*An **[REDACTED]** in our H Shares involves various risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, as well as our financial statements and the related notes, and the "Financial Information" section, before deciding to **[REDACTED]** in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition, results of operations and growth prospects. In any such an event, the **[REDACTED]** of our H Shares could decline, and you may lose all or part of your **[REDACTED]**. You should seek professional advice from your relevant advisers regarding your prospective **[REDACTED]** in the context of your particular circumstances.*

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our historical results may not be indicative of our future performance, and we may not be successful in expanding our operations or managing our growth.

We have generated revenue of approximately RMB341.1 million, RMB322.2 million and RMB407.4 million for each of the FY2023, FY2024 and FY2025, respectively and recorded revenue growth of approximately 26.4% between FY2024 and FY2025. However, we cannot assure that we will sustain historical growth rates. As a growing company operating in the evolving and fast growing new energy industry, we may face operational, financial and managerial challenges, and our forecasts may be less predictable than those of more mature businesses.

Our future performance depends on our ability to manage growth effectively and execute our strategies, including expanding operations, increasing market penetration and developing new services. Growth may place significant demands on our design capacity resources and require stable supply of material and equipment, particularly for our EPC business. Expansion efforts may be more costly than expected, and revenue growth may not offset rising expenses. We may incur losses due to execution risks, unforeseen costs or delays. If we fail to achieve operational efficiency and sustainable profitability, our business and the **[REDACTED]** of our H Shares could be adversely affected.

Our business is affected by the policies of the PRC government on power industry.

Over the years, the PRC government has implemented substantial and supportive policies for the modernisation and ongoing development of the power industry, including but not limited to power generation, transmission, distribution, stable supply, effective pricing and bill collection, application of new energy as well as technological advancement of the hardware and software in power section. Please see "Industry Overview — Overview of the PRC energy solutions market" for details. Our survey, design and consultancy and EPC businesses benefited from these policies and recorded growth in revenue and net profit during the Track Record Period. We anticipate that the supportive policies stipulated in the Outline of the 15th Five-Year Plan will continue to provide new and enormous business opportunities for us. In the event that there are any withdrawal or down-sizing of these supportive policies, there could be material and adverse effect on our business, financial position and results of operations.

On the other hand, our pricing for survey, design and consultancy services is generally determined with reference to the guided prices promulgated by government authorities or power grid companies. Please see "Business — Pricing Policy" for details. If the guided prices failed to reflect the prevailing project costs, such as costs for operating the survey equipment or staff salaries, our business, financial position and results of operations may be adversely and materially affected.

A substantial amount of our revenue is attributable to a limited number of customers in each year, and such amount may fluctuate in any given period.

Revenue generated from our largest customer for FY2023, FY2024 and FY2025 accounted for approximately 75.3%, 36.1% and 59.6%, respectively, of our total revenue during those years. Revenue generated from our five largest customers for FY2023, FY2024 and FY2025 accounted for approximately 94.1%, 84.9% and 89.0%, respectively, of our total revenue during those years. Given the project-based nature of our business, we derived a substantial portion of revenue from a limited number of customers during the Track Record Period. As a result, our gross profit margin was highly dependent on the terms and profitability of transactions with these major customers, and our working capital position was also closely tied to the payment terms we negotiated with them. Any adverse change in pricing, cost structure, or payment terms with our major customers could have a significant impact on our overall gross profit margin, cash flow and liquidity. In addition, our business, results of operations and financial condition for the foreseeable future may continue to depend on sales to a relatively small number of customers during the given year. Further, the amount of revenue attributable to any single major customer, or our major customer concentration generally, may fluctuate in any given period, which may affect our business, financial condition and results of operations.

We are exposed to substantial potential risks and liabilities associated with our EPC services.

We are exposed to substantial potential risks and liabilities associated with our EPC services, which may be caused by one or several of the following factors: (i) ageing, malfunctioning, inappropriate installation, control or operation of various equipment, systems and facilities; (ii) human error or misconduct or strikes by or disputes with our labour force; (iii) external attacks, such as terrorist attacks and other malicious acts by third parties; and (iv) adverse weather or natural disasters. Any of the above may cause delay in our EPC projects or interruption of our business operation, and cause us to incur civil or criminal liability, material and adversely affect our businesses or cause us to incur significant additional costs or expenses. We may also suffer from claims by project owners or third parties resulting from claims for additional costs incurred in excess of current contract provisions arising out of project delays and changes in the initial scope of work and their use of the power generation facilities and infrastructure we delivered. Both claims brought against us and by us, if not resolved through negotiation, are often subject to lengthy and expensive litigation or arbitration proceedings. Amounts ultimately realised from project claims could differ materially from the balances included in our financial statements, resulting in a charge against earnings to the extent that profit has already been accrued on a project contract basis. Charges associated with claims brought against us and write downs associated with claims brought by us could have a material adverse impact on our business, financial position and results of operations.

Given the nature of our business, we cannot assure you that any measures we may take will be sufficient to prevent work-related injuries or deaths of our employees, or the labours of our sub-contractors, which may damage our reputation and corporate image, and accordingly have a material adverse effect on our construction qualifications, business, financial position and results of operations.

We cannot assure you that the above risks and uncertainties will not affect our operations or lead to any accidents, thus causing harm to people or the environment, leading to suspension or termination of our projects, and resulting in significant liabilities to us. If any of these risks materialises, it could have a material and adverse effect on our business, financial position and results of operations.

