

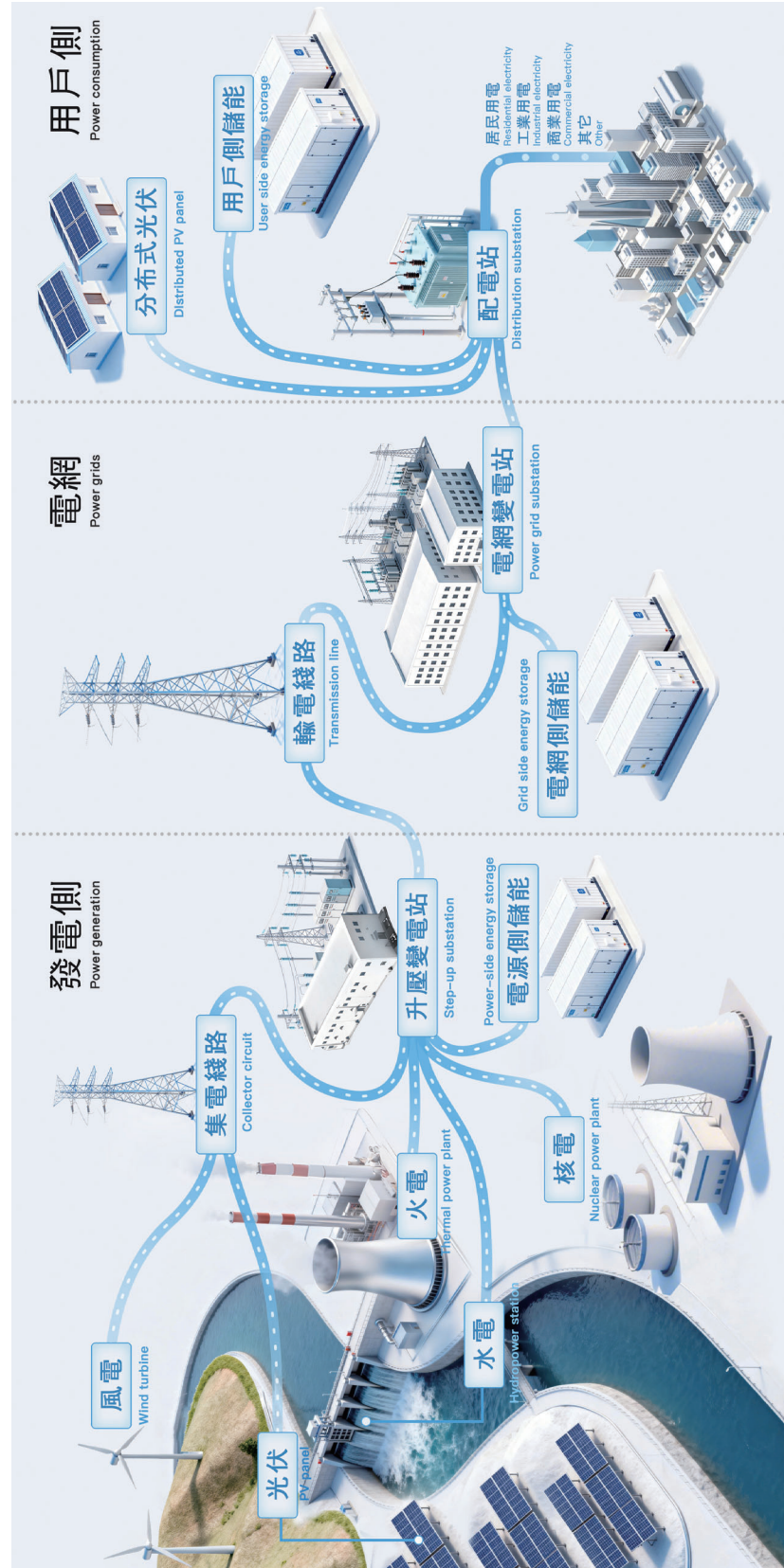
BUSINESS

OVERVIEW OF THE POWER INDUSTRY

Major Sectors and Infrastructure

As underlined in the Outline of the 15th Five-Year Plan, the PRC Government’s focus now is on the construction of a new-type power system (新型電力系統) that integrates power generation, power grids, power consumption and energy storage (源、網、荷、儲), with the utilisation of new energy resources emphasised at each stage.

The diagram below presents the major infrastructure involved along the value chain of the PRC power industry:



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The table below sets forth the infrastructure involved in, the key features/operations of and the participants/operators in each of the major sectors along the value chain of the PRC power industry:

Market sector	Key features/operations	Participants/operators
<i>Power generation</i>	“Power generation” (發電) is the upstream end of the value chain. Traditional power generation facilities include thermal power plants (火電廠), hydropower plants (水電廠), nuclear power plants (核電廠), New energy power generation facilities include PV power plants (光伏發電站) and wind power plants (風力發電站) - PV and wind power generation facilities may be established in a “centralised form” (集中式), with an array of PV panels or wind turbines put together to support large-scale power generation activities. - The power generation facilities may also take a “distributed form” (分佈式). In such cases, PV panels are installed on the rooftops of industrial, commercial or residential buildings, and wind turbines are set up near local centres (such as industrial parks and villages) for power generation projects of a smaller scale. The property owners and occupants enjoy priority access to the power generated.	- Power generation enterprises, including - CSOs, being the market leaders in the power generation sector; - local SOEs, which serve to guarantee regional power supply; and - other power generation enterprises including primarily small and medium-sized private enterprises and foreign-owned enterprises, which focus on sub-sectors such as distributed power generation and biomass power generation
<i>Power grids — power transmission</i>	“Power grid” (電網) is the complete network that collects the power generated from power plants, transfers it to multiple substations for processing and delivers it in a usable form to consumers for consumption. It is constituted by “transmission grid” (輸電網) and “distribution grid” (配電網). The bulk transfer of power generated at power plants over long distances via high-voltage, ultra-high-voltage, or extra-high-voltage lines to load centres or between different power grids to reduce energy loss is referred to as “power transmission” (輸電). At this stage, the power voltage is at the level of 110kV, 220kV, 500kV or 1,000kV.	- Power grid enterprises, including - CSOs, namely State Grid Corporation of China (國家電網有限公司) and China Southern Power Grid Co., Ltd (中國南方電網有限公司); and - other enterprises, such as Inner Mongolia Power (Group) Corporation Limited (內蒙古電力(集團)有限公司) which is a SoE
<i>Power grids — power distribution</i>	The delivery of power at reduced voltage levels after being processed at distribution substations to consumers (such as households, factories and shopping malls) via medium-voltage lines or low-voltage lines is referred to as “power distribution” (配電). At this stage, the power voltage is at the level of 35kV, 20kV 10kV, 380V or 220V.	- Power grid enterprises (please refer to the corresponding column for the market sector of “power grids — power transmission” above for further details) - Industrial and commercial consumers
<i>Energy storage</i>	“Energy storage” (儲能) is the storing of the power generated that is not immediately supplied to or consumed by consumers in energy storage facilities, such that it may be released for transmission, distribution and/or consumption at a later stage. In the scenario of consumer-side energy storage (用戶側儲能), energy storage facilities are installed on or near power consumption sites of industrial, commercial or domestic consumers to achieve savings on electricity charges through peak-valley spread arbitrage and optimisation of electricity charge structure, provide a back-up power source and promote effective consumption of self-generated green power.	- Power generation enterprises - Power grid enterprises - Industrial, commercial and domestic consumers

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We are an integrated energy solution provider in the PRC focusing on new energy. Founded in 2003 and headquartered in Zhuhai, Guangdong, we have established our core competence in design and engineering management of power projects. We are capable of providing integrated energy solutions, including (1) preparing project proposals and feasibility study reports at the consultancy stage; (2) conducting survey and engineering, procurement and construction (EPC) at the implementation stage; and (3) performing O&M at the operational stage. According to the F&S Report, we are one of the only two private enterprises in Guangdong that possess grade A licences in both design and consultancy for power projects, which allows us to undertake these projects on every scale. Our customer network stretches across different regions of the PRC. We service, among others, subsidiaries of the major power grid enterprise in our region, namely China Southern Power Grid Co., Ltd. (中國南方電網有限責任公司) which is a CSOE responsible for investment, construction, and operation of power grids in five provinces in South China (i.e. Guangdong, Guangxi, Yunnan, Guizhou and Hainan). During the Track Record Period, other customers of our Group included listed and private enterprises in the PRC that engage in design, construction or operation of power generation and transmission facilities. We had also undertaken power design and engineering management for notable infrastructures such as the Hong Kong-Zhuhai-Macao Bridge (港珠澳大橋) and Shenzhen-Zhongshan Link (深中通道).

Integrated Solution Offerings

Through our years of operation, we have transformed from a power design institute into an integrated energy solution provider in respect of power projects. During the Track Record Period, with the aim to expand our business operations upstream, we began to invest in and operate new energy power projects. Accordingly, our business was operated under the following three segments during the Track Record Period:

- (1) Survey, design and consultancy services, rendered for specific PV power generation, wind power generation, power transmission, power distribution and energy storage projects. These mainly included consultancy services provided to customers at the project initiation stage (such as preparation of project master plans (項目規劃), project proposals (項目建議書), feasibility study reports (可行性研究報告) and project application reports (項目申請報告)), and survey and design services at the project construction stage (such as preparation of preliminary designs (初步設計), working drawings (施工圖) and as-built drawings (竣工圖)). We were entitled to payment of service fees upon completion of each corresponding performance obligation.
- (2) EPC services, where we were responsible for management and control of the entire process in specific power infrastructure construction projects as a main contractor, or performed the work of a specific part of the process as a sub-contractor. Major steps in the process included survey, design, procurement and management of materials and equipment, supervision of construction process, handling of power grid-connection acceptance inspections and handover of project deliverables. Upon delivery of turnkey power facilities to customers or completion of the specific tasks assigned, we were entitled to service fees calculated based on the total amount and complexity of work delivered.

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- (3) Other services, including (a) O&M services for substations, transmission lines and PV power generation facilities; and (b) investment in and operation of new energy power projects, with elements of power trading where the power generated with our invested new energy power generation facilities was sold on power trading platform.

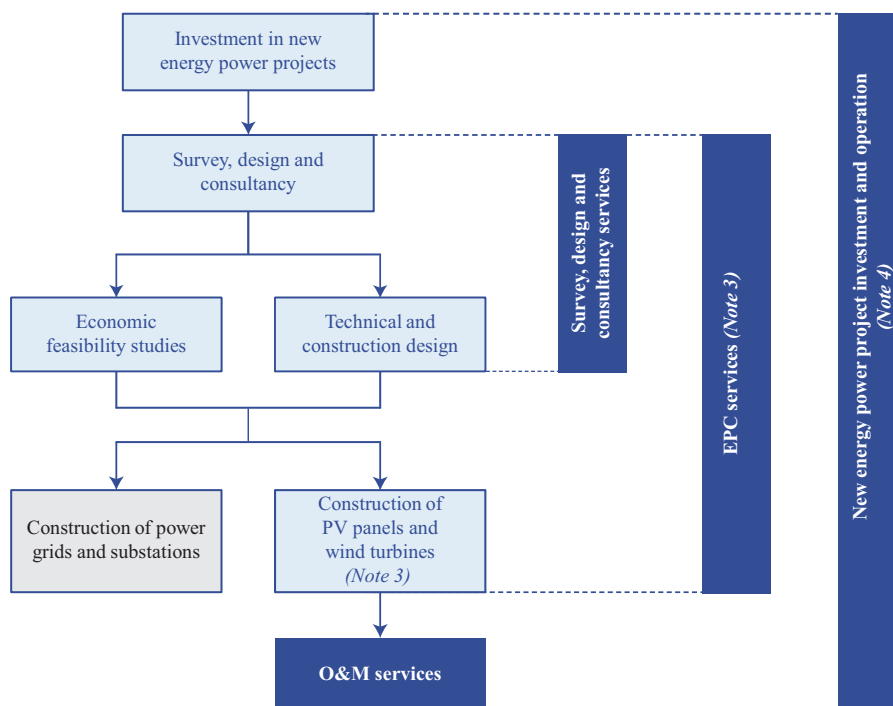
Our solution offerings have been expanded to cater for the design, construction and operation of the power generation, power grids, power consumption and energy storage sectors, with new energy at the core of our operations. The table below summarises our integrated energy solutions:

Infrastructure covered by our energy solutions (categorised by type of power generation projects for which the infrastructure is built)			Our business segment under which the energy solutions for the infrastructure are delivered			
Infrastructure	New energy power generation	Traditional power generation	Survey, design and consultancy	EPC	Others	
					O&M	New energy power project investment and operation
Power generation facilities (PV panels and wind turbines)	✓		✓	✓	✓	✓
Step-up substations	✓	✓	✓	✓		
Transmission lines	✓	✓	✓	✓	✓	
Distribution substations	✓	✓	✓	✓	✓	
Energy storage power stations	✓	✓	✓	✓		
User engineering projects (用戶工程項目) (Note)	✓	✓	✓	✓	✓	

Note: Notable examples are the Hong Kong-Zhuhai-Macao Bridge (港珠澳大橋) and Shenzhen-Zhongshan Link (深中通道)).

