, the risk management and internal control system of the Company, overseeing their rationality, efficiency and implementation and making recommendations to our Board; and

(iv) dealing with other matters that are authorized by the Board.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of the Corporate Governance Code. The Nomination Committee consists of three Directors, namely Mr. Yan Shifu, Mr. Wang Xiangrong and Ms. Tseng Chin I, with Mr. Yan Shifu currently serving as the chairman. The primary duties of the Nomination Committee include, but are not limited to, the following:

(i) conducting extensive search and providing our Board with suitable candidates for our Directors, general managers and other members of the senior management;

(ii) reviewing the structure, size and composition of our Board (including but not limited to, gender, age, cultural and educational background, ethnicity, skills, knowledge and experience) at least annually, assisting our Board in maintaining a board skills matrix and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(iii) researching and developing standards and procedures for the election of our Board members, general managers and members of the senior management, and making recommendations to our Board;

(iv) assessing the independence of the independent non-executive Directors;

(v) supporting our Company's regular evaluation of our Board's performance; and

(vi) dealing with other matters that are authorized by the Board.

Remuneration and Appraisal Committee

We have established a Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of the Corporate Governance Code. The Remuneration and Appraisal Committee consists of three Directors, namely Mr. Yan Shifu, Mr. Wang Zhuangli and Mr. Huang Rongbing, with Mr. Yan Shifu currently serving as the chairman. The primary duties of the Remuneration and Appraisal Committee include, but are not limited to, the following:

(i) advising our Board on the overall remuneration plan and structure of our Directors and senior management and the establishment of transparent and formal procedures for determining the remuneration policy of the Company;

(ii) monitoring the implementation of the remuneration system of the Company;

(iii) making recommendations on the remuneration packages of our Directors and senior management; and

(iv) other duties conferred by our Board.

Strategy and Sustainability Committee

The Strategy and Sustainability Committee consists of five Directors, namely Mr. Wang Xiangrong, Mr. Wang Zhuangli, Mr. Zhang Xubo, Ms. Wang Lingyu and Ms. Tseng Chin I, with Mr. Wang Xiangrong currently serving as the chairman. The Strategy and Sustainability Committee is mainly responsible for reviewing and advising on long-term strategies and major investment plan of the Company.

CORPORATE GOVERNANCE CODE

The Company is committed to achieving a high standard of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, the Company intends to comply with the Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the **[REDACTED]**.

Pursuant to code provision C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the general manager should be segregated and should not be performed by the same individual. We do not have a separate chairman and general manager, and Mr. Wang Xiangrong currently performs these two roles. The Board believes that vesting the roles of both the chairman and general manager in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of the chairman of the Board and the general manager of the Company if and when it is appropriate taking into account the circumstances of our Group as a whole.

BOARD DIVERSITY POLICY

We have adopted the board diversity policy which sets out the objective and approach for achieving and maintaining the diversity of the Board in order to enhance its effectiveness. In accordance with the board diversity policy, the Company seeks to achieve board diversity by taking into account a number of factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and/or length of service. The ultimate selection of Board candidates will be based on merit and potential contribution to our Board having due regard to the benefits of diversity on the Board and also the specific needs of the Company without focusing on a single diversity aspect. Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development as well as knowledge and experience in areas such as pump machinery and digital marketing. They obtained degrees or diplomas in various areas including chemical machinery, business administration, economics and science. Furthermore, our Board has a diverse age and gender representation. Our Board currently comprises two female Directors and five male Directors, ranging from 26 years old to 61 years old.

With regards to gender diversity on the Board, we recognize the particular importance of gender diversity. We have taken and will continue to take steps to promote and enhance gender diversity at all levels of the Company, including but without limitation at our Board and senior management levels. We will maintain a focus on gender diversity when recruiting staff at the mid to senior level so as to develop a pipeline of potential female successors to our Board. Our Group will also identify and select several female individuals with a diverse range of skills, experience and knowledge in different fields from time to time, and maintain a list of such female individuals who possess qualities to become our Board members, which will be reviewed by our nomination committee periodically to maintain gender diversity of our Board. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our board diversity policy.

Upon the **[REDACTED]**, the Nomination Committee will from time to time discuss and agree on expected goals to ensure board diversity, and review and, where necessary, update the board diversity policy to ensure that the policy remains effective. The Company will disclose the biographical details of each Director and report on the implementation of the board diversity policy (including whether we have achieved board diversity) in its annual corporate governance report.

DIRECTORS' REMUNERATION AND REMUNERATION OF THE FIVE HIGHEST-PAID INDIVIDUALS

The Directors and senior management members who receive remuneration from the Company are paid in the forms of salaries and other benefits in kind, discretionary bonuses, retirement benefit scheme contributions and share-based payment. The remuneration of the Directors and senior management members is determined with reference to the remuneration paid by comparable companies and the achievement of major operating indicators of the Company.

The aggregate amount of remuneration (including independent non-executive Directors' fees, salaries and other benefits in kind, discretionary bonuses, retirement benefit, provident fund and other benefits and share-based payment) and other benefits in kind paid to the Directors for the years ended December 31, 2023, 2024 and 2025 amounted to RMB6.4 million, RMB5.7 million and RMB6.1 million, respectively. The aggregate amount of remuneration (including salaries and other benefits in kind, discretionary bonuses, retirement benefit, provident fund and other benefits and share-based payment) and other benefits in kind incurred by the five highest-paid individuals (including one, one and one Directors, respectively) of our Group for the years ended December 31, 2023, 2024 and 2025 amounted to RMB11.4 million, RMB14.1 million and RMB12.9 million, respectively.

Under the current compensation arrangement, we estimate the total compensation before taxation, including estimated share-based compensation, to be accrued to our Directors for the year ending December 31, 2026 to be approximately RMB6.4 million. The actual remuneration of Directors in 2026 may be different from the expected remuneration.

For the years ended December 31, 2023, 2024 and 2025, there were one, one and one Directors among the five highest paid individuals, respectively. The total emoluments for the remaining individuals among the five highest paid individuals amounted to RMB9.1 million, RMB11.9 million and RMB10.7 million, for the years ended December 31, 2023, 2024 and 2025, respectively.

We confirmed that during the Track Record Period, no remuneration was paid by the Company to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining the Company or as compensation for loss of office in connection with the management positions of the Company or any subsidiary of the Company.

During the Track Record Period, none of our Directors waived any remuneration. Save as disclosed above, no other payments have been paid, or are payable, by the Company or our subsidiary to our Directors or the five highest-paid individuals during the Track Record Period.

COMPLIANCE ADVISOR

The Company has appointed Somerley Capital Limited as our Compliance Advisor in compliance with Rules 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will advise the Company in certain circumstances including:

(i) before the publication of any regulatory announcement, circular or financial report;

(ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;

(iii) where we propose to use the **[REDACTED]** from the **[REDACTED]** in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate or other information in this document; and

(iv) where the Stock Exchange makes an inquiry to the Company in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Advisor will, on a timely basis, inform the Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The Compliance Advisor will also inform the Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the appointment will commence on the **[REDACTED]** and is expected to end on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the **[REDACTED]**.