Tender price may not reflect the actual costs involved. If we fail to accurately estimate the overall risks or cost of projects, or the time needed to complete the relevant projects, we may experience cost overruns, schedule delays, additional expenses, lower profitability, or losses, or could even encounter events giving rise to contract disputes.

Our contract price is based on our estimated project costs (which mainly include labour costs, equipment costs, material costs and sub-contracting costs) at the time when we submit our tenders for projects or our initial proposals to our potential customers. We currently generate, and expect to continue to generate, a substantial portion of our revenue from contracts with a pre-agreed price in our survey, design and consultancy services and EPC services. The terms of these contracts require us to complete a project for a pre-agreed price and therefore expose us potentially to cost overruns.

Our estimates of the costs for completing a project are subject to a number of assumptions, including market conditions, the cost and availability of labour and raw materials, sub-contractors' performance, and construction and technical standards to be applied to the project. However, these assumptions may be inaccurate. To a certain extent, we are exposed to fluctuation risks in raw material price, labour costs and equipment costs in some projects, depending on the terms agreed in specific contracts. In addition, delays caused by inclement weather, technical issues and an inability to obtain the requisite permits and approvals, as well as other variations and risks inherent in the performance of contracts, may cause our actual overall risks and costs to substantially differ from our original estimates despite buffers we may build into our bids for increases in labour, raw materials and other costs. Cost overruns can result in a lower-than-expected profit or a loss on a project.

Similarly, we may be unable to complete a project in accordance with the schedule set forth in the relevant contract. A project can be delayed for a number of reasons, including those relating to market conditions, policies and regulations of the PRC and other relevant jurisdictions, availability of funding, disputes with suppliers and sub-contractors, employees, local governments and communities, natural disasters, and availability of technical or human resources. Our overseas projects may also be affected by factors such as any adverse changes in the relations between the PRC and relevant foreign governments, war or other significant adverse developments in international relations.

From time to time, we may need to perform extra work for our contracts on customers' requests. This may result in disputes over whether the work performed is beyond the scope of work included in the original project specifications, or what price the customer should pay for the extra work. Although some of our contracts stipulate that the customer should be responsible for costs of the extra work they requested, we may be required to advance the cost of such work for a lengthy period of time until the design change is approved and funded by our customers. In addition, any delay caused by the extra work may impact the progress of our projects and our ability to meet specific contract milestone dates. We may not be able to recover all incurred costs if the design changes initiated by our customers are subsequently be declined by relevant authorities or result in contract disputes. We cannot assure you that we will be able to recover the cost of the extra work in full or at all, which may lead to business disputes, or may otherwise adversely affect our business, financial position, results of operations and prospects.

For details of our loss-making projects during the Track Record Period, please refer to "Business — Details of our major projects — our Early-Terminated/Loss-Making projects". We cannot guarantee that we will not encounter cost overruns or delays in our current and future projects, which could cause our costs to exceed our budget or cause us to be required to pay liquidated damages in accordance with the terms of our contracts, with a consequent reduction in profits or even loss on our contracts.

We face competition in the markets in which we operate, which could adversely affect our businesses.

We face competition in the businesses of survey, design and consultancy services and EPC services. Some of our competitors may have advantages over us in terms of design capacity, access to capital, management experience and pricing and bidding for projects. Maintaining our market position depends on our ability to anticipate and respond to various competitive factors, including ongoing enhancement of our technical knowhow, pricing strategies adopted by competitors, continuous and fast advancement of new energy-related technology, the availability of capital and financing resources and the introduction of new or improved solutions and services. Failure to set favourable prices, acquire resources necessary to compete, or develop new technology could reduce our competitiveness to secure new projects, and have a material and adverse effect on our business, financial position and results of operations.

We may experience delays or defaults in accounts receivable, progress payments or the release of retention money by our customers or counterparties, which could have an adverse effect on our working capital, cash flow and results of operations.

In general, our survey, design and consultancy and EPC projects span over six months. Our contracts usually require our customers to pay at milestones of the projects or for the completed stage or upon completion. The increase in the number of EPC projects undertaken have also resulted in a higher amount of trade receivables due to the procurement of equipment used for the project. There could be a negative impact on our cash flow and availability of working capital if our customers delay or fail to pay. During the Track Record Period, our customers had delayed payments of our contract fees or progress payments occasionally. If we fail to collect contract fees or to receive full payment of amounts due on time, our cash flow and financial position could be adversely affected.

We also continuously incur costs relating to a EPC project, mainly material, equipment and sub-contracting costs, from the commencement of the project and at the different stages of the project. If we have incurred a significant amount of costs and expenses for a project and our customers fail to pay the amount due or if there is timing difference between the receipt of progress payments from customers and payments to our suppliers, our results of operations and cash flow could be materially and adversely affected and our working capital could be reduced.

In additional, approximately 3% to 5% of the contract value is typically withheld by our customers as retention funds for defects, and would be released to us after the expiration of the warranty period, which is generally between one and two years from completion. Furthermore, our customers generally require us to provide advance payment guarantees and performance guarantees to secure our contractual obligations. If our customers make demands on such guarantees, claiming that we have failed to perform our obligations (whether or not such claims are merited), or if our customers delay or refuse to repay retention funds, our liquidity could be materially and adversely affected in a direct or indirect way. As a result, we may have substantial receivables on any particular date. As of 31 December 2023, 2024 and 2025, the balance of our trade and bills receivables (including retention money) was RMB87.5 million, RMB73.7 million and RMB133.4 million, respectively.