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The flow chart below presents the work scope and coverage of the services provided under each of our business segments:



Notes:

- (1) Each box in the form of denotes a type of services provided by us and each box in the form of denotes our business segment under which the corresponding services are provided.
- (2) Our survey, design and consultancy services, EPC services and O&M services may be separately provided on a standalone basis or as a package on a combined basis, depending on the needs of our customers.
- (3) We sub-contract building construction work and manufacture of construction materials and equipment to sub-contractors in our EPC business. We assign our engineering staff to oversee and manage the work and performance of sub-contractors.
- (4) We currently only invest in and operate solar power projects utilising PV panels. Our Company did not provide EPC service in respect of our invested projects during the Track Record Period. Please see “Business Model — Other Services — (b) PV Power Project Investment and Operation” in this section for further details.

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Focus Areas in Business Development

The PRC Government has been promoting faster growth of and transition to new energy in the power industry. In light of the PRC Government’s policy, we commenced our operation in the new energy market in 2010. According to the F&S Report, the total installed capacity for solar power generation and wind power generation in the PRC will grow at a CAGR of 25.0% and 15.7%, respectively from 2025 to 2030. Accordingly, we will continue to expand our new energy-related operation to capture the increasing business opportunities.

On top of the above, we also concentrate on ongoing technological innovations as a means to optimise our business workflow and solution offerings. Our R&D efforts cover both hardware and software. For instance, we have developed a flexible PV panel mounting bracket structure with high clearance and large span (一種高承載大跨度的光伏柔性支架結構), which allows PV panels to be set up under diverse environmental conditions including rugged or complex terrain and serves to promote land utilisation rate and efficiency. Our R&D on software focuses mainly on applying AI to our design workflow and product development. Our self-developed AI applications have improved efficacy of our designs while reducing the manhours required. Moreover, we have developed the PV, energy storage, direct current and flexibility (PEDF) system based on an AI-applied management, inspection and testing methods (基於人工智能的光儲直柔系統及其調度檢測方法), which provides a full package of intelligent solutions in respect of monitoring of operating condition and environment, fault prognosis and facility maintenance and repairs.

Financial Highlights

For FY2023, FY2024 and FY2025, our revenue amounted to approximately RMB341.1 million, RMB322.2 million and RMB407.4 million respectively. Set forth below is a breakdown of our revenue, gross profit and gross profit margin by segment recorded during the Track Record Period:

	FY2023		FY2024		FY2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Revenue						
Survey, design and consultancy services	43,390	12.7	45,815	14.2	54,252	13.3
EPC services	294,698	86.4	261,884	81.3	344,374	84.5
Others	<u>3,005</u>	<u>0.9</u>	<u>14,519</u>	<u>4.5</u>	<u>8,816</u>	<u>2.2</u>
	<u>341,093</u>	<u>100</u>	<u>322,218</u>	<u>100</u>	<u>407,442</u>	<u>100</u>

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	FY2023		FY2024		FY2025	
	<i>Gross</i>		<i>Gross</i>		<i>Gross</i>	
	<i>profit</i>		<i>profit</i>		<i>profit</i>	
	<i>margin</i>		<i>margin</i>		<i>margin</i>	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Gross profit						
Survey, design and consultancy services	28,042	64.6	29,373	64.1	34,999	64.5
EPC services	32,626	11.1	57,278	21.9	70,216	20.4
Others	1,275	42.4	6,276	43.2	2,900	32.9
	<u>61,943</u>	<u>18.2</u>	<u>92,927</u>	<u>28.8</u>	<u>108,115</u>	<u>26.5</u>

COMPETITIVE STRENGTHS

Expertise in Design and EPC

We commenced our business as a power design institute in 2003. The PRC power system was predominantly built on thermal power back then, and we mostly undertook design projects for power grids or substations servicing CSOEs or SOEs that owned and operated power generation facilities and power grids. In 2010, we started to provide survey, design and consultancy services for new energy power projects. In 2020, we further expanded into provision of EPC services, focusing on solar power and wind power projects in the PRC.

During the Track Record Period, we had completed projects covering various types of PV and wind power generation facilities, transmission grids, distribution grids, energy storage facilities and user access systems (用戶接入系統). Our completed projects carried the following features:

- located in residential areas, industrial parks and/or commercial complexes to accommodate varying consumption purposes; and
- involved a variety of technical complications at the survey, design and construction stages, as we had to cater for the specifications to which the infrastructure for different projects was to be built, such as the specific geographical conditions (including plains, hillsides, deserts, fishponds or coastal mudflats), environmental conditions (including sunny and windy) and voltages of the power grids (from the low level of 380V to the ultra-high level of 500 kV).

The vast number and varieties of design and EPC projects undertaken by us have enabled us to develop the following core competitive strengths:

- expertise in producing optimised designs that could effectively guarantee construction quality and efficiency with reduced costs and investments;
- ability to tailor the design of power infrastructure to meet customers’ needs and all relevant regulatory requirements;

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- a network of suppliers and sub-contractors supplying quality equipment and construction services;
- amicable working relationships with relevant governmental authorities and power grid enterprises, which could be critical in ensuring smooth and expedited project acceptance and grid-connection processes; and
- abilities to stay responsive to matters arising in the design or construction process and to provide practical solutions to any issue, which we understand are valued by our customers and distinguish us from other energy solution providers.

Technical Competence and Comprehensive Qualifications

The PRC power industry is heavily regulated and all market players, including, among others, providers of survey, design and consultancy services and EPC services, are subject to stringent licensing requirements. Different types and grades of licences have different requirements on net asset size, corporate and individual qualifications, staff size and number of completed projects. Ongoing compliance with relevant requirements must be fulfilled to maintain the licences. The types of licence a market player possesses would restrict the scope and scale of the design, consultancy and EPC projects it can undertake.

The following table particularises our competitive edge in the technical aspect and the highest-grade qualification(s) awarded demonstrating our competence in each of our major business segments:

Business segment	Our technical advantages	Highest-grade qualification(s) we hold
Survey, design and consultancy	We are qualified to undertake design work in respect of power transmission and power distribution projects of all voltage levels.	Grade A qualification for power despatch and transformation projects in power industry (電力行業(送電工程、變電工程)專業甲級) under Engineering Design Qualification Certificate (工程設計資質證書)
	We are qualified to undertake design work in respect of wind power generation projects with a designed capacity within 100MW.	Grade B qualifications for thermal power generation projects (inclusive of design of conventional islands in nuclear power plants), wind power generation projects and new energy
	We are qualified to undertake design work in respect of new energy power projects of any scale.	power generation projects in the power industry (電力行業火力發電(含核電站常規島設計)乙級；電力行業風力發電乙級；電力行業新能源發電乙級) under Engineering Design Qualification Certificate (工程設計資質證書)

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Business segment	Our technical advantages	Highest-grade qualification(s) we hold
	We are qualified to undertake consultancy work in respect of power projects of any size or voltage level.	Grade A Qualification Certificate for Engineering Consultancy Entity (工程諮詢單位甲級資信證書) covering power projects (inclusive of thermal power, hydropower, nuclear power and new energy power) (電力(含火電、水電、核電、新能源))
	We hold consultancy qualifications covering a wide range of operations, enabling us to undertake relevant survey work.	Grade B Qualification Certificate for Engineering Consultancy Entity (工程諮詢單位乙級資信證書) covering hydrogeology, engineering survey and geotechnical engineering (水文地質、工程測量、岩土工程)
EPC	We are qualified to undertake EPC works for (i) power generation projects with a capacity per generator below 200,000kW; and (ii) power grid and power substation projects with a voltage level below 220kV.	Grade two qualification for general contracting of power engineering and construction (電力工程施工總承包二級) under Construction Enterprise Qualification Certificate (建築業企業資質證書)
	We are qualified to perform installation, repair and testing activities in respect of power facilities with a voltage level below 35kV.	Grade three qualifications for installation works, overhaul works and testing works (承裝類三級；承修類三級；承試類三級) under Licence for Installation (Overhaul and Testing) of Power Facilities (承裝(修、試)電力設施許可證)
Others — O&M	We are qualified to perform installation, repair and testing activities for power facilities with a voltage level below 35kV.	Grade three qualifications for installation works, overhaul works and testing works (承裝類三級；承修類三級；承試類三級) under Licence for Installation (Overhaul and Testing) of Power Facilities (承裝(修、試)電力設施許可證)

With the above list of qualifications, we have been operating as an integrated energy solution provider, which puts us in an advantageous position vis-à-vis other private energy solution providers in the market.

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Reputable Customer Base

As our business develops and expands over the years, we have established sound business relationships with our customers. These include not only China Southern Power Grid Co., Ltd. (中國南方電網有限責任公司), a CSOE that is the principal power transmission and distribution service provider in our region and a long-term business partner and major customer of our Group, but also customers in various regions across the PRC. We had also participated in such landmark infrastructure projects as Hong Kong-Zhuhai-Macao Bridge (港珠澳大橋) and Shenzhen-Zhongshan Link (深中通道) by providing power supply and distribution design services. We regard the long-standing business relationships we have built with an extensive group of customers and the prominent past engagements as testament to the industry-wide recognition of our capabilities and service quality that allows us to win the trust of potential customers or business partners.

As at the Latest Practicable Date, our five largest customers in each of FY2023, FY2024 and FY2025 had maintained a business relationship with us for up to 18 years.

R&D Capabilities and Competitive Solution Offerings

With power design and engineering management capabilities being our core competence, it is imperative that we undertake R&D and pursue technological innovations on an ongoing basis. We aim to continuously upgrade our operational capabilities and solution offerings, and stay responsive to changes in customers’ needs and regulatory requirements in the power industry.

Our R&D focuses on both hardware and software that improve the efficiency and accuracy of our design workflow as well as the variety and quality of our solutions. Please see “Research and Development” in this section for our R&D focus and accomplishments. In view of the fast advancement and broad applications of AI in various industries, including the power industry, we began to develop our proprietary AI applications in 2025, specifically on our design workflow and for O&M solutions. Please see “Adoption of AI” in this section for further details. We consider ourselves a leading private enterprise in developing AI in design and O&M of power facilities. We also anticipate that our ongoing commitment and accomplishment in R&D of AI would further enhance our strength in terms of quality and cost and operational efficiency of our business operations and energy solutions. Please see “Business Strategies — Advance business workflow and solution offerings with AI” in this section for details.

As at 31 December 2025, we owned 65 registered patents and 13 registered copyrights in respect of designs and technologies developed and software invented by us respectively. We have also built a sizeable R&D team comprising 79 members as at 31 December 2025, with over 10 years of relevant industry experience on average. Over 80.0% of the team members held an undergraduate degree or above. Please see “R&D Achievements” and “R&D Resources” in “Research and Development” in this section for details.

Dedicated and experienced management team

We are led by an experienced management team with extensive industry knowledge and experience. The day-to-day running of our Group is managed by our executive Directors and senior management, who possess over 20 years of relevant experience in the field on average. In particular, Mr. Ren Xuefeng (任學鋒), the chairman of our Board and an executive Director, has more than 40 years of

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experience in the power design and engineering industry. Please see “Directors and Senior Management” in this document for further information on the background and credentials of our management team.

Our management team has played an pivotal role in driving our business development. Among other things, we have benefitted from the market insights and vision of our management team. Cognisant of the likely industry trend of transition towards new energy, our management team had the foresight to launch our new energy-related operations back in 2010; we have now evolved into a full-service provider, taking advantage of the growth momentum and business opportunities under the industry trend. Our proactive approach to application of AI is another example that demonstrates the business acumen and enterprising quality of our management team. We distinguish ourselves as an integrated new energy solution provider with our early adoption of AI in business operations.

We consider that the stewardship of our management team is the key to the remarkable progress and achievements we have made in our history of operation. Going forward, we believe we will remain well-placed to maintain our market position by improving our competitive edge from time to time and making the most of every suitable business opportunity as it arises under the lead of our dedicated, visionary and capable management team.

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Our goal is to continuously expand our business in the new energy sector by applying proprietary technology and broadening our solution and investment scope.

Advance business workflow and solution offerings with AI

Building on our experience in development of AI models for the power industry, we intend to step up the application of AI in our operations in the following directions:

- Upgrade and use of Zeno AI Design Platform

We plan to optimise our in-house developed Zeno AI Design Platform and extend its application scope. We will seek to broaden the use of this platform across the entire design workflow, covering our core operations including, among other things, proposal design, functional verification through simulation and production of working drawings. This enables consolidation of multiple steps and synergistic optimisation of the workflow.

- Adoption of AI in our survey operations

We plan to extend our application of AI in survey operations to incorporate drone-based three-dimensional photorealistic modelling system and spatial analytical capabilities in geographic information system (GIS). The system will help achieve automated collection of terrain and landscape data, identification of environmental factors and risk prediction and assessment in our survey workflow. At the same time, it will allow the duration of outdoor operations to be shortened. Our efficiency in performing survey work can thus be improved, and the survey data can more promptly be made available for use in the subsequent design workflow.

