OVERVIEW

We have entered into certain transactions with certain parties which will, upon the [REDACTED], become our connected persons. Upon the [REDACTED], the transactions disclosed under this section will constitute connected transactions under Chapter 14A of the Listing Rules.

The historical amounts disclosed for the years ended December 31, 2023, 2024 and 2025 in respect of connected transactions in this section constitute only a portion of the amounts disclosed in respect our Group's related party transactions for the years ended December 31, 2023, 2024 and 2025 as set out in Note 41 to the Accountants' Report set forth in Appendix I. The related party transactions which do not constitute continuing connected transactions requiring disclosure in this section include transactions with Zhongguang New Energy, Qinghai Zhongkong, Zhonglv Kesheng, Qinghai Heli, Jingsheng Energy who are not expected to be classified as our connected persons upon the [REDACTED].

Relationship with our connected persons

Name	Connected Relationship
Green Storage Technology	Mr. Jin is an executive Director and a substantial shareholder of our Company. He will therefore be our connected person upon the [REDACTED]. As (i) Mr. Jin owns 99% of the equity interest in Hangzhou Jingjiu, (ii) Hangzhou Jingjiu is a general partner of Green Storage Partnership, and (iii) Green Storage Partnership owns 51% of the equity interest in Green Storage Technology. Green Storage Technology will be an associate of each of Mr. Jin and Hangzhou Jingjiu upon the [REDACTED] and Green Storage Group will become our connected person upon the [REDACTED].

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

Set out below is a brief summary of our continuing connected transactions and the relevant waivers sought:

Transactions	Applicable Listing Rules	Waivers sought	Proposed annual cap for the years ending December 31, 2026	2027	2028
			(RMB million)		
Non-exempt continuing connected transaction					
Green Storage Framework Agreement	Rules 14A.35, 14A.36, 14A.49, 14A.55, 14A.56, 14A.71 and 14A.105	Announcement and independent Shareholders' approval	100.0	550.0	280.0

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Green Storage Framework Agreement

Description of the transactions

On [Date], our Company and Green Storage Technology entered into the Green Storage Framework Agreement, the principal terms and other details of which are set out below:

Parties	:	(i) Our Company; and (ii) Green Storage Technology
Term	:	From the [REDACTED] to December 31, 2028 (both dates inclusive)
Subject matter	:	The Group shall procure from Green Storage Group equipment and raw materials of thermal energy storage and exchange systems including but not limited to molten salt electric heater equipment, novel molten salts and next-generation materials ("**Products**") and services including after-sales service and component replacement for the Products, commissioned research and development, technical and other relevant services such as research and technologies in connection with thermal energy storage and heat exchange system using novel heat storage materials (the "**Product Services**"). All purchase transactions by our Group in relation to the Products and Product Services will be covered under the same agreement, i.e. the Green Storage Framework Agreement.
Pricing policy	:	The price of each individual unit of the Products and Product Services to be supplied by Green Storage Group to our Group shall be determined on normal commercial terms with reference to then prevailing market prices and conditions. In any case, such procurement price shall not be higher than the market price of the same or similar products as supplied by any independent third party on the same or similar terms at the same period of time. For negotiated procurement transactions, the procurement price will be calculated based on the cost arising from producing such Product (including the cost of raw material and human resources) plus a fixed mark up rate. The mark up rate shall not exceed the fixed rate as the Company may approve from time to time for all its procurement transactions for same product or services including those to be entered into with Independent Third Parties. The procurement of Products from Green Storage Group is made on a non-exclusive basis and we are not restricted from procuring Products from any other independent third parties.

For any subsequent services including after-sales maintenance and component replacement arising from the Group's procurement of the Products, in view of the need to integrate with existing components and customised nature of the Products, some products or services from other suppliers cannot be used. In this case, the Company may adopt a direct procurement and negotiation approach from Green Storage Technology. The procurement price will be calculated based on the costs arising from producing the replacement component (including the costs of human resources and raw materials) plus a fixed mark-up rate not higher than the mark-up rate adopted for first purchasing such Product.