Any default in payments of receivables and progress payments or delays in payments of retention funds owed to us or any unilateral demands on performance and quality guarantees by our customers may lead to a decrease of working capital available for our other operations. While we may file claims against customers for uncompensated costs we have incurred pursuant to our contracts, dispute resolutions may require significant time, financial and other resources, and the outcome is often uncertain.

EPC projects we manage may not be completed on time.

Several factors may lead to material delay or a cost overrun, such as: (i) delivery delays caused by shortages of key equipment, materials or labour; (ii) increases in the cost of key equipment, materials or labour; (iii) quality problems with equipment; (iv) unexpected engineering, design, environmental or geological problems; (v) failure to receive various regulatory approvals, licences or permits from government agencies as scheduled; and (vi) failure to obtain sufficient bank loans or other financing on favourable terms, or at all. We cannot assure you that our projects can be completed on time. Any failure or delay of a project could result in a delay or a reduction in payment by our customers to us and have a material and adverse effect on our business, financial position and results of operations.

Our borrowing levels and significant interest payment obligations could limit our funds available for various business purposes.

As of 31 December 2025, we had total debts of approximately RMB141.4 million, which were due within one year, arising primarily from our use of short-term loans from banks and other parties to satisfy our working capital needs. In each of the FY2023, FY2024 and FY2025, our finance costs were approximately RMB3.8 million, RMB2.7 million and RMB3.6 million, respectively, which primarily consisted of interest expenses on bank borrowings. Our obligation to meet significant interest payment will reduce funds available for our working capital, capital expenditures, acquisitions and other business purposes. A shortage of funds could limit our ability to respond to changing market conditions or to expand through acquisitions, increase our vulnerability to adverse economic and industry conditions and place us at a competitive disadvantage compared to our competitors that have less indebtedness. We may not have sufficient funds available to pay all of our borrowings upon maturity.

In addition, we often have to provide advance payment guarantees in favour of customers to secure our obligations under contracts. Availability of advance payment guarantees depends on various factors, including our capitalisation, working capital, our existing level of borrowings, our track record, management expertise and external factors such as the financial institutions' evaluation of our credit, overall market conditions and the overall financial capacity of financial institutions, some of which are beyond our control. If there is any deterioration of any of the foregoing, we may not be able to continue obtaining new advance payment guarantees sufficient to meet our business requirements. If our financial position deteriorates, we may also be required to provide cash collateral or other security to maintain existing guarantees. If this occurs, our ability to perform our projects may be adversely affected.

The businesses we acquire or projects in which we invest in the future may not be as profitable as we expect, or may be loss making, and may subject us to additional risks and liabilities.

Investments and acquisitions are important strategies for our future business expansion. We have acquired, and may in the future acquire, other businesses or assets, capabilities and strategies which we believe are complementary to and are likely to enhance or expand our business operations. Acquisitions and strategic investments involve numerous risks, including those relating to market conditions, policies and regulations of the PRC and other relevant jurisdictions, potential financing, difficulties in retaining and assimilating personnel and integrating the operations and corporate culture of the acquired business, diversion of management's attention and other resources, insufficient or lack of experience and knowledge in the industry and market in which the acquired business operates and availability of technology.

In deciding whether to invest in or acquire a particular asset or business in a particular location, we consider multiple factors, including the growth of the demand for power projects and related services in the place where the relevant asset or business is located, the availability of supply of similar services in that area, the competition and detailed information on local competitors and sources of raw material supply. However, there can be no assurance that these factors and assumptions considered by us in performing our analysis are appropriate or accurate. If the projections we make for the projects we intend to acquire or invest in are significantly different from actual results, our business, financial position and results of operations may be materially and adversely affected.

The businesses that we acquire or invest in may not be as profitable as we expect, or may be loss making. Acquisitions or investments that we carry out in the future may cause us to incur liabilities, or result in the impairment of goodwill or other intangible assets or other related expenses. Business expansion carried out through acquisitions and investments could also expose us to successor liability and litigation resulting from the actions of the company we have acquired or in which we made an investment before or after the acquisition or investment. The due diligence that we conduct in connection with an acquisition or investment may not be sufficient to discover unknown liabilities, and any contractual guarantees or indemnities that we receive from the sellers of the companies we have acquired or invested in may not be sufficient to protect us from, or compensate us for, actual liabilities that we incur. Any material liability associated with an acquisition and investment could adversely affect our reputation and reduce the benefits of the acquisition and investment. Any of the events mentioned above could have a material and adverse effect on our business, financial position, results of operations and prospects.

We rely on third parties to complete some of our construction and contracting projects, which may be adversely affected by the sub-standard performance, delayed performance or non-performance of obligations by such third parties.

In order to maximise our cost-efficiency and flexibility, we often engage third-party sub-contractors or suppliers to perform a portion of the work or provide the required materials or equipment under our contracts. For details, see "Business — Sub-contracting." However, we may not be able to monitor the performance of these third parties as directly and efficiently as with our own staff. In addition, our inability to hire qualified third parties could hinder our ability to complete a project successfully. We may also suffer losses on contracts if the amounts we are required to pay to sub-contractors exceed our original estimates. Outsourcing exposes us to risks associated with sub-standard performance, delayed performance, or non-performance of obligations by these third parties. As a result, we may experience deterioration in the quality or deferred delivery of our projects, incur additional costs for remediation. These circumstances could lead us to disputes or litigations with our customers or contractual parties, or subject us to liability under the relevant contract for these third parties' performance. Such events could adversely affect our business, financial position and results of operations.