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- Development of AI-powered full-cycle management platform for EPC business

We plan to develop an AI-powered full-cycle management platform for improving our efficiency and cost-effectiveness in managing EPC projects. The key applications of this platform include the following:

- **Monitoring systems:** incorporating AI-powered data collection, analysis and risk-alert systems and relevant inspection equipment such as drones, the platform allows project site inspection to be carried out at all times and reduces the safety risks and costs associated with EPC operations by (i) identifying project execution errors at early stages; (ii) triggering remedial actions at earlier stages that would otherwise result in higher project costs; and (iii) saving manhours and time costs, as such procedures may no longer need to be performed manually and efficiency and accuracy can be enhanced.
- **Supply chain management:** the platform increases our cost and operational efficiency in managing procurement and control of inventory for EPC projects by (i) compiling the bill of materials (BOM) accurately and in a short period of time; (ii) monitoring the required material and components prices from time to time; (iii) monitoring the project status and inventory level to ensure the required materials and components are delivered to the project sites on-time; and (iv) updating the project costs estimations taking into account material fluctuations for cost monitoring purpose.

With this AI-powered platform, we could improve the cost and operational efficiency in managing our EPC projects, thus enhancing our profit margins in respect of provision of EPC services and the productivity of our project managers and engineers.

- AI model development in connection with our O&M system for PV power generation facilities

As mentioned in “Business Strategies — Develop and launch AI-powered O&M services for new energy power projects” in this section, it is part of our business plan to consummate our O&M system for PV power generation facilities for commercial launch. In this connection, in the area of software component development, we will focus our attention and resources on optimising the strategic and data analysis functions of our AI models.

The pursuit of the above strategies requires (1) building the requisite computing power; (2) engaging third parties to develop the relevant AI models; and (3) designing and developing the hardware components, i.e. terminal devices, of the AI-powered systems.

We will assign approximately [REDACTED] of the net [REDACTED] from the [REDACTED] for execution of this business strategy during FY2027 and FY2028. Please see “Future Plans and Use of [REDACTED]” in this document for further details. Any remaining amount of the expenses incurred in connection with this business strategy will be met with our internal resources.

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Develop and launch AI-powered O&M services for new energy power projects

In 2025, we developed our AI-powered O&M system for PV power generation facilities, which we consider a major breakthrough in our O&M business. The system provides comprehensive and intelligent solutions in monitoring operating condition and environment, fault prognosis and facility maintenance. For a detailed explanation of the features and components of the system, please see “Adoption of AI” in this section.

We will consummate our O&M system for PV power generation facilities with a view to achieving commercial launch of the system as part of our solution offerings. Meanwhile, we plan to pursue R&D on applying the O&M system to wind power generation facilities. Taking account of the peculiar operating environment of wind power generation facilities, we will develop an automated drone patrol system in conjunction with an augmented reality (AR) remote collaboration module, which will enable us to overcome geographical limitations and scheduling constraints and achieve cost reductions in providing O&M services.

The pursuit of the above strategies requires (1) designing and developing the relevant hardware and software components; (2) setting up and installing the requisite base stations, equipment and devices at the project sites; and (3) conducting promotional campaigns and other market development work across the PRC and overseas.

We will set aside approximately [REDACTED] of the net [REDACTED] from the [REDACTED] for execution of this business strategy during FY2027 and FY2028. Please see “Future Plans and Use of [REDACTED]” in this document for further details. Any remaining amount of the expenses incurred in connection with this business strategy will be met with our internal resources.

Increase investments in new energy power projects

During the Track Record Period, we started to invest in new energy power generation facilities, which enriched our management experience in the operation of PV power generation facilities. We intend to take our market presence further by increasing our investments in distributed PV power generation projects in industrial and commercial sectors.

In addition, as an extension of our business, we intend to directly invest in and operate energy storage projects, where we will establish energy storage facilities in vacant space in properties of industrial and commercial consumers. Under the power management contracts to be entered into between the property owners and us, we, as energy solution provider, will charge the energy storage facilities during non-peak hours of power demand and release the stored power to the property owners for consumption during peak hours. This allows the property owners to reduce consumption of power supplied by power grid enterprises at the higher tariff rate during peak hours to the largest practicable extent and minimise their total electricity charges.

We will put approximately [REDACTED] of the net [REDACTED] from the [REDACTED] towards investing in the new energy power projects during FY2027 and FY2028. Please see “Future Plans and Use of [REDACTED]” in this document for further details. Any remaining amount of the expenses incurred in connection with this business strategy will be met with our internal resources.

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Further develop EPC business

Since the inception of our EPC business in 2020, it has shown robust growth and developed into our largest business segment in terms of revenue and gross profit during the Track Record Period. We are driven to expand our EPC business mainly in the following directions:

- Enlarge our market coverage

We plan to explore business opportunities in zero carbon zones (零碳園區), green energy bases (綠電園區), green low-carbon computing centres (綠色低碳算力中心) and 5G base station facilities (5G基站配套). We also plan to seize opportunities to expand overseas, where priority will be given to countries covered under the Belt and Road Initiative with strong infrastructural demand, such as countries in South Asia, Central Asia and the Middle East.

- Provide new energy power project grid-connection testing (涉網試驗) services

Before power generation facilities or energy storage power stations are connected to power grids (i.e. grid connection (併網)), a series of electrical performance testing procedures are typically conducted to assess the impact of such facilities or power stations on power grids and their adaptability to cope with abnormal operating conditions of power grids. Such procedures are known as grid-connection testing. It is to be performed towards the end of the construction phase of each power project and mainly involves machine connection testing (機型並網檢測), machine simulation modelling (機型仿真建模), on-site testing (場站試驗) and functional evaluation (性能評價). Such testing has to be re-performed regularly for ongoing assessment purpose and be approved by an independent testing service provider.

With effect from 2026, it is a mandatory requirement under the relevant policies of the PRC Government that newly constructed power infrastructure must undergo grid-connection testing, as a condition for grid connection. We intend to provide grid-connection testing services as an independent testing service provider in respect of power infrastructure designed and constructed by third parties. We plan to target our services to new energy power projects, including PV and wind power generation facilities in centralised or distributed form and energy storage facilities.

For the purpose of further developing our EPC business, will need to make a series of capital expenditures, including purchase costs of the equipment and devices required. In connection with execution of this business strategy, we plan to recruit 16 additional members of staff for support.

We will designate approximately [REDACTED] of the net [REDACTED] from the [REDACTED] for execution of this business strategy during FY2027. Please see “Future Plans and Use of [REDACTED]” in this document for further details. Any remaining amount of the expenses incurred in connection with this business strategy will be met with our internal resources.

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BUSINESS MODEL

During the Track Record Period, we operated under three core business segments, namely

- (1) survey, design and consultancy services for PV power generation, wind power generation, power transmission, power distribution and energy storage projects;
- (2) EPC services for constructing facilities for power generation, power transmission, power distribution and energy storage; and
- (3) other services, including (a) O&M services for PV power generation facilities, transmission lines and power substations, and (b) investment in and operation of PV power generation facilities.

Survey, Design and Consultancy Services

Our survey, design and consultancy services support our customers in making investment decisions for construction and operation of power projects. In particular, we have rendered these services for the following types of projects:

- power transmission, power transformation and/or power distribution projects operated by state-owned power grid enterprises, including, among others, China Southern Power Grid Co., Ltd. (中國南方電網有限責任公司);
- new energy power generation projects operated by SOEs and private enterprises;
- energy storage projects operated by SOEs and private enterprises in the commercial and industrial sectors;
- new energy projects which our customers propose to acquire or invest in; and
- power supply and distribution design for large-scale infrastructure projects, such as the Hong Kong-Zhuhai-Macao Bridge (港珠澳大橋) and Shenzhen-Zhongshan Link (深中通道).

Major Scope of Work

Set forth below is our major scope of work and deliverables at each phase:

Phase	Major scope of work	Major deliverables
Survey	• Geological surveys (地質勘察) • Topographic surveys (地形圖測量) • Geotechnical investigations (岩土工程勘察) • Surveys of existing waterproofing and drainage systems • Surveys of existing underground pipelines (for public utilities)	Our survey and design services include preparation of preliminary designs (初步設計), working drawings (施工圖), as-built drawings (竣工圖) and feasibility study reports (可行性研究報告).

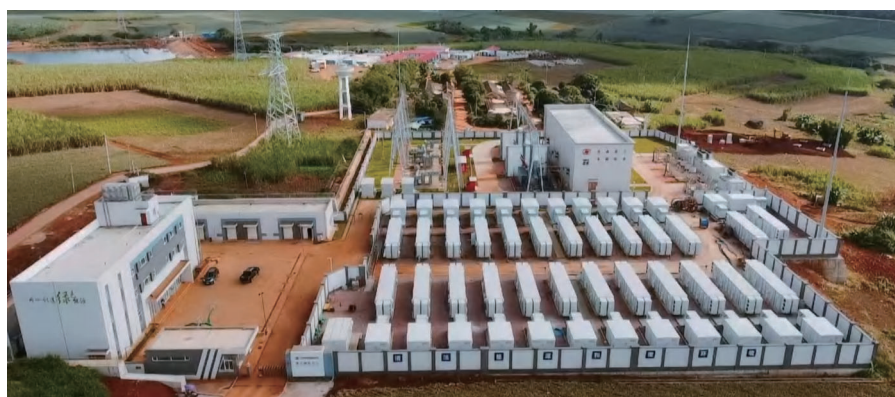
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Phase	Major scope of work	Major deliverables
Design	● Measurement and positioning of, among other things, step-up substations, distribution substations, collector circuits, wiring among PV modules, and connection from PV modules to step-up substations ● Preparation of preliminary designs, working drawings, as-built drawings and feasibility study reports ● Preparation of technical specifications (技術規範書) for major equipment, materials and construction and installation work, scopes for construction tendering (招標工程量清單), cable schedules (電纜清冊) and technical documents for tendering ● Assistance in planning of transmission line paths (輸電線路路徑規劃手續) ● General consultancy on technical problems ● Attending meetings related to construction projects such as acceptance investigations at different steps, briefings or handover meetings (技術交底/施工交底), bid evaluations, and site inspections and studies (考察調研) ● Preparation, review and signing of agreements for technicalities of major equipment and material purchases ● Assistance in application for land use rights ● Preparation of budget estimates for design, execution and construction work, and handling calculations of cost variations (變更核算) and settlements (結算) between tenderers and tenderees	

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Phase	Major scope of work	Major deliverables
Consultancy	Conducting feasibility studies that focus on the following areas: • Current conditions and analyses of local power systems • Necessity of undertaking the proposed construction projects • Status and functions of the proposed projects (項目在系統中的地位和作用) • Construction scale demonstration and engineering design (建設規模論証及工程設想) • Investment estimations and economic evaluations (投資估算及經濟評價) • Analyses of assets to be demolished during the course of construction (工程建設過程中涉及資產拆除分析)	Our consultancy services include preparation of project master plans (項目規劃), project proposals (項目建議書), feasibility study reports (可行性研究報告), project application reports (項目申請報告), power system connection reports (項目接入電力系統報告), electric power quality assessment report (電能質量評估報告), technological due diligence (項目技術盡職調查) and post-project evaluation (項目後評價).

We enter into power engineering survey and design consulting contracts with our customers, under which we are entitled to payment of service fee(s) upon completion of each corresponding performance obligation.



Step-up substation for PV power plants and energy storage power stations for which we have provided survey, design and consultancy services

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Types of Contracts

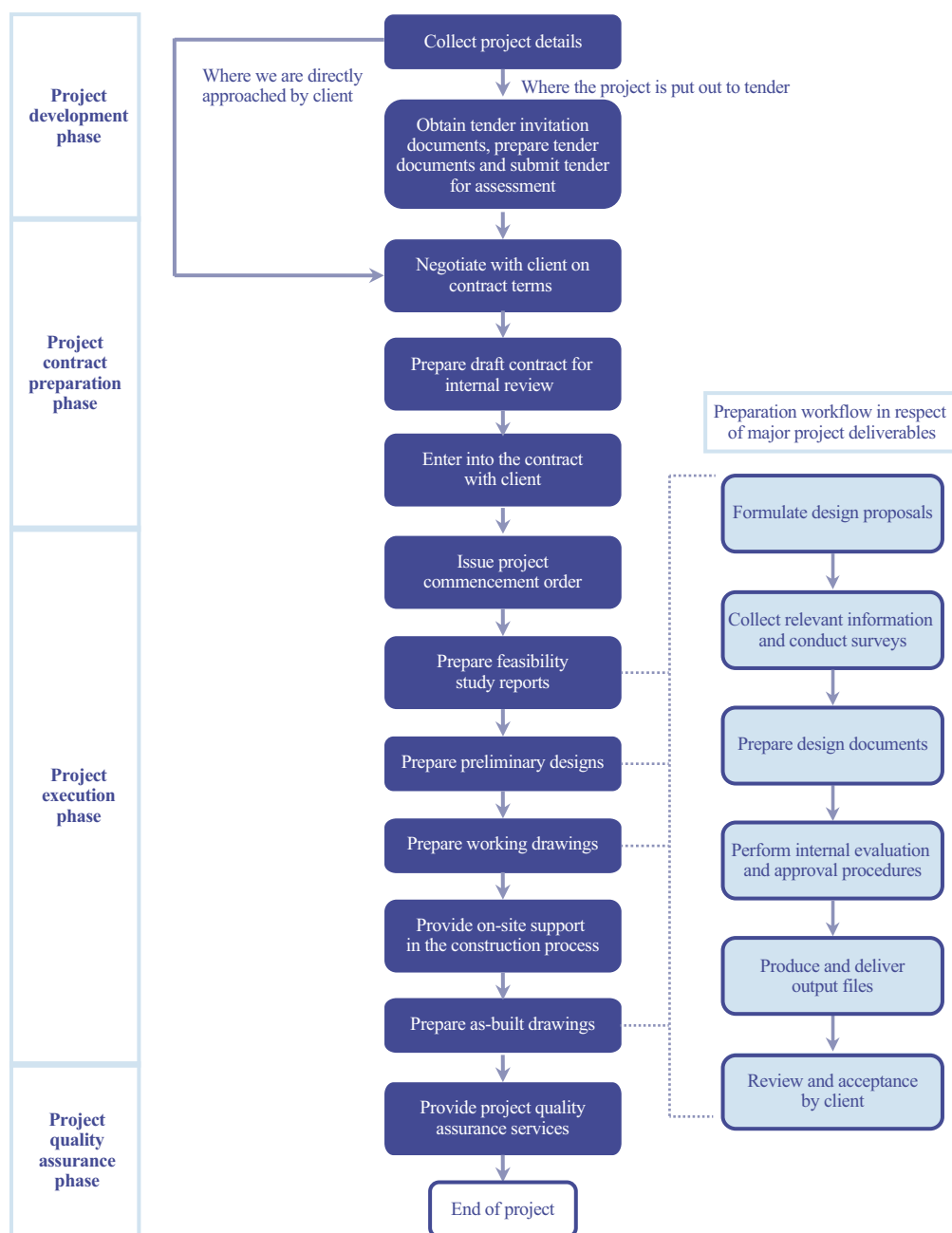
We enter into two main types of contracts with our customers, depending on whether we are acting as a contractor or a technical support provider. The role we are to assume is determined by customers according to their needs. During the Track Record Period, we had been engaged by SOEs, power facility operators and design institutes both as a contractor and as a technical support provider, whereas we had mostly served as a contractor of private enterprises. Below are the major features of our roles as a contractor and as a technical support provider respectively:

Our role	Contractor	Technical support provider
Contracting arrangements	• We enter into survey, design and/or consultancy service contracts with customers, being usually the project owners. • We are generally responsible to the project owners, unless they are not a party to the service contract. • Major terms in the contracts typically cover the following areas: — service scope — service guarantees — delivery schedule — fees and payment terms — laws, rules, regulation or standards that our work shall comply with	• We enter into labour despatch contracts (勞務派遣合同) with customers, being usually the contractors for the relevant projects • We are responsible to the contractors instead of the project owners. Our fees are determined based on the daily rates of the assigned staff members and the actual number of days spent on the designated tasks. • Major terms in the contracts typically cover the following areas: — nature of the project (such as services to be provided in respect of power grids or power substations of defined voltage) — survey or design work that we are to perform — qualification and experience requirements as to the staff members to be assigned — names and profiles of staff members to be assigned — rights and obligations of the contractors in managing our assigned staff as they perform the designated tasks

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Business Workflow

Our engagement as a contractor or a technical support provider is secured by way of tenders or direct negotiations with customers. SOE customers mostly select service providers through tenders, whereas private enterprises adopt both tenders and direct negotiations. The diagram below presents our workflow under both scenarios:



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Project Development Phase

Our business workflow is largely customer-oriented.

Customers, such as power grid enterprises or power consumption units, generally invite tenders from power design institutes in respect of their proposed power projects.

Our project operation department is responsible for collecting details of projects open to tenders through consultation with customers, discussion with sales staff and browsing the information announced on tender platforms. Our project operation department then invites the production department to conduct assessment of each project on, among other things, our chance of winning the tender and the estimated project profitability. Based on the project assessment results, our management decides whether we possess the necessary capability and capacity and whether it is commercially justifiable to engage in commercial negotiations and/or tender for the project.

Alternatively, for certain new energy power generation projects, customers would negotiate directly with service providers instead of putting the projects out to tender. We undergo similar project assessment procedures and will negotiate and accept the engagement with customer if the assessment results and contract terms meet our requirements.

After our management has approved to tender for a project, our project operation department obtains the tender invitation documents from the customer. A dedicated tender task force is set up to prepare and submit the tender. The specific tasks include payment of tender deposit, collection and study of the project details, preparation and review of the tender documents and submission of the tender for the customer’s assessment.

Project Contract Preparation Phase

If we are successful in the tender, or a customer intends to proceed to detail commercial negotiations, our project operation department would then proceed to prepare the project contract or review the draft project contract provided by the customer, with inputs from our production department, finance department and legal department. The draft project contract containing terms that embody the indicative terms of both sides would be presented to our management for review. The project contract will be signed when both sides agree all contract terms.

Project Execution Phase

During the project execution phase, the tasks to be performed by us include, among other things, preparation of the major project deliverables, such as feasibility study reports, preliminary designs, working drawings and as-built drawings.

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The key steps in the preparation workflow in respect of such project deliverables are as follows:

- Formulating Design Proposals

Based on the project type and nature, our management would designate a project team head (設總), who is tasked with planning for project execution factoring in the project scale, complexity, requirements of the customer and undertakings given to them (if any). The project execution plan drawn up covers such matters as design bases, design scope, design principles, standards stipulated under applicable laws and regulations, organisational and technical interfaces, design timetable, design inputs, design outputs, design assessment, design verification, design confirmation, document filing and measures to cope with project risks.

- Collecting Relevant Information and Conducting Surveys

We carry out on-site reconnaissance (踏勘) and collect relevant project information, including primarily the customer’s expectations as to functionality, raw design data, coordination documents, and external and internal interface data. We also carry out on-site topographical surveys (地形測量) and geotechnical studies (岩土調查) or drilling (鑽探) to obtain survey results.

- Prepare Design Documents

Our designers work on the designs based on the design parameters entered. This may involve, among other things, comparing and making selections among design proposals, performing relevant calculations, preparing reports and lists, producing drawings, and estimating the investment amounts (估算) and construction costs based on the preliminary designs (概算) or based on the or working drawings (預算).

- Perform Internal Evaluation and Approval Procedures

Comments on the design documents are collected from our responsible staff at various levels, including the relevant checkers (校核人), reviewers (審核人) and approvers (批准人). Based on such comments, our designers fine-tune the design documents, and the final designs are then submitted to the project team head, chief engineer (總工) and engineer in charge (專業主任工程師) for quality assessment.

- Produce and Deliver Output Files

With the designs finalised, we proceed to produce the design files in accordance with the design content standards and quality requirements set forth in the contracts. Among other things, we prepare preliminary designs and working drawings, each comprising relevant explanatory statements, lists of major equipment and materials required, outlines of construction plans (as part of the preliminary designs only), engineering geological reports, design drawings and cost estimates or budgets.

Depending on the requirements set forth in the contracts, we would also prepare feasibility study reports together with their attached schedules and relevant engineering geological reports, design drawings and preliminary cost estimates. They cover topics such as project construction

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conditions, construction scale, grounds for undertaking the project, proposal selection, project conceptualisation, mitigation of environmental impact, energy conversation designs, analysis on social stability risks, investment estimations and economic evaluations.

Hardcopies of the output files are posted or couriered to the customer. Upon confirmation of receipt by the customer through signing the design delivery order, the provision of project deliverables is deemed to be completed.

- Review and Acceptance by Customer

To ensure the designs can fulfil the requirements set forth in the contract, after the output files have been delivered and prior to implementation, the customer would conduct review of the project or the design drawings. The customer, if satisfied with the review results, would confirm acceptance of the designs by issuing formal design review opinion or design acceptance opinion.

Further to the above, as the designs are implemented and construction work is carried out, our engineering technical representatives (工程技術代表) are available to provide on-site assistance to ensure a smooth construction process. We may support the construction team through participating in design technical disclosure meetings (設計交底會), joint reviews of working drawings and other regular meetings at the construction site, modifying the designs to address technical complications and conducting field inspections. A design adjustment list (設計變更單) is prepared recording the adjustments made to the designs.

Following completion of project commissioning, we would participate in the project completion acceptance procedures and prepare the as-built drawings reflecting the actual construction work carried out. Upon customer’s request, we would also transfer the project files to the customer for records in satisfaction of its internal management requirements.

Project Quality Assurance Phase

Following completion of the construction work and commencement of the production activities, we would track and monitor the facility operating condition of the project and timely provide technical support as per customer’s requests within the specified quality assurance period. We keep records of the rectification measures carried out, if any.

EPC Services

Our EPC services include mainly survey and design, material and equipment procurement, construction, installation and testing, completion acceptance and quality assurance. These services can be provided in full or in part, pursuant to customers’ requirements. Most of the aforesaid services are performed by ourselves, such as survey and design, sourcing of hardware, arranging power grid-connection, quality assurance and training etc. We do not, however, engage in material and equipment manufacturing or land and building construction. Accordingly, we source such items from suppliers, and/or sub-contract such procurement and construction works to licenced service providers; as project manager, we are responsible for overseeing the suppliers’ supply and sub-contractors’ work as well as managing the progress, work quality and successful completion of the project. Depending on our engaged service scope, we deliver turnkey power infrastructure to the customers upon completion.

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Major Scope of Work

Set out below is the major scope of work and responsible parties at different stages within the project execution and delivery phase and at the project completion phase of EPC services:

Phase/Stage	Major scope of work	Performed by our Group	Performed by Sub-contractor
Project execution and delivery phase — Development, survey and design stage	Conducting feasibility studies (such as monitoring and analyses of light resources for PV power generation projects, and researches on wind resource distribution and wind speed and direction characteristics for wind power generation projects)	✓	
	Obtaining approvals for user-access systems or power connection proposals	✓	
	Conducting surveys of project sites and topographical features	✓	
	Attending to preliminary regulatory compliance procedures such as project registration (項目備案), arranging construction land pre-examinations (土地預審) and initiation of environmental impact assessments (環評立項)		✓
	Conducting environmental impact assessment, preparing soil and water conservation plans and performing surveys for conservation of archaeological finds		✓
	Preparing preliminary designs, working drawings and as-built drawings	✓	
	Preparing construction cost estimates	✓	
	Attending technical disclosure meetings in respect of designs and drawings	✓	
	Modifying or fine-tuning the designs	✓	
Project execution and delivery phase — Procurement stage	Purchasing requisite equipment and materials, including, among other things, PV modules, wind turbines, power inverters (逆變器), step-up voltage transformers (升壓變壓器), switch cabinets (開關櫃) and cables	✓	
Project execution and delivery phase — Construction stage	Performing construction works in areas such as geotechnical engineering, site levelling, road construction, pile foundation construction, concreting of equipment foundations and geotechnical works in respect of step-up substations		✓
	Performing installation works in respect of PV module mounting brackets, parts, wind turbines, electrical equipment, cable laying works and wiring debugging		✓
	Performing commissioning of electrical equipment	✓	✓
	Arranging power grid-connection and trial runs	✓	✓
	Attending to power grid-connection acceptance inspections and acceptance procedures (電網並網驗收)	✓	

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Phase/Stage	Major scope of work	Performed by our Group	Performed by Sub-contractor
Project completion phase	- Attending to — handover of power infrastructure — completion acceptance procedures (竣工驗收)	✓	
	Arranging for fee settlement	✓	
	Providing quality assurance services post-completion	✓	
	Providing training to customers’ staff responsible for operating the facilities	✓	



*An offshore PV power project (海上光伏項目)
in respect of which we have provided EPC services*

Under our EPC contracts with customers, we are entitled to service fees calculated based on the type, scope and complexity of work performed.

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Types of Contracts

We can act as the main contractor for the entire project or a sub-contractor for certain parts of a project, depending on customers’ requirements. During the Track Record Period, we were engaged by SOEs as a main contractor or a sub-contractor, whereas for projects of private enterprises, we were mostly engaged as a main contractor. Set out below are our major roles and terms in these two types of contracts:

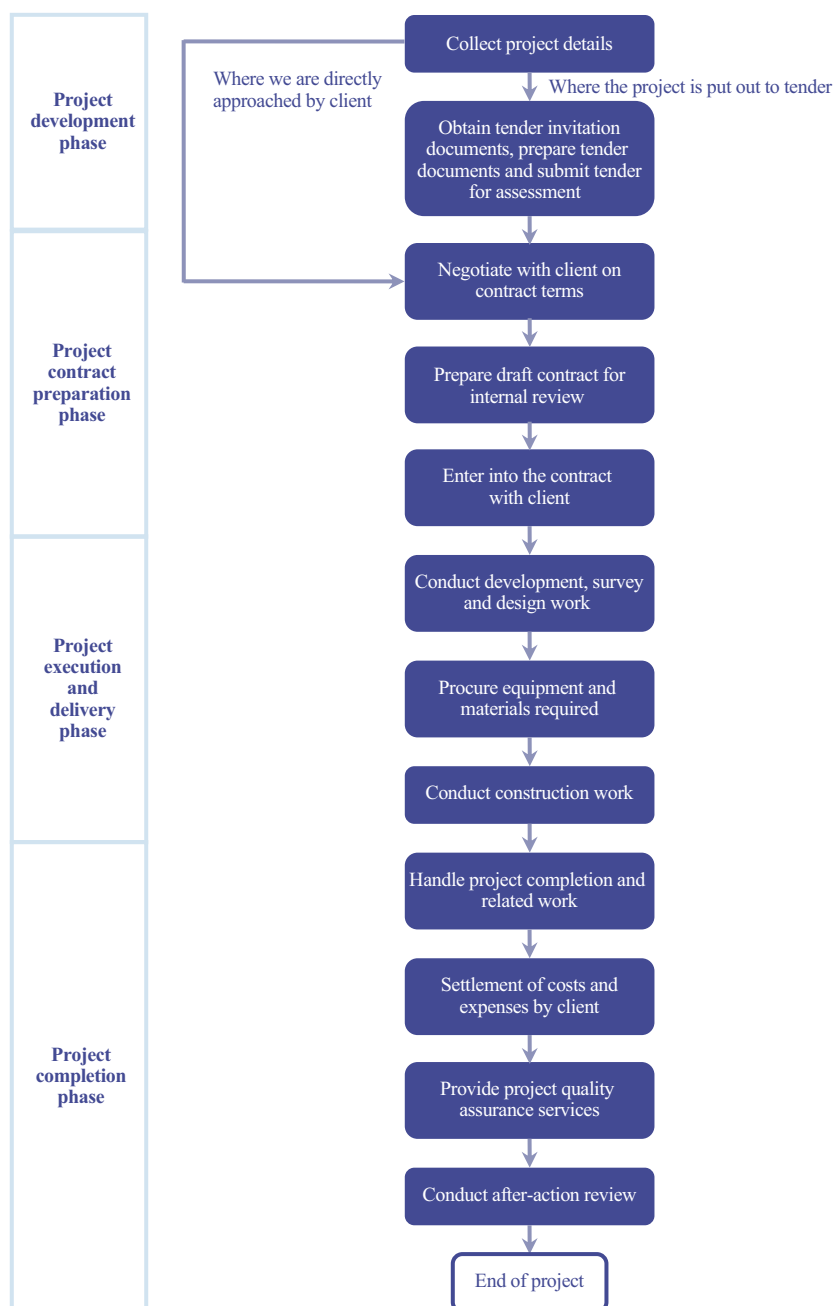
Our role	Main Contractor	Sub-contractor
Contracting arrangements	● We enter into EPC contracts with customers, being usually the project owners. ● We are responsible to the project owners for administering the entire EPC process in respect of the projects. ● Our core responsibilities include, among other things, preparation of design documents, procurement and management of equipment and materials, overseeing construction work (including progress management and quality control), handover of turnkey power infrastructure to customers and handling completion acceptance procedures. ● Major terms in the contracts typically cover the following areas: — service scope — service guarantees — fees and payment terms — acceptance standards — quality assurance period	● We enter into sub-contracting contracts with customers, being usually the main contractors for the relevant projects. ● Engaged by the main contractors, we have no direct contractual relationships with the project owners and are responsible to the main contractors for performing specific engineering works or specialised tasks. ● Our core responsibilities include, among other things, undertaking specific design assignments in accordance with the directions given by the main contractors, and assisting the main contractors in handling the acceptance procedures. ● Major terms in the contracts typically cover the following areas: — service scope — service guarantees — fees and payment terms — completion schedule

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Business Workflow

Similar to our survey, design and consultancy services, our SOE customers usually engaged us through tendering whilst private enterprise customers engaged us through direct negotiation.

The diagram below presents the major workflow of these two engagement methods:



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Project Development Phase and Project Contract Preparation Phase

Similar to our survey, design and consultancy services, we may be engaged by customers to provide EPC services through tenders or direct negotiations. If we are awarded the projects, we proceed to work with the customers on the contractual terms and enter into the contracts once they are in an agreed form. Please see the descriptions of such phases in the paragraphs headed “Business Model — Survey, Design and Consultancy Services — Business Workflow” in this section for further details.

Project Execution and Delivery Phase

The project execution and delivery phase begins with the conduct of development, survey and design work. Upon completion of the design work, preliminary design reports and working drawings become available. The reports and drawings may be modified later on in the project implementation process to reflect any necessary adjustment to the designs.

At the procurement stage, we plan for and execute purchases of the materials and equipment required at the construction stage. The purchases are generally made under individual procurement contracts. We select suppliers with a view to ensuring timely supply of materials and equipment that are up to standard and fit for construction use. After placing orders, we follow up with the suppliers on the manufacturing process, completion schedule and delivery arrangements. Once the items ordered are delivered, we conduct acceptance inspection and take care of the subsequent management.

When the designs and the construction materials and equipment are all ready, we commence construction work to build the target power infrastructure.

During the project implementation process, we engage sub-contractors to provide assistance in relation to certain specialised operations to enhance efficiency of the project. One major area of work that is sub-contracted is construction, where most of the tasks are handled by sub-contractors solely or jointly with us. We also enlist the services of sub-contractors for a small number of tasks at the development, survey and design stage. For those sub-contracted tasks, our role is to oversee the sub-contractors’ work and make sure that it is completed on schedule, in accordance with our guidelines and requirements and to the satisfaction of our customers and us. Please see “Sub-contracting” in this section for further details.

For a list of the specific tasks handled by us and/or our sub-contractors at each of the development, survey and design stage, the procurement stage and the construction stage, please see “Business Model — EPC Services — Major Scope of Work” in this section.

Project Completion Phase

Upon completion of the construction work, we handle the project completion and related work, including transferring the turnkey power infrastructure to the customers, assisting the customers and the competent authorities in completing the completion acceptance procedures, and providing the relevant materials for the regulatory filings to be made. We also provide necessary support in the course of completion audit to ascertain amount of work performed and facilitate settlement of costs and expenses by the customers.

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After the power infrastructure has come into operation, within the specified quality assurance period that typically lasts for up to two years, we carry out regular inspection and maintenance work in respect of key facilities and systems as a pre-emptive measure against malfunctions, and promptly provide on-site assistance after being notified of any emergency. We also offer technical support to the staff of the customers in the form of guidance and training on operating the power infrastructure and fault prognosis.

At the end of each project, we conduct a comprehensive after-action review covering every aspect of project execution and our performance such that we can learn from the experience and effectively build up our expertise and competence.

Other Services

(a) O&M Services

During the Track Record Period, we provided O&M services for PV power generation facilities, transmission lines and power substations.

For PV power generation and transformation substations facilities owned and/or operated by SOEs or private enterprises, we assess the usage condition of the facilities and set performance indicators (such as power output level), based on which we design and execute maintenance plans. Our services are targeted at maintaining and improving the operational efficiency of the facilities, and we charge the facility owners based on the level of target achievement.

We have developed an AI-powered O&M system for PV power generation facilities. Please see “Adoption of AI” in this section for further details.

(b) PV Power Project Investment and Operation

As an upstream expansion of our business activities, we started to invest in and operate PV power projects during the Track Record Period. Our investment took the form of equity investment, whereby we hold minority equity interest in the relevant project company; or we invested directly in the power generation facilities through our subsidiary. In either form, we shared our proportionate net profit in the project company or subsidiary. These projects shared the following features:

- distributed PV power generation facilities;
- landlord granted to the project company the right to construct power generation facilities on its property and to lease such property for a term of not less than 20 years at an agreed rental or for free;
- project company bore the construction and operation cost of the power generation facilities and is entitled to the power sales revenue;
- landlord has the pre-emptive right to use the power at pre-determined rates which were set at discounts to the prevailing market rates; and

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- project company entered into electricity sale contracts with local power grid companies, pursuant to which any power not consumed by the landlord (if any) is sold to the power grid companies at prevailing rates stipulated by the local government.

As the Notice on Strengthening Market-oriented Reform of New Energy Feed-in Tariffs to Promote High-Quality Development of New Energy (關於深化新能源上網電價市場化改革促進新能源高品質發展的通知(發改價格[2025]136號)) issued by the National Development and Reform Commission (國家發展和改革委員會) and the National Energy Administration (國家能源局) came into effect in January 2025, surplus power generated by SOEs and private enterprises can be traded in the market through power exchange centres.

We consider this policy a major reform of the power industry that provides tremendous business opportunities to new energy power generation companies and benefits the power industry practitioners in the following ways:

Industry practitioners	Benefits
Power grid enterprises	— promote the use of green energy by easier sourcing
Green energy generating companies	— enlarge sales channels of power, and promote the market-based pricing mechanism for power so as to reduces the risks associated with the policy-based pricing mechanism
Power users, i.e. our customers	— secured supply of power, particularly green energy, at lower costs — avoid incurring capital investment and operating costs for the power generating facilities which are borne by the facilities owners
Our Group as investor of the project company or power generation facilities and as energy solution provider	— participates in green energy trading business which is in its early stage of development in the PRC and has enormous prospects — source of new EPC and O&M contracts — further broaden our service coverage to investment and daily operation of power projects

In light of the aforesaid benefits, we plan to further our investments in PV power projects. Please see “Business Strategies — Increase investments in new energy power projects” in this section for further details.

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DETAILS OF OUR MAJOR PROJECTS

The following tables set forth the details of our top five projects in terms of revenue contribution in each year during the Track Record Period:

FY2025

Project name	Contract date	Completion date	Recognised revenue (RMB'000)	Project description
PV power generation project in Loufan county, Taiyuan city of Shanxi province (山西省太原市婁煩縣光伏發電專案)	June 2025	Ongoing as of 31 December 2025	242,785.8	EPC of new energy project
Wind power project under the Rural Revitalization Initiative in Loufan County, Taiyuan City, Shanxi Province (山西省太原市婁煩縣鄉村振興工程風電項目)	November 2024	Ongoing as of 31 December 2025	38,155.7	EPC of new energy project
Centralised procurement of equipment for step-up substations (升壓站集採設備採購)	September 2025	November 2025	30,912.7	Procurement for new energy project
Meizhou Power Supply Bureau's Wuhua counties medium- and low-voltage distribution grid project (梅州供電局五華縣中低壓配電網項目)	May 2024	Ongoing as of 31 December 2025	10,628.6	Survey, design and consultancy for distribution grid
LNG emergency peak-shaving station project in Shenzhen City (深圳市液化天然氣應急調峰站項目)	April 2020	December 2025	8,297.7	EPC for main power grid

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FY2024

Project name	Contract date	Completion date	Recognised revenue <i>(RMB'000)</i>	Project description
Distributed PV project in Luoping County, Qujing City, Yunnan Province (雲南省曲靖市羅平縣分散式光伏專案)	July 2024	December 2025	116,098.3	EPC for new energy project
LNG Emergency Peak-Shaving Station Project in Shenzhen city (深圳市液化天然氣應急調峰站項目)	April 2020	December 2025	56,690.4	EPC for main power grid
PV hybrid project (phase II) in Yulin Village Sanzao Town, Zhuhai city (珠海市三灶鎮魚林村光伏複合項目二期)	October 2022	November 2024	40,460.6	EPC of new energy project
Factory workshop and integrated PV-storage-charging-distribution construction project in Hunan Province (湖南省廠區光儲充配電一體化建設項目)	August 2024	Ongoing as of 31 December 2025	30,382.6	EPC for new energy project
Rooftop distributed PV power generation project in Guangdong Province (廣東省屋頂分佈式光伏發電項目)	January 2022	October 2024	7,103.7	EPC for new energy project

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FY2023

Project name	Contract date	Completion date	Recognised revenue (RMB'000)	Project description
PV hybrid project (phase II) in Yulin Village Sanzao Town, Zhuhai city (珠海市三灶鎮魚林村光伏複合項目二期)	October 2022	November 2024	246,257.4	EPC of new energy project
LNG emergency peak-shaving station project in Shenzhen city (深圳市液化天然氣應急調峰站項目)	April 2020	December 2025	17,322.8	EPC for main power grid
Crab pond Agro-photovoltaic complementary power generation project in Chongming District, Shanghai city (上海崇明區蟹塘漁光互補發電項目)	April 2023	November 2023	13,129.0	EPC of new energy project
Rooftop distributed PV power generation project in Guangdong Province (廣東省屋頂分佈式光伏發電項目)	January 2022	October 2024	6,304.7	EPC for new energy project
Agricultural-Solar Complementary Project at Gujiao city New Energy Agricultural Industrial Park (古交市新能源農業產業園農光互補項目)	August 2022	Ongoing as at 31 December 2025	5,827.4	EPC for new energy project

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Our backlog projects

The table below sets forth the movement of our project backlog during the Track Record Period in terms of contract value and number of contracts:

	For the year ended 31 December		
	2023	2024	2025
Backlog at the beginning of the year			
Contract value (RMB'000)	880,638.9	959,884.4	1,635,804.9
Number of contracts	288	360	419
New contracts for the year			
Contract value (RMB'000)	114,745.5	698,810.0	430,992.0
Number of contracts	125	123	93
Revenue recognised for the year — from backlog at the beginning of the year			
Recognised revenue (RMB'000)	340,392.4	158,059.8	126,261.3
Number of contracts	103	113	124
Revenue recognised for the year — from new contracts for the year			
Recognised revenue (RMB'000)	29,995.9	191,341.8	317,547.4
Number of contracts	52	45	37
Backlog at the end of the year			
Contract value (RMB'000)	959,884.4	1,635,804.9	2,005,464.5
Number of contracts	360	419	442

Our Early-Terminated Projects

During the Track Record Period, we had two early-terminated projects, which was primarily resulted from the changes in customer requirements or their operation conditions during the project implementation process. Early-terminated projects refer to projects for which termination agreements were signed before project was completed.

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RESEARCH AND DEVELOPMENT

The effective and safe operation of power generation and transmission systems hinges on the standards of design, construction, operation and maintenance. These standards are scientific and advances along with fast and continuous development in information technology, mechanical and electrical engineering. As an integrated energy solution provider, our competitiveness lies in, among other things, our technical competence. In this respect, we consider R&D our core operation focus and have committed significant resources in its development. Our R&D focus, achievements and resources are set out in the paragraphs below.