With respect to all of the above prices, our Company shall ensure that the consideration payable to Green Storage Technology shall not be higher than those payable to other independent third parties in respect of the same or similar products or services.

Conditions precedent and performance obligations : If the Stock Exchange or any other relevant securities regulatory authority has any regulatory comments on the Green Storage Framework Agreement, the performance of the Green Storage Framework Agreement shall adhere to such regulatory comments and shall be subject to such variation, adjustment or termination as shall be prescribed by such regulatory requirements.

Unless relevant waiver(s) have been granted by the Stock Exchange, the Green Storage Framework Agreement and the performance of the Green Storage Framework Agreement shall be conditional upon our Company's fulfilment of the reporting, annual review, announcement, circular and independent Shareholders' approval obligations, and compliance with other requirements relating to related party/connected transactions under the rules of the Listing Rules, where applicable.

If according to the requirements of the rules of the Listing Rules or the applicable laws and regulations, any party shall obtain the approval from any relevant authority of the Green Storage Framework Agreement, the performance of the Green Storage Framework Agreement shall be conditional upon the obtaining of such approval.

Reasons for and benefits of the transactions

We [entered] into the Green Storage Framework Agreement with Green Storage Technology in order to ensure the sufficient and stable supply of Products for our project needs. In view of the customised nature of the Products, the Products provided by Green Storage Group are best suited to our needs in relation to certain specific projects in Qinghai Province and other regions in the PRC.

Green Storage Group is one of the potential suppliers of materials and equipment for our Group's thermal storage and exchange systems. Our Group will select relevant suppliers through commonly used market methods such as request for quotation/bidding or tender processes, after comprehensively considering factors including the strengths and weaknesses, technical capabilities, and project experience of Green Storage Technology and other similar suppliers. In view of the foregoing, our Directors are of the view that Green Storage Group is capable of providing the Products and the Product Services for the contemplated transactions in a reliable, cost-effective and high quality manner with competitive prices as compared to the independent third parties in respect of the Products and the Product Services of similar specification, model, type and quality, and it is in the interests of our Group and the Shareholders to enter into the Green Storage Framework Agreement.

Historical transaction amounts

For each of the years ended December 31, 2023, 2024 and 2025, the aggregate amount of purchase price of the Products and the Product Services payable by our Group to Green Storage Technology was approximately RMB0.07 million, RMB7.96 million and RMB6.24 million, respectively. Also, as our procurement demands varies depending on our project needs in line with our business development and project progress, our purchase amounts fluctuated historically. Our Company began procuring services from Green Storage Technology in 2023. In 2023, transaction amounts between our Group and Green Storage Technology remained at low amounts from small, sporadic transactions. In 2024 and 2025, procurement demand for the Products and Product Services substantially increased due to project needs stemming from the Jinta 100MW Project, the SPIC Xinjiang Turpan Shanshan Qiketai 100 MW CSP Project and the CHN Energy Qinghai Qingyu DC 100MW CSP Project.

Proposed annual cap

The proposed annual cap for the transactions contemplated under the Green Storage Framework Agreement for the years ending December 31, 2026, 2027 and 2028 are set out below:

	Proposed annual cap for the years ending December 31,		
	2026	**2027**	**2028**
		(RMB million)	
Aggregate amount of purchase price for the Products and/or Product Services payable by our Group to Green Storage Group under the Green Storage Framework Agreement	100.0	550.0	280.0

Basis of annual caps

The respective proposed annual caps above are determined after taking into account the following factors: (i) the estimated procurement quantity of the Products and Product Services that shall be required by us for contemplated projects, which currently expect to include no less than two new CSP projects and six demonstration projects for molten salt storage application to be carried out in the near future; and (ii) the historical transaction amounts paid by our Group to Green Storage Technology during the Track Record Period. In particular, the Company expects to commence two new CSP projects in 2026, each of them being large-scale projects with an expected capacity of 350MW, which may require the procurement of products from Green Storage Group such as novel molten salts and next-generation materials. Furthermore, in addition to the said two projects, taking into account the current industry and market sentiments to the industry we operate in, we have in our pipelines several other CSP projects which procurement needs are currently anticipated to arise starting late 2026.