Our failure to meet schedule requirements of our contracts could require us to pay liquidated damages.

Substantially all of our contracts are subject to specific completion schedule requirements with liquidated damages charged to us if we do not achieve the schedules. Liquidated damages are typically levied at an agreed rate for each day of delay that is deemed to be our responsibility. Any failure to meet the schedule requirements of our contracts could cause us to pay significant liquidated damages, which would reduce or eliminate our profit on the relevant contracts and could adversely affect our liquidity and cash flows and have a material and adverse effect on our business, financial position and results of operations.

We may be unable to continue to procure an adequate supply of construction equipment, machinery, raw materials and power supplies at acceptable prices and quality levels in a timely manner.

Our successful operations depend on our ability to obtain from our suppliers sufficient quantities of construction equipment, machinery, raw materials, power supplies and other commodities at acceptable prices and quality levels in a timely manner. We are exposed to the market risk of fluctuations in certain commodity prices for construction equipment, machinery, and raw materials utilised in our EPC services. The price and availability of such construction equipment, machinery, and raw materials may vary significantly from year to year due to factors such as the PRC's import restrictions, consumer demand, producer capacity, market conditions and costs of materials.

We do not have long-term contracts with all of our suppliers or guarantees of supply. As such, we cannot assure you that we will be able to continue to obtain sufficient amounts of raw materials from our existing suppliers or from alternative sources at prevailing or acceptable prices, in a timely manner, or at all. We can give no assurance that we will not encounter difficulties in obtaining quality materials or shortages of raw materials, or that we will be able to absorb any increased raw materials prices or pass them on to our customers.

We recorded net operating cash outflows historically and there can be no assurance that we will have net cash inflow from operating activities in the future.

We recorded net cash used in operating activities of approximately RMB31.5 million, RMB37.5 million and RMB60.5 million for the FY2023, FY2024 and FY2025, respectively. Please see the section headed "Financial Information — Liquidity and Capital Resources — Cash flows — Net cash used in operating activities". We may not be able to generate positive cash flows from operating activities in the future. If we continue to record net operating cash outflows in the future, our working capital may be constrained, which may adversely affect our financial condition. Our future liquidity primarily depends on our ability to maintain adequate cash inflows from our operating activities and adequate external financing such as **[REDACTED]** and issuing securities, or other sources such as external debt, which may not be available on terms favourable or commercially reasonable to us or at all. If we fail to obtain sufficient funding in a timely manner and on reasonable terms, or at all, we may not be able to expand our business. Thus, our business, results of operations and financial condition may be adversely affected.

We conduct our business in a strictly regulated power industry and are subject to ongoing compliance costs.

Our business segments are subject to extensive laws and regulations in the PRC, which mainly cover construction quality, design of construction projects, environment, safety and occupational health, etc..

We are required to obtain and maintain valid permits, licences and certificates from various governmental authorities to conduct our business, including, among others, a business licence for an enterprise as a legal person, tax registration certificates, organisation code certificates, engineering contracting certificates inside and outside of the PRC. We must comply with the restrictions and conditions imposed by various levels of governmental authorities to maintain our permits, licences, qualifications and certificates, including but not limited to, routine or special inspections, examinations, inquiries and audits on us carried out by these authorities. For more details, please see "Regulatory Overview" and "Business — Licences, permits and approvals" in this document. If we fail to comply with any of the regulations or satisfy any of the conditions required for the maintenance of our permits, licences, qualifications and certificates, our permits, licences, qualifications and certificates could be temporarily suspended or even revoked, or the renewal thereof, upon expiry of their original terms, may be delayed or rejected, which could materially adversely impact our business, financial position and results of operations. A breach of laws or regulations to which we are subject may result in serious consequences, including imposition of fines and penalties or suspension or termination of the projects.

The development and utilisation of new technology may not always produce positive results.

We believe that research and development is critical to our strategy to establish ourselves as a leader in the industries in which we operate. We are committed to developing new services and processes, as well as adopting AI technologies to our existing business processes. During the Track Record Period, our research and development expenses were RMB16.1 million, RMB17.5 million and RMB15.5 million in FY2023, FY2024 and FY2025, respectively. For a more detailed description of our research and development, please see "Business — Research and Development". However, there is no assurance that our efforts will be successful. We are often engaged to undertake large, complicated projects that require us to design and develop new technology and construction methods. However, the research and use of new technology and construction methods could also result in experimental failures and increased costs affecting the profitability of some of our projects. All these risks may have an adverse effect on our business, financial position and results of operations.

We may encounter unexpected difficulties in expanding into new markets.

To increase our competitiveness, we plan to grow our operations in industries and markets with potential for generating favourable returns, including zero carbon zones and green energy bases in the PRC and new energy sectors in countries covered under the Belt and Road Initiative. Expansion into these markets carries with it many associated risks, including risks related to insufficient operating experience in such markets, insufficiently experienced management and employees to staff such expansion and lack of synergies with our existing businesses. Expansion may also place excessive pressure on our financial, personnel and management resources that would be otherwise available for our current businesses. In addition, there are many established incumbent players in these markets which already enjoy significant market share, and it may be difficult or expensive for us to win market share from them. Some of the overseas markets that we are targeting may have high barriers of entry to us. There can be no assurance that our expansion plans into new industries or into new geographies will be successful.