R&D Focus

Our R&D covers both software applications (such as data collection, data analysis, measurement and decision-making); and hardware (such as equipment for mounting power generation or transmission facilities). Our R&D accomplishments are applied in survey and design, EPC and O&M solutions that improve the efficiency of our workflow, quality of our design, performance and durability of our EPC deliverable and O&M solutions.

R&D Achievements

As at 31 December 2025, we owned 65 registered patents and 13 registered copyrights in respect of designs and technologies developed and software invented by us respectively. Among other things, we pride ourselves on the development of the following patented or copyrighted items:

No.	Applications	Patented and copyrighted items	Key features
1	Survey & design	Automatic recognition method and system for non-deployable areas for establishment of wind power plants based on AI image recognition technology (基於AI視覺識別的風電場不可部署區域自動識別方法及系統)	- Granted access to government’s geographical database - Identifies man-made structures and adverse terrains that hinder the construction of wind power plants - Identifies deployable areas for wind power plants - Enhances efficiency and accuracy in site-selection and project planning
2	Survey & design	Intelligent design methodology, devices, electronic equipment, media and programme products for asymmetrical cable tower bases (一種鐵塔長短腿智能設計方法、裝置、電子設備、介質及程序產品)	- Applies in design of cable towers, particularly in complex topographical conditions where length of tower legs are different - Takes into account various factors such as slope protection requirement and construction practicalities - Provides intelligent and accurate design solutions based on geographical data
3	Survey & design	Scenario construction system based on transmission cable path planning (基於輸電線路路徑規劃的場景構建系統)	- Design cable paths in complex urban or rural areas (such as high building and road density) - Employs drones to capture images - Increases efficiency in cable path planning and ensure regulatory compliance

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No.	Applications	Patented and copyrighted items	Key features
4	Survey & design	Automatic PV module pile arrangement and intelligent computing methodology based on three-dimensional platform (一種基於三維平台的光伏自動布樁與智能計算的方法)	• Design pile foundations of large-scale PV power plants with large number of piles in complex topographical conditions • Generates 3D coordinates of each pile and optimise pile arrangements • Substantially increases efficiency and accuracy in pile arrangement designs • Optimises land utilisation and investment return
5	Survey & design	Intelligent model-selection and computing methodology for current and potential transformers of power plants (一種電站的電流、電壓互感器的智能選型與計算方法)	• Applies in selection of transformers which involve dynamic collection and analyses of vast amount of operational data of various electrical parameters and in different operation conditions • Uses intelligent scoring system • Evaluates and enhances performance of power plants, substations and grids
6	EPC	Flexible PV module mounting bracket structure with high clearance and large span (一種高承載大跨度的光伏柔性支架結構)	• Steel column support system for PV modules constructed on complex topographical conditions, particularly in agrivoltaics, aquavoltaics or mountainous conditions • Allows large spans over 30 metres and light weight • Equipped with vibration monitoring system that allows efficient location of breaking down PV modules • A “detection-analysis-optimisation” integrated system
7	O&M	Smart-sensing vibration-reduction methodology for flexible PV module systems (一種光伏柔性系統的智能感應減振方法)	• Applies in pre-stressed suspension flexible PV module mounting structures • Increase the useful life of flexible PV module systems by increasing the vibration-resistance of cables to self-induced resonance
8	O&M	Intelligent O&M platform for PV power plants (光伏電站智能運維管理平臺)	• An integrated full-cycle management solution for PV power plants • An AI-powered fault prognosis and alert system • Digitally mastered inspection and maintenance mechanism

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No.	Applications	Patented and copyrighted items	Key features
9	O&M	PV, energy storage, direct current and flexibility (PEDF) system based on AI and corresponding administration and inspection and testing methods (基於人工智能的光儲直柔系統及其調度檢測方法)	- Intelligent administration and fault prognosis of PEDF systems, particularly in large power field with large numbers of PV modules or wind turbines - Allows cross-verification of data among measurement points (nodes), together with AI-powered statistical models, can precisely identify and rectify the failure points - Promotes operational reliability of PEDF systems and reduces manual inspections and costs
10	O&M	Power consumption monitoring and evaluation system for power collection cables of PV power generation facilities (一種光伏場區集電線路的能耗監測評估系統)	- Collects data and calculates power consumption of collection cables in PV power generation facilities - Monitors power consumption and loss and optimises designs for collection cables in large-scale PV power plants

Another focus of our R&D work is to find new approaches to the conduct of our business operations as we formulate energy solutions for our customers. The goal of such exercises is to promote our operational efficiency and optimise our solution offerings. Please see “Adoption of AI” in this section for further details.

R&D Resources

We have built a sizeable R&D team comprising 79 members as at 31 December 2025, with over 10 years of relevant industry experience on average. Over 80.0% of the team members held an undergraduate degree or above. In addition, there were various accredited holders of specific titles in our team, including, among others, 11 Guangdong Integrated Bid Examination and Evaluation Experts (廣東省綜合評標評審專家), 15 Zhuhai Energy Security Experts (珠海市能源安全專家) and four Zhuhai Young Industrial Talents (珠海市產業青年優秀人才) (some of whom were also recipients of the Young Technology Talent Awards (優秀青年科技人才獎) presented by the Guangdong Society for Electrical Engineering (廣東省電機工程學會)), as at the Latest Practicable Date. Furthermore, our engineering technology research centre founded in 2016 was designated as a provincial-level engineering technology research centre by the Department of Science and Technology of Guangdong Province (廣東省科學技術廳) in 2022. We believe that the accreditation we have earned proves our R&D capabilities.

ADOPTION OF AI

A specific focus area of our R&D work is the adoption of AI. We consider that the advantages of AI are twofold: it optimises our operational efficiency and simultaneously enhances the efficacy and quality of the solutions we are able to deliver to our customers.

Achieving Cost Savings through Improving Operational Efficiency

One of our primary goals in applying AI is to achieve savings on operating costs through optimising our business workflow and increasing our operational efficiency.

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AI has an absolute advantage over humans in handling repetitive tasks or resolving technical issues of high complexity and difficulty. We have been swift in applying AI to our power design and consultancy operations, especially in connection with certain routine steps in our power design work. Under our in-house developed Zeno AI Design Platform, a number of steps in the workflow are now generally performed intelligently with AI applications, with limited labour assigned to administer and oversee the process. Examples of such AI-based functions include cable path planning, numerical and statistical analyses in respect of design of transmission towers and pile foundations, automatic site-selection of wind turbines, automatic arrangement of PV zones, statistical analyses of modules and initial preparation of certain standard documents (such as resource reports, project site selection reports and feasibility study reports). Once the relevant background details have been fed and instructions given by our staff, the AI applications will perform the planning and analyses and generate the documents required almost instantly. Batch processing of the tasks is possible if necessary. The output files will be ready for use in the next stage of the workflow after review and checking by our staff. We consider that this brings an abundance of benefits:

- (1) increase in operational efficiency: the amount of time and resources required for such design tasks have been substantially reduced, and the entire design cycle has been significantly shortened. We believe that as we are now able to complete our design work with much improved efficiency, the overall costs of the projects can be considerably brought down;
- (2) improvement in quality of work: for construction drawings, pinpoint accuracy and consistency or continuity with details contained in the source documents are required. If the preparation process is to be handled entirely by human effort, to ensure that the reproduced parts tally with the source documents completely, meticulous attention will have to be paid to all the details and recurrent checks and comparisons will have to be made, making it likely to be a lengthy process. With the aid of AI, the desired accuracy and consistency or continuity can be much more easily achieved and effectively assured; and
- (3) efficient deployment of human resources: our design staff can divert their attention and effort to those skilled tasks that necessitate human involvement, such as research tasks that demand a higher level of technical expertise, critical thinking, exercise of judgment and/or application of manual techniques and have to be attended to with substantive human inputs, capabilities and effort. Our manpower utilisation is thus optimised and overall productivity is improved.

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User interface of our AI-powered cable path planning system

Likewise, we also plan to apply AI to our EPC operations to enhance cost-effectiveness. This will be achieved through developing an AI-powered full-cycle management platform that allows us to execute our EPC projects in a more efficient and cost-effective manner in the following ways:

- (1) project site inspection could be carried out at all times with the assistance of AI-powered data-collection, analysis and risk-alert systems, together with relevant inspection equipment such as drones, such that such procedures may no longer need to be performed manually, and accuracy could be increased and manhours could be saved; and
- (2) inventory procurement and control could be managed intelligently and project costs could be more closely monitored for EPC projects.

For details, please see “Business Strategies — Advance business workflow and solution offerings with AI” in this section.

Generating Additional Revenue through Improving Solution Offerings

Another primary goal of our AI development work is to enhance our solution offerings as a means to stimulate revenue growth. As mentioned above, the adoption of AI will enhance our cost-effectiveness in providing survey, design and consultancy services and EPC services alike. As our productivity increases, we are able to take on more business and stand to generate a larger amount of revenue with our existing manpower.

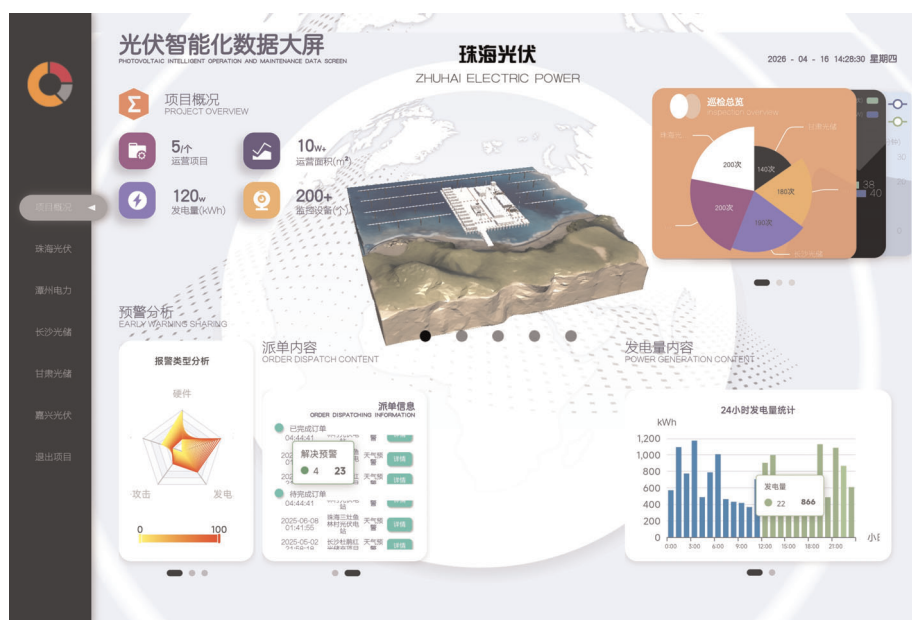
In addition, we have developed an AI-powered O&M system for PV power generation facilities. The hardware components (such as sensors) of the system are procured from external suppliers, while the development process (such as circuit design, and development of the circuit board and its corresponding application software) is entirely handled by us. It functions through our patented O&M platform that is supported by sensors and base stations with data-collection functions placed at the

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project site. It performs live monitoring of changes in the environment and the state of operation of the facilities, collects real-time operational and statistical data and formulates solutions to O&M issues independently using AI technology. The major features of our O&M system are as follows:

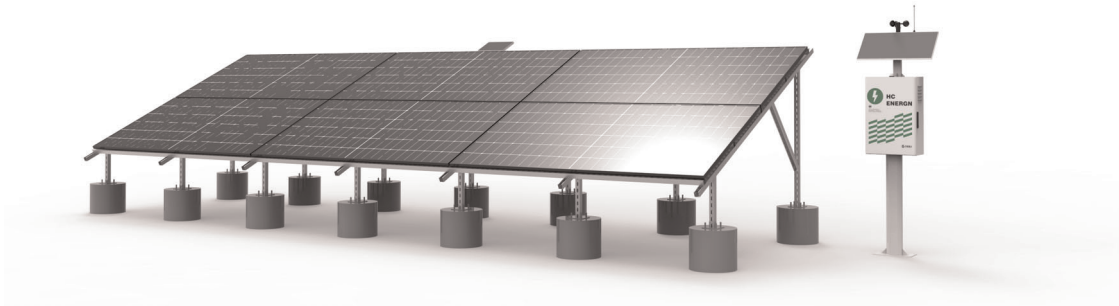
- simulation system adopting digital twin technology (數字孿生技術): our O&M system is designed to produce a high-fidelity digital twin, i.e. dynamic virtual replica, of the PV power generation facilities, whereby the actual operating condition and environment of a physical power plant are displayed in the form of a digital model by means of synchronous mirroring. It is capable of consolidating multidimensional environmental data (including, without limitation, meteorological data, terrain features and equipment specifications) and presenting a three-dimensional panoramic view of the facilities with high precision. This way, it provides the AI algorithms with a visual vehicle for decision-making and supports simulated scenario planning under multiple circumstances and remote O&M management;
- IoT components: the in-house designed hardware components of our O&M system take the form of an IoT sensor matrix consisting of vibration monitoring modules for PV parts and multi-functional base station sensor terminals. With network connectivity embedded and connected to other intelligent equipment, such hardware components are deposited at the project site to facilitate real-time collection and sharing of data relating to operating condition of equipment and potential safety risks;
- AI-powered fault prognosis and warning system: with AI incorporated, our O&M system performs in-depth examination and analysis of data from diverse sources (including, without limitation, data on meteorological conditions, equipment vibration frequency and power generation efficiency), assesses the condition of facilities dynamically and formulates maintenance solutions automatically. Alerts are sent out when inclement weather conditions (such as typhoons) are observed or foreseen, such that operations can be suspended whenever there are tangible safety concerns and other appropriate precautionary measures can be taken at the earliest opportunity. Our system also promptly reports on faults or other irregularities detected in the parts for follow-up repairs. It serves to facilitate the taking of pre-emptive actions to mitigate damage to the facilities, threat to safety of workers and disruption to operation that could be brought about by natural hazards and secure proper functioning of the facilities to the largest practicable extent; and
- digital repair work assignment system: once faults or other irregularities have been detected in the facilities and repairs are determined to be required, the built-in AI application would intelligently match the tasks with available manpower in the vicinity of the project site; job orders would then be generated automatically and corresponding members of the team of technicians of our Group and/or approved service providers would be assigned to carry out overhaul work to ensure timely rectification of all operational issues. The mechanism makes it possible for us to collaborate with our approved local service providers to maintain a network of supporting technicians stretching across the country that are available to deliver overhaul services in their respective area whenever necessary. It promotes efficiency in execution of overhaul solutions given that the sites of operation of different PV power generation projects may be widely dispersed and it would be hardly feasible for us to allocate manpower to each geographical area.