Besides, during the term of the Green Storage Framework Agreement, in line with our future business strategies and with a view to strengthening and promoting our molten salt storage technologies in other business applications, we may procure materials and equipment from Green Storage Group for use in demonstration projects across six innovative molten salt energy storage application scenarios such as CFPP flexibility retrofitting, off-grid power supply for computing power centers and clean energy supply for zero-carbon industrial parks. For further details, see "Future Plans and Use of [REDACTED] — 2. Promoting the Deployment of Innovative Molten Salt Energy." These said expansion of business is in line with our expected growth in sales of our Group's thermal storage and exchange systems for CSP plants and other potential projects. The Company currently intends to allocate nil, RMB110 million and RMB75 million of the annual cap for other business applications for 2026, 2027 and 2028, respectively.

Thus, we expect an increase in (i) procurement quantity and (ii) diversification of types of the Products and Product Services to be procured from Green Storage Group. In addition, it is typical that electric heaters will be procured at relatively smaller transaction amount, and molten salts will be procured at the later stage of the project and involving more significant amount. For the two CSP projects disclosed above, substantial portion of procurement transactions for novel molten salts will take place in 2027, therefore, the annual caps for 2026, 2027 and 2028 are increased in anticipation, with a peak in procurement in 2027. As the aforesaid two CSP projects are both expected to be completed by 2027, the annual cap for 2028 has been set at a lower amount than that of 2027.

The Sole Sponsor has reviewed the historical cooperation between the Company and Green Storage, as well as Green Storage's technical capabilities and project experience, to assess the reasonableness of the ongoing procurement from Green Storage. In addition, the Sole Sponsor has obtained the basis for the Group's estimated amounts of the continuing connected transactions and analyzed the rationale behind the projected significant future increase. The Sole Sponsor also reviewed the Company's supplier reserves to determine whether significant reliance exists. Based on the above, the Sole Sponsor is of the view that the related procurement forecasts are reasonable and that the substantial increase in procurement volume does not raise additional dependency concerns.

Listing Rules implications

Based on the annual caps, we expect that, on an annual basis, the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Green Storage Framework Agreement will exceed 5%. Therefore, such transactions will be subject to the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

WAIVER APPLICATION FOR THE NON-EXEMPT CONTINUING CONNECTED TRANSACTION

As the Green Storage Framework Agreement is expected to continue on a recurring and continuing basis and has been fully disclosed in this document, our Directors consider that strict compliance with the aforesaid announcement and independent Shareholders' approval requirements would be impractical, and such requirements would lead to unnecessary administrative costs and would be unduly burdensome to us. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, pursuant to Rule 14A.105 of the Listing Rules, a waiver from strict compliance with the announcement and independent Shareholders' approval requirements under Rules 14A.35 and 14A.36 of the Listing Rules, in respect of continuing connected transactions as contemplated under the Green Storage Framework Agreement, provided that the respective aggregate transaction amounts of such transactions for each of the three years ending December 31, 2028 of the Green Storage Framework Agreement will not exceed the relevant annual caps as set out in this section.

Apart from the announcement and independent Shareholders' approval requirements from which waivers are sought, the Company will comply with the other applicable requirements under Chapter 14A of the Listing Rules. In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transactions referred to in this document, we will take immediate steps to ensure compliance with such new requirements within reasonable time.

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including our independent non-executive Directors) are of the view that the non-exempt continuing connected transactions as contemplated under the Green Storage Framework Agreement (including its respective annual caps for the three years ending December 31, 2028) have been, and will continue to be, carried out (i) in the ordinary and usual course of business of our Group; (ii) on normal commercial terms or better; and (iii) in accordance with the respective terms that are fair and reasonable and in the interest of our Company and Shareholders as a whole.

Our Directors (including our independent non-executive Directors) are also of the view that the annual caps of the Green Storage Framework Agreement are fair and reasonable and are in the interests of our Company and our Shareholders as a whole.