Changes in tax incentives may adversely affect our business, financial position and results of operations.

Our effective tax rate on assessable income depends on the availability of tax incentives, which may vary depending on the location or nature of our operations in the PRC. Certain of our subsidiaries are taxed at preferential rates under the preferential policy of the development plan for the western part of the PRC, and are currently exempted from certain taxes or taxed at preferential rates applicable to special types of enterprises, such as high and new technology enterprises. Certain of our subsidiaries currently enjoy various types of preferential tax treatment and our businesses enjoy other applicable taxes, such as land appreciation tax. We cannot assure you that the preferential tax rates we have enjoyed will be available after the expiration of the current preferential tax treatment periods, or that they will not be modified or revoked in the future. If the tax incentives are modified or revoked, our business, financial position and results of operations may be adversely affected.

Our businesses may be adversely affected if we are unable to secure and retain qualified management and technical personnel for our operations.

Our operations depend upon our ability to attract and retain experienced and qualified personnel, including executive officers and key technical personnel, who have the necessary and required experience, knowledge and expertise. Competition for qualified personnel is intense in the PRC. We may lose these personnel to those competitors who are able to offer more competitive packages, or we may have to significantly increase our related operating costs. Our expansion into new business areas and geographic markets may increase our pressure on managerial and operational resources. Our future operating results will depend on our management's ability to maintain effective control over a large and diversified enterprise. To the extent that we are unable to recruit personnel with the necessary skills locally, the attention of our management could be diverted. If we cannot recruit and retain the employees necessary to execute our contracts or to perform necessary corporate activities, our business, financial position and results of operations may be adversely affected.

We may not be able to adequately protect our intellectual property rights, which could reduce our competitiveness, and may face claims for improperly using intellectual property owned by others or otherwise infringing their rights in intellectual property, which could damage our reputation or adversely affect our business, financial position and results of operations.

We own intellectual properties such as patents, trademarks, non-registered trade secrets, and proprietary technologies, procedures and processes. Please see "Business — Intellectual Property" in this document for further details. In the event that the steps that we have taken and the protection afforded by laws do not adequately safeguard our intellectual property rights, or we are not able to register or defend our intellectual property rights, or our competitors exploit our intellectual property in the manufacture and sale of competing products or services in the markets in which we operate, our business, financial position and results of operations would be materially and adversely affected.

Intellectual property laws in the PRC are still evolving and the level of protection and means of enforcement of intellectual property rights in the PRC differ from those in other jurisdictions. Enforcement of our intellectual property rights could be costly, and we may not be able to immediately detect unauthorised use of our intellectual properties and take the necessary steps to enforce our rights over such properties. In the event that the measures taken by us or the protection afforded by laws do not adequately safeguard our intellectual property rights, we could suffer losses in revenues and profits due to competing sales of products and services that exploit our intellectual properties.

We use intellectual property in our operations that may be owned by others and we may also develop (independently or with other parties) intellectual property from such intellectual property for use in our operations or licensing to our customers. There can be no assurance that our use or licensing of any of such intellectual property, or of new intellectual property developed from such intellectual property, will not be challenged or that we would be able to successfully defend ourselves if challenged. If any such challenge by third parties is successful, we may not be able to use or license such intellectual property, which may have a material and adverse effect on our operations if such intellectual property involved is critical to our business.

We could also face claims or allegations by others that we are improperly using intellectual property owned by them or otherwise infringing their rights in intellectual property. Irrespective of the validity or the successful assertion of such claims or allegations, we could incur costs in either defending or settling any intellectual property infringement alleged. Adverse rulings in any litigation or proceeding could result in the loss of our intellectual property rights and subject us to significant liabilities or even business disruption. Any potential intellectual property litigation against us could also force us to cease using such intellectual property rights in our business, develop non-infringing alternatives or obtain licences from owner of the infringed intellectual property. We may not be successful in developing such alternatives or obtaining such licences on reasonable terms or at all, which could damage our reputation and adversely affect our business, financial position and results of operations.

We may be subject to design quality liability and construction quality liability which could harm our reputation and materially and adversely affect our business, financial position and results of operations.

Potential product liability claims can be filed if equipment and machinery we employ for our EPC projects fail to perform as expected, or are proven to be defective, or if their use causes, results in, or is alleged to have caused or resulted in personal injuries, project delays or damages or other adverse effects. Any product liability claim, whether relating to personal injuries or project delays or damages, or related regulatory actions could, prove costly and time-consuming to defend and could potentially harm our reputation. If successful, product liability claims may require us to pay substantial damages which may not be sufficiently covered by the claims that we are entitled to against the manufacturers or suppliers. We did not experience any significant product liability claims during the Track Record Period and we currently do not maintain product liability insurance to cover potential product liability arising from the equipment and machinery that we employ for our EPC projects. In the event we seek to obtain such insurance, we may be unable to obtain sufficient product liability insurance coverage on commercially reasonable terms, or at all.