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User interface of our O&M platform in respect of PV power generation facilities

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Hardware components of our O&M system

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AWARDS AND ACHIEVEMENTS

As at 31 December 2025, we had been granted a number of major awards and obtained certain important certifications in recognition of our technology and innovation achievements, the particulars of the major ones are set out as follows:

Year of grant	Project name	Nature of project	Award/certification	Issuing organisation/ authority
2025	Construction of power substation for a Photovoltaic-Agricultural Integration Project in Wuyi Farm in Guangdong	New energy project	2024 Outstanding Project Design for Power Industry Award (Second Prize)	China Electric Power Planning and Design Association
	Construction of 10kV Futang New Village power substation for Fuluo Power Supply Station	Power grid project	China Southern Power Grid Co., Ltd. 2025 Quality Construction Project Award	China Southern Power Grid Co., Ltd.
2024	220kV Gewu (Boxi) power substation project	Power grid project	2023 Outstanding Project Design for Power Industry Award (Second Prize)	China Electric Power Planning and Design Association
	Feasibility study report for Phase I of the Zhuhai Sanzao Yulin Village Photovoltaic-Agriculture integration project	New energy project	2022–2023 Outstanding Project Consultation (Technology) Award (Second Prize) of Guangdong Province	Guangdong Provincial Association of Engineering Consultants
2023	Construction of 10kV Nongken New Village power substation for Nada Power Supply Office of Danzhou Power Supply Bureau	Power grid project	Hainan Power Grid Co., Ltd. 2022 Quality Power Project Award	Hainan Power Grid Co., Ltd.
	Construction of power substation for a Photovoltaic-Agricultural integration project in Kuitan Farm in Guangdong	New energy project	2022 Outstanding Project Design for Power Industry Award (Third Prize)	China Electric Power Planning and Design Association

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Year of grant	Project name	Nature of project	Award/certification	Issuing organisation/ authority
2022	Zhanjiang 220kV industrial park substation project	Power grid project	China Southern Power Grid Co., Ltd. 2021 Outstanding Design Award for Infrastructure Projects (Third Prize)	China Southern Power Grid Co., Ltd.
	Bayi Power Supply Station 10kV Yaxing II Line Yingdao 18 Team Branch Line — Yingdao 18 Team Transformer substation area renovation project	Power grid project	China Southern Power Grid 2022 Quality Power Grid Project Award	China Southern Power Grid Co., Ltd.
2021	Zhanjiang 220kV industrial park transmission line project	Power grid project	China Southern Power Grid Co., Ltd. 2020 Outstanding Design Award for Infrastructure Projects (Third Prize)	China Southern Power Grid Co., Ltd.
			2021 Outstanding Project Design for Power Industry Award (Third Prize)	China Electric Power Planning and Design Association
	Zhanjiang 220kV industrial park switching station project	Power grid project	2020 Model Project for “Safety, Quality, and Civilisation”	Guangdong Power Grid Co., Ltd. Infrastructure Department
	Danzhou Power Supply Bureau Bayi Power Supply Station 10kV Yaxing II Line Yingdao 18 Team Branch Line — Yingdao 18 Team Transformer substation area renovation project	Power grid project	China Southern Power Grid Co., Ltd. 2020 Outstanding Design Award for Infrastructure Projects	China Southern Power Grid Co., Ltd.

We were also awarded Enterprises with Strong Party Building and Strong Innovation (黨建強創新強“雙強”企業) in July 2025 by Zhuhai Municipal Committee of the Communist Party of China for Non-Public Economic Organisations* (中共珠海市非公有制經濟組織委員會), Outstanding Enterprises in December 2023, 2024 and 2025 by Guangdong Solar Energy Association (廣東省太陽能協會) and Most Caring Member Organisation of 2024 in December 2024 by Zhuhai Care and Compassion Society (珠海市關愛協會).

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INTELLECTUAL PROPERTY

Through our research and development initiatives, we have obtained various intellectual property rights that are valuable to our business. We protect our intellectual properties through patents, copyrights and trademarks. As of the Latest Practicable Date, we held two trademarks, 69 registered patents, comprising 23 invention patents and 46 utility patents and 13 registered copyrights in China, and there were 5 trademark applications and 6 patent applications which the considered to be material to our business pending approval. We acquired new patents through our products and technologies as a result of our research and development activities.

Our research and development and other key employees are required to adhere to our confidentiality policies prohibiting them from disclosing any of our proprietary technologies and trade secrets. In addition, we maintain full ownership rights to any intellectual property developed by our R&D team. We have also implemented an information security system to prevent unauthorised access to our technological information systems. We generally seek intellectual property protection against third-party misappropriation for new inventions we develop, including product improvements or technologies, though there is no assurance that such protection will be effective. We may also be subject to claims for infringement of intellectual property rights of others. For further details, please see “Risk Factors — Risks Relating to Our Business and Our Industry — 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.” in this document.

Our Directors believe that our intellectual property rights, including our trademarks, copyrights and patents, are important to our future business development. Please see “Appendix VII — Statutory and General Information” in this document for further information.

To our knowledge, during the Track Record Period and up to the Latest Practicable Date, there were no claims or legal proceedings involving other parties having infringed on any of our key intellectual property rights, or vice versa.

SALES AND MARKETING

Sales

We acquire customers and obtain new projects through both tendering and direct negotiation. We submitted 295, 329 and 245 tenders for the FY2023, FY2024 and FY2025, respectively, among which 45, 46 and 38 tenders were awarded to us, respectively, representing a tender success rate of approximately 15.3%, 14.0% and 14.7%, respectively. Our tender success rate remained stable during the Track Record Period. By adopting these combined sales models, we effectively cater to the diverse needs and broad geographic distribution of our user base, ensuring high-quality service and support across all customer segments.

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Our sales team possesses relevant academic background, professional qualification and experience and thereby is capable of identifying the key specifications of the projects, responding to diverse requirements of customers, communicating with our operation team and project engineers at contract preparation and execution stages, providing on-site support as well as ensuring our high quality services to customers at all times. Thus, our sales team managed to maintain close working relationships with customers of all types. Visits or online communications were frequently held and when required. As at 31 December 2025, our sales team consisted of 14 employees.

Marketing

We secure new business mandates by leveraging our established brand reputation, strong design ability and integrated service capabilities. Our business development activities are technically-driven and executed by project teams comprising our professional engineers and technical staff. We believe this approach allows us to provide highly specialised technical insights during the early stages of customer engagement, ensuring our solutions are precisely aligned with the complex engineering requirements of the projects.

Our market outreach is tailored to the procurement protocols of our target segments. For power grid enterprises that utilised open tender process, we focus on demonstrating our technical qualifications, proven track record, and compliance with rigorous industry standards. For private enterprises that favour commercial negotiations, our technical teams drive brand visibility through technical exchanges, joint development initiatives, and showcases of our proprietary survey and design consultancy services.

To further enhance our market positioning, we actively participate in industry exhibitions and technical forums, both domestically and internationally, to demonstrate our technological capabilities and product innovations to potential customers. Our marketing strategy emphasises customised offerings, cost efficiency and end-to-end responsiveness, differentiating us from competitors through a lean cost structure and rapid service cycles. At the same time, we build competitive advantages among domestic brands by delivering superior service quality, technical expertise and continuous innovation.

PRICING POLICY

For our survey, design and consultancy services, our pricing is generally determined with reference to the guided prices (指導價) promulgated by government authorities or national power grid companies. The guided prices are in turn formulated based on the charging standards for different types of infrastructures for power engineering survey, design and construction services as set out in the Notice on Further Liberalising the Prices of Professional Services for Construction Projects (《關於進一步放開建設項目專業服務價格的通知》(發改價格〔2015〕299號) promulgated by the National Development and Reform Commission of the PRC, and are adjusted with reference to prevailing market conditions. During the Track Record Period, the guided prices were applicable to our power grid projects undertaken by SOEs and CSOs; but were not applicable to (1) new energy projects undertaken by private enterprises whose prices were benchmarked to market, and (2) projects where we acted as a technical support provider whose prices were also benchmarked to market.

For EPC services, we adopt a cost-plus pricing strategy. In determining prices for our EPC projects, we consider the estimated overall project costs taking account of raw material, processing and labour costs, technical complications, customer requirements, supply chain dynamics, procurement strategies, expected gross margin for each project and the competitive landscape in the relevant market.

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On top of the abovementioned guided prices for some of our survey, design and consultancy services, cost-plus pricing strategy is consistently applied across both survey, design and consultancy services and EPC services segments to ensure that prices accurately reflect actual costs and targeted profitability whilst remain competitive. We maintain open communication with customers regarding changes in raw material prices, logistics costs and exchange rates and negotiate pricing adjustments as needed. Our pricing strategy is reviewed regularly to ensure alignment with market trends and business objectives.

COMPETITION

Energy solutions encompass a comprehensive, full-lifecycle service portfolio delivered by specialised power engineering firms, integrated survey and design, EPC and O&M services to support the development and optimisation of electric power infrastructure. Solution providers that provide full-lifecycle services ensure efficient, reliable and sustainable energy project planning, execution and ongoing operation across the entire value chain. The energy solutions market in the PRC was dominated by leading enterprises, with the top five market participants collectively accounting for 65.3% of the total market share in 2024. On the other hand, Grade A Engineering Design Certificate for Power Industry (Transmission and Substation Engineering) allows its holders to undertake design projects of all scales. In Guangdong Province, only 15 companies possess such licences, among which 13 are SOEs and the remaining two are private enterprises. We are one of those two private enterprises.

The PRC energy solution market is strictly regulated with high entry barriers, including hefty capital investment, possession of relevant licences, professional qualification and experience of management and engineering team, net asset size and staff size. We consider ourselves competitive in the following perspectives:

- expertise in design and EPC;
- technical competence and comprehensive qualifications;
- reputable customer base;
- capability in R&D and competitive solution offerings; and
- dedicated and experienced management team.

Please see “Industry Overview — Competitive Landscape of the PRC Energy Solutions Market” and “Risk Factors — Risks Relating to Our Business and Industry — We face competition in the markets in which we operate, which could adversely affect our businesses.” in this document for further details.

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SUPPLIERS

We select suppliers based on the quality of their products, post-sales services, track record, pricing, whether they possess the required certifications and qualifications and other factors. For our EPC services, our main suppliers are traders and manufacturers of parts, equipment and machinery in the PRC, including PV components, energy storage equipment, cables and electrical equipment and other raw materials. We have maintained stable business relationships with our main suppliers in EPC business. We did not enter into any long-term procurement agreement with our main suppliers in our construction contracting business. During the ordinary course of business, we normally make payments on delivery and according to payment terms of the respective agreements entered into with the suppliers. We typically pay our suppliers in Renminbi through bank transfer. For our survey, design and consultancy services, despite our in-house team performs most of our contracted tasks, we engage third party suppliers to provide specific technical services or services which requires specialised licence, e.g. geotechnical engineering, fire safety related consultancy services.

The following sets out the salient terms and conditions in our contracts with suppliers:

- **Product specification:** We specify the product name, manufacturer or brand, specification, price, quantity, delivery timeline and other detailed items in the contract with our suppliers.
- **Payment terms:** The payment terms vary with the nature of the products being supplied but deposits are generally made upon entering into of the procurement contract and principally settled through bank transfer in Renminbi with the final instalment being payable upon delivery or according to the relevant credit terms.
- **Delivery:** Suppliers are generally responsible for delivering the product to a location designated by us.
- **Warranty:** A warranty period of two to ten years would generally be offered. Products are typically accepted in accordance with our specifications, as well as national, local and industry standards. Should any quality issues arise during the warranty period, the supplier shall be responsible for replacement or refund.
- **Termination:** In some cases, we are entitled to terminate our contracts if our suppliers (i) fail to meet our requirements to the products; (ii) fail to pass our quality inspection tests; and/or (iii) continuously fail to deliver the products on time.
- **Product liability:** In general, suppliers are responsible for the product liability of the products.