CONFIRMATION FROM THE SOLE SPONSOR

The Sole Sponsor has (i) reviewed the relevant documents and information provided by the Company in relation to the non-exempt continuing connected transactions as contemplated under the Green Storage Framework Agreement and (ii) participated in the due diligence and discussions with the management of the Group. Based on the aforementioned and the Directors' view above, the Sponsor is of the view that (i) the aforesaid non-exempt continuing connected transactions, for which waivers have been sought, have been entered into in the ordinary and usual course of the Group's business on normal commercial terms that are fair and reasonable and in the interest of the Company and the Shareholders as a whole; and (ii) the proposed respective annual caps of the non-exempt continuing connected transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL MEASURES ADOPTED BY OUR GROUP IN RESPECT OF THE IMPLEMENTATION OF THE GREEN STORAGE FRAMEWORK AGREEMENT

Our Group adopts the following internal control measures to ensure that the transactions will be carried out in accordance with the terms of the aforementioned continuing connected transaction framework agreements, including the pricing policies, and in compliance with all the applicable requirements under the Listing Rules:

(i) we have adopted internal procedures and an internal policy for the purpose of ensuring that connected transactions will be conducted in a fair manner, on normal commercial terms and in the interests of our Company and our Shareholders as a whole:

  (a) For Products such as molten sale electric heater, we will adopt the following procedures:

    (i) After receiving a request for procurement needs of the Products, the procurement department of the Company will invite not less than three potential suppliers to participate in the bidding process through an invitation to tender.

    (ii) If less than three potential suppliers participated in the bidding, then the procurement department of the Company will proceed with negotiated procurement.

(iii) For negotiated procurement, owing to the technical and specific nature of the Product that we require, the procurement department of our Company will conduct business and technical negotiations with the potential suppliers to assess and ensure that the potential supplier is qualified and able to deliver the Product that meets our needs taking into account factors such as its capabilities, industry ranking, product performance, production capacity and track record in delivering similar Products.

(iv) The procurement department of the Company will negotiate prices with the potential suppliers who are willing and able to deliver the Product required and select suitable supplier taking into account the price offered by the other potential suppliers in other similar projects (if any) and in the same project, the costs and expenses in producing the Product, the maximum mark-up rate that is applicable to all procurement transactions and approved by the Company from time to time the supplier's capabilities and quality of Product delivered by such supplier (if applicable).

(b) In determining the mark-up rate, the Company will, upon research, take into account the market's affordability and the scopes, types and scales of the Product and Product Services. The mark-up rate shall be determined after arm's length negotiation between the Company and Green Storage Technology based on normal commercial terms. The Company will compare, among other things, the terms of the provision of tailored products and services which are of similar nature with Product and Product Services offered by independent third parties in the ordinary course of business to ensure that the fees payable by the Company will be calculated in accordance with the actual market circumstances.

(ii) prior to the execution of the underlying transactions under the Green Storage Framework Agreement, the relevant business department of our Group will compare the terms of the proposed transactions (including pricing and other contractual terms) with those similar transactions entered with independent third parties or the terms offered to independent third parties (as the case may be) to ensure that the transactions shall be on terms no less favorable to our Group than those offered by our Group to independent third parties;

(iii) we will regularly examine the pricing of the transactions under the Green Storage Framework Agreement to ensure that those transactions are conducted in accordance with the pricing terms therein; besides, we will periodically review the pricing of the those transactions against the prices negotiated between our Group and independent third parties for similar products or services, to ensure that the terms of the underlying transactions are not less favorable to our Group than terms between our Group and the independent third parties;

(iv) we will periodically monitor the transaction amounts under the aforementioned continuing connected transaction as contemplated under the Green Storage Framework Agreement and, when it is expected that the transaction amounts might exceed the annual caps, promptly report in accordance with our Group's related internal policy to ensure that we comply with all the applicable requirements under the Listing Rules, including to evaluate the terms under the continuing connected transactions as contemplated under the Green Storage Framework Agreement, in particular, the fairness of the pricing policies and annual caps under each agreement and to revise the relevant annual caps when appropriate; and

(v) our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the framework agreements and provide annual confirmations in accordance with Rules 14A.55 and 14A.56 of the Listing Rules.