Moreover, a material design or quality related failure of our projects, or other safety issues could lead to a request for repair or replacement, which may result in increased design quality liability claims. During the Track Record Period, we had not experienced any material request for repair or replacement that adversely affected our reputation, business, operation and financial position. If the local authorities decide that our project outcome fail to conform to applicable quality and safety requirements and standards, we could be subject to regulatory actions. Violation of local laws and regulations relating to product quality and safety may subject us to fines, penalties and prohibition to market or trade. In case of defects, we may be required to repair or replace the defective parts of our project and effect any modification to render them safe, which may also lead to significant expenses.

Insurance coverage or amount for our business properties and staff may not be sufficient.

We purchase and maintain insurance policies in accordance with the needs of our business. However, we cannot guarantee that our insurance policies will provide adequate coverage should we face extraordinary occurrences that result in losses. At present, available policies covering potential loss in our business are limited in terms of number and type. For instance, liability insurance against intentional torts are not provided by any insurer as we need. Some insurers often exclude certain geographical regions or circumstances such as political risks in a particular area. Accidents or natural disasters may also result in significant property damage, disruption of our operations and personal injuries or fatalities, and our insurance amount may be inadequate to cover such losses. There can be no assurance that we will always be able to maintain a level of insurance coverage at least equal to current insurance coverage levels and at the same cost. In any of these cases, uninsured losses could negatively affect our business, financial position and results of operations.

RISKS RELATING TO CONDUCTING BUSINESS IN THE PRC

Our business is affected by the general economy in the PRC. A decrease in the general level of economic activities and a slowdown in the growth of the industries in which we operate could have a material and adverse effect on our business, financial position, and results of operations.

In managing our businesses, our performance is affected by the general economic conditions in the PRC and the growth rate of the PRC power industries, which are affected by various general economic conditions beyond our control, including GDP growth rate, consumer confidence, levels of inflation, unemployment levels, and mortgage and interest rates. A downturn or expectation of a slowdown in economic activities in the PRC could lead to a decrease or slower growth in power consumption, which in turn may result in less investment in the power industry, and ultimately reduced demand for our services. This, in turn, could have a material adverse effect on our business, financial position and results of operations.

We derived all of our revenue from operations in the PRC in 2023, 2024 and 2025, respectively. Our major customers include major power generation companies and power grid companies. The future growth of the power industry in the PRC depends primarily upon the continued development of major infrastructure projects, which are affected by certain factors, including the government's power policy, government's priorities regarding different regional economies across the country, competition among, and expansion plans of, the power generation companies, local government budgets, regulation of the private sector's participation in the infrastructure sector and the general economic conditions and prospects of the PRC economy. A significant decrease in investment in infrastructure construction in the PRC could reduce the number of construction projects available to us and, accordingly, reduce the market demand for our core businesses. This in turn could have a material adverse effect on our business, financial position and results of operations.

The interpretation and enforcement of the PRC laws and regulations involves significant uncertainties and the PRC laws differ from the laws of common law jurisdictions.

As we are a company incorporated under the PRC law and most of our businesses are conducted in the PRC, our operations are principally governed by the PRC laws and regulations. The PRC legal system is based on written statutes and evolves rapidly, some of the current laws and regulations are relatively new and may be amended in the future and interpreted or enforced depending on the specific facts and circumstance, which may affect our judgement on the relevance of legal requirements and the value of your **[REDACTED]**. In particular, the PRC power generation industry is a highly regulated industry. Many aspects of our business, such as the construction requirements of various power generation projects, are subject to the PRC laws and regulations. As the laws and regulations on the PRC power generation (or the manner of their interpretation or enforcement) industry may change from time to time, we cannot assure you that such changes will not have a material and adverse effect on our business, financial position and results of operations.

The PRC Government's control over foreign currency conversion may limit our foreign exchange transactions, including dividend payment to our H Shares holders.

We may need to convert revenue into other currencies to meet foreign currency obligations, including operating costs and dividends payable on our H Shares. Shortages in foreign currencies may restrict our ability to pay dividends or satisfy our other foreign currency-denominated obligations. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, may be made in foreign currencies without prior SAFE approval, subject to compliance with applicable procedural requirements. Conversion of Renminbi into foreign currency for capital account purposes, such as repayment of foreign currency denominated loans, requires approval from or registration with the relevant governmental authorities. As foreign exchange regulations may evolve over time, we cannot assure you that the rules governing the remittance of Renminbi into or out of the PRC will remain unchanged.

Holders of H Shares may experience difficulties in effecting service of legal process and enforcing judgments against us, our Directors or senior management and in taking action on the basis of violations of the Listing Rules. The interpretation and implementation of the PRC laws and regulations could limit the protections available to our H Share holders.

We are a company incorporated under the laws of the PRC and most of our assets and our subsidiaries are located in the PRC. Most of our Directors and senior management reside within the PRC and most of their assets are located within the PRC. As a result, it may be difficult to effect service of process upon those person residing in the PRC or to enforce against us or them in the PRC any judgement obtained from non-PRC courts. Moreover, the PRC does not have treaties providing for reciprocal recognition and enforcement of court judgments from most other countries. As a result, in the PRC or Hong Kong, recognition and enforcement of court judgments from other jurisdictions may be difficult or impossible. On July 14, 2006, the Supreme People's Court of the PRC and the Government of the Hong Kong Special Administrative Region signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the ''**Arrangement**''). Under this arrangement, where any designated People's Court of the PRC or Hong Kong court has made an enforceable final judgment requiring payment of money in a civil and commercial case pursuant to a choice of court agreement, any party concerned may apply to the relevant People's Court of the PRC or Hong Kong court for recognition and enforcement of the judgment. A written choice of court agreement is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a PRC court is expressly designated as the court having sole jurisdiction for the dispute.

On 18 January 2019, the Supreme People's Court of the PRC and Hong Kong entered into an agreement regarding the scope of judgments which may be enforced between the PRC and Hong Kong (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the ''**New Arrangement**''). The New Arrangement broadens the scope of judgments that may be enforced between the PRC and Hong Kong under the Arrangement. Whereas a choice of jurisdiction needs to be agreed in writing in the form of an agreement between the parties for the selected jurisdiction to have exclusive jurisdiction over a matter under the Arrangement, the New Arrangement provides that the court where the judgment was sought could apply jurisdiction in accordance with the certain rules without the parties' agreement. The New Arrangement was promulgated on 25 January 2024 and became effective on 29 January 2024 both in China and in Hong Kong, and replaced the Arrangement. Under the New Arrangement, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the effective judgments in civil and commercial cases subject to the conditions set forth in the New Arrangement. Although the New Arrangement has been signed and took effect, the outcome and effectiveness of any action brought under the New Arrangement may still be uncertain. We cannot assure you that an effective judgment that complies with the New Arrangement can be recognised and enforced in a PRC court.

Dividends and gains on transfer of H Shares may be subject to PRC income taxes.

Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between PRC and a non-PRC **[REDACTED]** jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to **[REDACTED]** that are non-PRC resident enterprises, which do not have an establishment or place of business in PRC, or which have an establishment or place of business in PRC if the relevant income is not effectively connected with such establishment or place of business. Any gains realised on the transfer of shares by such **[REDACTED]** are subject to a 10% PRC income tax rate if such gains are regarded as income from sources within PRC unless a treaty or similar arrangement provides otherwise.

Under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within PRC paid to foreign individual investors who are not PRC resident individuals are generally subject to a withholding tax at a rate of 20% and gains from PRC sources realised by such **[REDACTED]** on the transfer of shares are generally subject to a 20% income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and laws in the PRC. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) dated 28 June 2011, issued by the SAT, dividends paid to non-PRC resident individual holders of H Shares are generally subject to individual income tax of the PRC at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the non-PRC resident individual holder of H Shares resides as well as the tax arrangement between the PRC and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF and SAT on March 30, 1998, gains of individuals derived from the transfer of **[REDACTED]** shares may be exempt from individual income tax. As of the Latest Practicable Date, the aforesaid provision had not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises **[REDACTED]** on overseas stock exchanges.

If PRC income tax is imposed on gains from the transfer of our H Shares or on dividends paid to non-PRC resident **[REDACTED]**, the value of your **[REDACTED]** in our H Shares may be materially affected.

We may be subject to approval, filing or other requirements of the CSRC or other PRC governmental authorities in connection with overseas [REDACTED] and future capital raising activities.

On 17 February 2023, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Trial Measures**") and five supporting guidelines, effective from 31 March 2023. Pursuant to the Trial Measures, domestic companies are required to file with and report relevant information to the CSRC when seeking to **[REDACTED]** or **[REDACTED]** securities overseas, both directly and indirectly, and in the event of subsequent **[REDACTED]** and certain major events. If it is determined that we failed to comply with these requirements, such as for our future capital raising activities, if any, we could be subject to penalties imposed by the CSRC or other PRC regulatory authorities. Failure to timely complete such filings with the CSRC could result in delays or termination of our relevant capital raising plans, as well as our reputation, business, financial condition and results of operations.

On 24 February 2023, the CSRC, the Ministry of Finance, the National Administration of State Secrets Protection of China, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "**Confidentiality and Archives Provisions**"), effective from 31 March 2023. These rules require that, for its overseas securities **[REDACTED]** and **[REDACTED]**, either directly or indirectly, a domestic enterprise, and relevant securities companies and securities service institutions, are required to comply with requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. The interpretation and implementation of these rules may evolve. Failure to comply with these rules may adversely affect our reputation, results of operations and financial condition.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] for our H Shares and their liquidity and [REDACTED] may be volatile. If the [REDACTED] of the H Shares declines or fluctuates, this could result in substantial losses for [REDACTED] purchasing H Shares in the [REDACTED].

Prior to the **[REDACTED]**, there has been no **[REDACTED]** for our H Shares. The initial **[REDACTED]** for our H Shares to the **[REDACTED]** will be agreed by us and the **[REDACTED]**, and the **[REDACTED]** may differ significantly from the **[REDACTED]** of the H Shares following this **[REDACTED]**. We have applied to the Stock Exchange for the **[REDACTED]** of, and **[REDACTED]**, the H Shares. A **[REDACTED]** on the Stock Exchange, however, does not guarantee that an active and liquid **[REDACTED]** for the H Shares will develop, or if it does develop, that it will be sustained. Our Shares were previously listed on NEEQ. The historic and future **[REDACTED]** of our Shares on NEEQ may not be indicative of the performance of our H Shares after the **[REDACTED]** due to different characteristics of the PRC capital markets and the Hong Kong capital market.

There will be a time gap of several business days between [REDACTED] and [REDACTED] of our H Shares [REDACTED] under the [REDACTED].

The **[REDACTED]** of our H Shares **[REDACTED]** under the **[REDACTED]** will be determined on the **[REDACTED]**. However, **[REDACTED]** of our H Shares on the Stock Exchange will not commence until they are delivered, which is expected to be several business days after the **[REDACTED]**. During that period, **[REDACTED]** of our H Shares may not be able to **[REDACTED]** or otherwise **[REDACTED]** our H Shares. Accordingly, holders of our H Shares may be subject to the risk that our H Share **[REDACTED]** could fall before **[REDACTED]** begins as a result of adverse market conditions or other unfavourable circumstances that may arise during the period between the **[REDACTED]** and the date on which the **[REDACTED]** begins.

Future sales or a major divestment of Shares by any of our Shareholders could materially and adversely affect the prevailing [REDACTED] of our Shares.

The future sale of a significant number of the H Shares in the **[REDACTED]** after the **[REDACTED]**, or the possibility of such sales, by any one of our Shareholders could materially and adversely affect the **[REDACTED]** of the H Shares and could materially impair our future ability to raise capital through **[REDACTED]** of our Shares. Although the Controlling Shareholders have agreed to a lock-up on their Unlisted Shares, the conversion thereof into H Shares, and any major disposal of the Shares by any of such Controlling Shareholders. upon expiry of the relevant lock-up periods (or the perception that these disposals may occur) may cause the prevailing **[REDACTED]** of our H Shares to fall which could negatively impact our ability to raise equity capital in the future. Please see ''History, development and corporate structure — Lock-up period'' in this document. In addition, the existing Shareholders of Unlisted Shares are subject to the relevant PRC statutory transfer restriction for a period of one year from the **[REDACTED]**. Conversion of these Unlisted Shares into H Shares, and **[REDACTED]** sale thereof by such Shareholders after expiry of such restriction period and the availability of these Shares for future sale may have a negative impact on the **[REDACTED]** of our H Shares.

Potential conversion of Unlisted Shares into H Shares may result in an increase in the number of H Shares available in the [REDACTED], which in turn may affect the price of H Shares.

Subject to approval by the CSRC, Unlisted Shares may be **[REDACTED]** or **[REDACTED]** on an overseas securities exchange. Any **[REDACTED]** or **[REDACTED]** of Unlisted Shares on an overseas securities exchange shall also comply with the regulatory procedures, rules and requirements of the relevant overseas securities exchange. Unless otherwise required by the overseas securities exchange, there is no requirement for the **[REDACTED]** and **[REDACTED]** of Unlisted Shares to be approved in a class meeting of our Company. For details, please see ''Share Capital — Conversion of Our Unlisted Shares into H Shares'' in this document. Potential conversion of a substantial amount of Unlisted Shares into H Shares could further increase the supply of H Shares in the market and could negatively impact the **[REDACTED]** of H Shares.

Facts and other statistics in this document derived from official government publications or public database sources may not be fully reliable.

Certain facts, forecasts and statistics in this document are derived from various government official sources. Such information has not been independently verified by us, the Sponsor, the **[REDACTED]**, the **[REDACTED]** or any other party involved in the **[REDACTED]**, and no representation is given as to its accuracy. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, such statistics in this document may be inaccurate or may not be comparable to statistics produced with respect to other economies. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other jurisdictions. Accordingly, you should not place undue reliance on such information and should carefully consider the weight to be given to it.

We cannot guarantee future dividend payments, and you may need to rely solely on H Share [REDACTED] appreciation for return.

We cannot assure you when or in what form dividends will be paid on our H Shares following the **[REDACTED]**. Our historical dividend record is not indicative of future dividend policy, and the declaration and distribution plan of dividends is at the discretion of the Board, subject to our business and financial performance, capital and regulatory requirements, and general business conditions, and can only be implemented upon the approval of our Shareholders' meeting. Under PRC law, dividends can only be paid out of the distributable profit of a PRC company, being the lower of profit determined under the PRC GAAP or IFRS, after recovery of accumulated losses and appropriations to statutory and other required reserves. As a result, we may not have sufficient distributable profit to make dividend distributions to our Shareholders. Any distributable profit not distributed in a given year is retained and available for distribution in subsequent years. Accordingly, the return on your **[REDACTED]** in our H Shares will likely depend entirely on any future **[REDACTED]** appreciation of our H Shares. There is no guarantee that our H Shares will appreciate in value or maintain the **[REDACTED]** at which they were purchased, and you may not realise a return on, or may lose all of, your **[REDACTED]**.

Our H Shares may be subject to cancellation or disciplinary proceedings if there is a breach by us of the Listing Rules or any undertakings which may have been given in favour of the Stock Exchange.

Upon the **[REDACTED]**, we will be required to comply with applicable laws and regulations in Hong Kong (including the Listing Rules) and any other undertakings which have been given in favour of the Stock Exchange from time to time. If the **[REDACTED]** finds that there has been a breach by us of, or any circumstance which causes us to breach, the Listing Rules or such other undertakings which may have been given in favour of the Stock Exchange from time to time, the **[REDACTED]** may instigate cancellation or disciplinary proceedings in accordance with the Listing Rules.

[REDACTED] should read the entire document carefully and should not consider any particular statements in this document or in published media reports without carefully considering the risks and other information contained in this document.

There has been coverage in the media regarding the **[REDACTED]** and our operations. We do not accept any responsibility for the accuracy or completeness of such media coverage or forward looking statements and make no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the media. We disclaim any information in the media to the extent that such information is inconsistent or conflicts with the information contained in this document. Accordingly, prospective **[REDACTED]** should not rely on any of the information in press articles or other media coverage.