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The following tables set forth details of our five largest suppliers for each year during the Track Record Period:

FY2025

Supplier	Supplier background and principal business	Commencement of business relationship with us	Purchase amount (RMB'000)	Percentage of total purchase cost	Typical credit terms	Products or services we purchased
Supplier A	A private company incorporated in Taiyuan city, Shanxi Province, the PRC in 2024 principally engaging in PV and wind power generation technical services and sale of PV and wind power generation equipment.	August 2025	65,826.3	24.4%	Demand on delivery	PV modules and PV mounting bracket structure
Supplier B	A private company incorporated in Shenzhen city, the PRC in 2014 principally engaging in electric wire, and cables manufacturing.	May 2024	45,535.6	16.9%	Demand on delivery	Electric cables
Supplier C	A private company incorporated in Hangzhou city, Zhejiang Province, the PRC in 2025 principally engaging in wind and PV power technical services, power storage technical services, sales of wind, PV power generation equipment and sales of power distribution gear.	October 2025	26,220.0	9.7%	Demand on delivery	Step-up substation electrical equipment, PV mounting bracket structure
Supplier D	A private company incorporated in Hunan Province, the PRC in 2025 principally engaging in construction labour sub-contracting, construction management services, and PV and wind power generation technical services.	July 2025	12,742.5	4.7%	30 days after receipt of invoice	Construction services
Supplier E	A private company incorporated in Kunming city, Yunnan Province, the PRC in 2023 principally engaging in manufacturing of new energy power generation, PV equipment and components.	June 2025	9,367.1	3.5%	30 days after receipt of invoice	PV modules
Total:			159,691.5	59.1%		

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FY2024

Supplier	Supplier background and principal business	Commencement of business relationship with us	Purchase amount (RMB'000)	Percentage of total purchase cost	Typical credit terms	Products or services we purchased
Supplier F	A private company incorporated in Xuzhou city, Jiangsu Province, the PRC in 2024 principally engaging in new energy technical services, sales of PV power generation products, engineering management services.	June 2024	45,715.6	24.4%	30 days after receipt of invoice	Construction services
Supplier G	A private company incorporated in Zhaoqing city, Guangdong Province, the PRC in 2024 principally engaging in power generation, transmission and distribution, PV and wind power generation technical services and sale of construction materials	December 2024	15,964.1	8.5%	15 days after receipt of invoice	PV power generation system mounting bracket structure
Supplier Group H	A company listed on the Shanghai Stock Exchange with headquarters in Yangzhou city, Jiangsu Province, the PRC principally engaging in manufacturing of electric cables and electrical equipments and supply of solutions for power transmission and transformation.	December 2022	7,969.2	4.3%	Demand on delivery	Electric cables
Supplier B	A private company incorporated in Shenzhen city, the PRC in 2014 principally engaging in electric wires and cables manufacturing.	May 2024	5,763.4	3.1%	Demand on delivery	Electric cables
Supplier I	A private company incorporated in Shenzhen city, the PRC in 2023 principally engaging in sale of PV equipment and components, provision of technical services for PV and wind power generation and energy storage.	April 2024	5,083.1	2.7%	Demand on delivery	PV modules, power inverters
Total:			<u>80,495.4</u>	<u>40.3%</u>		

BUSINESS

FY2023

Supplier	Supplier background and principal business	Commencement of business relationship with us	Purchase amount (RMB'000)	Percentage of total purchase cost	Typical credit terms	Products or services we purchased
Supplier J	A PRC indirect subsidiary of a company listed on the NASDAQ through its immediate parent which is listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange with headquarters in Canada principally engaging in PV module manufacturing	December 2022	107,944.1	38.6%	45 days after receipt of invoice	PV modules
Supplier K	A private company incorporated in Changzhou city Jiangsu Province, the PRC in 2020 principally engaging in PV mounting system manufacturing	December 2022	12,751.6	4.6%	Demand on delivery	PV Mounting System
Supplier L	A private company incorporated in Guangzhou city Guangdong Province, the PRC in 2018 principally engaging in energy storage equipment and solutions	December 2022	12,247.8	4.4%	45 days after receipt of invoice	Energy storage system
Supplier Group H	A company listed on the Shanghai Stock Exchange with headquarters in Yangzhou city, Jiangsu Province, the PRC principally engaging in manufacturing of electric cables and electrical equipments and supply of solutions for power transmission and transformation.	December 2022	7,289.5	2.6%	Demand on delivery	Electric cables
Supplier M	A company listed on the Shenzhen Stock Exchange with headquarters in Hefei city, Anhui Province, the PRC principally engaging in research, development, production and sales of new energy power generation equipment and related products.	December 2022	7,222.9	2.6%	45 days after receipt of invoice	Power inverter
Total:			147,455.8	52.7%		

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In each year during the Track Record Period, purchases from our five largest suppliers amounted to RMB147.5 million, RMB80.5 million and RMB159.7 million, respectively, accounting for 52.7%, 40.3% and 59.1%, of our total purchase costs during those years, respectively. In each year during the Track Record Period, purchase from our largest supplier amounted to RMB107.9 million, RMB45.7 million and RMB65.8 million, respectively, accounting for 38.6%, 24.4% and 24.4%, of our total purchase costs during those years. We believe we are not exposed to concentration risk or reliant on any single supplier.

To the best knowledge of our Directors, each of our five largest suppliers for each year during the Track Record Period is an Independent Third Party, and there was no other past or present relationships (including financing, trust or otherwise) between us and each of our five largest suppliers, their respective substantial shareholders, directors or senior management, or any of their respective associates during the Track Record Period. None of our Directors, their close associates, or any Shareholder, which to the best knowledge of our Directors, owned more than 5.0% of the total number of issued Shares, had any interest in any of our five largest suppliers for each year during the Track Record Period. Our Directors confirm that we had not experienced any significant material fluctuation in prices set by our suppliers, material breach of contract on the part of our suppliers or delay in delivery of our orders from our suppliers during the Track Record Period.

SUB-CONTRACTING

In our capacity as the main contractor for the EPC projects, we serve as the project manager responsible for overall management. We oversee and manage the work performed by sub-contractors, which have different specialties, such as installation PV panels and mounting structures, conducting environmental impact assessments, performing construction works in specialised area, e.g. geotechnical engineering, etc.. For the scope of work performed by our sub-contractor, please see “EPC services — Major Scope of Work” in this section for further information. We may engage different sub-contractors in different projects, taking into account various factors such as project size, cost budget, hardware required, project experiences etc.. We generally require our sub-contractors to procure their own construction materials and machinery. By outsourcing non-core, labour-intensive components or areas which require specific technical qualifications of EPC projects, we can leverage the competitive pricing of the sub-contractors. Our Directors believe that such lean operational structure allows us to offer more competitive bid prices in open tender processes while maintaining healthy margins through effective project oversight and integrated management.

We follow strict criteria in selecting sub-contractors. We maintain a list of qualified sub-contractors to facilitate efficient matching of suitable sub-contracting services at reasonable cost. We generally select sub-contractors through open tenders or invited tenders. Sub-contractors must either be on our list of qualified sub-contractors, or have passed our evaluation. A bid evaluation committee composed of our technical experts and financial experts is responsible for selecting the sub-contractors primarily based on their qualifications, track record, financial strengths and offer prices. The sub-contracting contracts typically tally with the principal terms of the main project contract we entered into with our project owners, such as scope of work, payment terms, construction schedule, quality obligations, and liability for breach of contract. Sub-contracting arrangements are made on a project-by-project basis, and the duration of each sub-contracting contract is generally tally with the project

BUSINESS

schedule, scope of work and other relevant requirements. The selection of sub-contractors is also subject to the provisions of the main project contract and prior consent from our project owners may be required.

According to our standard sub-contracting contracts, progress payments are made to sub-contractors in accordance with project milestones, and between 3% and 10% of the total contract amount is retained as a warranty deposit until the expiry of the warranty period, which typically lasts for 24 months commencing from the date of acceptance of works. The warranty periods under our sub-contracting contracts are generally consistent with those under the main contracts with our customers. Further, the sub-contractors are required to sign an undertaking to reimburse any payment made by us to workers in case the sub-contractors failed to make timely payments to workers.

We have internal control measures in place, under which our procurement department is responsible for managing and regularly monitoring the service quality and delivery capability of our sub-contractors, including on-site supervision and joint inspections with sub-contractors. In the event of any quality or performance issues, we promptly communicate with the sub-contractors concerned and monitor their rectification measures.

We require our sub-contractors to comply with our technical requirements, work safety standards and policies, and to take proactive measures to avoid any safety or quality incidents during the course of their service provision. If a sub-contractor fails to meet our requirements and standards, we reserve the right to terminate its engagement or seek damages. We maintain unified management records of our sub-contractors’ work quality, progress, occupational health, safety and environmental protection record, as we remain responsible to our customers for our sub-contractors’ contractual performance pursuant to the contracts or applicable laws. We adopt various measures to monitor the sub-contractors’ performance. For ongoing project, we hold regular meetings with our sub-contractors to manage their performance in areas including progress, quality, health and safety, and environmental protection, to ensure their compliance with relevant rules and regulations. To maintain our standards, we may also provide training programmes to our sub-contractors.

For FY2023, FY2024, FY2025, purchase from our five largest sub-contractors amounted to RMB78.7 million, RMB50.4 million and RMB75.1 million, respectively, accounting for approximately 28.1%, 26.9% and 27.8% of our total purchase cost, respectively. In particular, purchase from our largest sub-contractor for the same periods accounted for approximately 11.8%, 12.9% and 11.2% of our total purchase costs, respectively. To the best of our knowledge, the sub-contractors we engaged are all Independent Third Parties.

BUSINESS

The following tables set forth details of our five largest sub-contractors for each year during the Track Record Period:

FY2025

Sub-contractor	Sub-contractor background and principal business	Commencement of business relationship with us	Sub-contracting charges amount (RMB'000)	Percentage of total purchase cost (%)	Typical credit terms	Services provided to us
Sub-contractor A	A private company incorporated in Loudi city, Hunan Province, the PRC in 2019 principally engaging in power construction project execution and construction labour sub-contracting.	July 2022	30,301.4	11.2	30 days after receipt of invoice	Construction services
Sub-contractor B	A private company incorporated in Taiyuan city, Shanxi Province, the PRC in 2018 principally engaging in design and construction of power engineering projects, and sales of power equipment and materials.	June 2025	18,764.2	6.9	20 days after receipt of invoice	Site preparation, construction services, equipment installation and testing and defect rectification
Sub-contractor C	A private company incorporated in Changyuan city Henan Province, the PRC in 2016 principally engaging in construction project execution.	February 2025	11,530.3	4.3	30 days after receipt of invoice	Road construction services
Sub-contractor D	A private company incorporated in Chongqing city, the PRC in 2019 principally engaging in construction worker sub-contracting, and construction project execution.	June 2025	7,929.7	2.9	30 days after receipt of invoice	Construction and installation work for PV projects
Shanxi Cellular	A joint venture company which was owned as to 50% by our Group, which principally engaging in construction of power projects.	November 2023	6,605.5	2.4	14 days after receipt of invoice	Fire safety renovation and construction services
Total:			<u>75,131.2</u>	<u>27.8</u>		

BUSINESS

FY2024

Sub-contractor	Sub-contractor background and principal business	Commencement of business relationship with us	Sub-contracting charges amount (RMB'000)	Percentage of total purchase cost (%)	Typical credit terms	Services provided to us
Sub-contractor E	A private company incorporated in Xiangtan city, Hunan Province, the PRC in 2017 principally engaging in power construction project execution and general contracting.	March 2024	24,211.0	12.9	30 days after receipt of invoice	Construction services and installation
Sub-contractor F	A private company incorporated in Guangdong Province, the PRC in 1988 principally engaging in construction labour sub-contracting, power facilities installation, testing and repair services and construction project execution.	December 2019	8,497.4	4.5	7 days after receipt of invoice	Construction services
Sub-contractor A	A private company incorporated in Loudi city, Hunan Province, the PRC in 2019 principally engaging in power construction project execution and construction labour sub-contracting.	July 2022	7,472.8	4.0	30 days after receipt of invoice	Construction services
Sub-contractor G	A private company incorporated in Wuhou city, Sichuan Province, the PRC in 2023 principally engaging in construction labour sub-contracting, building demolition and construction project execution.	October 2024	5,148.5	2.8	15 days after receipt of invoice	Construction of PV power plants
Sub-contractor H	A private company incorporated in Ningbo city, Zhejiang Province, the PRC in 2020 principally engaging in construction labour sub-contracting and construction project execution.	April 2024	5,053.1	2.7	Nil	Installation and construction service of PV modules and components.
Total:			<u>50,382.8</u>	<u>26.9</u>		

BUSINESS

FY2023

Sub-contractor	Sub-contractor background and principal business	Commencement of business relationship with us	Sub-contracting charges amount (RMB' 000)	Percentage of total purchase cost (%)	Typical credit terms	Services provided to us
Sub-contractor I	A private company incorporated in Taiyuan city, Shanxi Province, the PRC in 2018 principally engaging in construction labour sub-contracting, rental and maintenance of machineries and construction project execution.	December 2022	33,022.9	11.8	30 days after receipt of invoice	Pile foundation construction services
Sub-contractor J	A private company incorporated in Zhejiang Province, the PRC in 1958 principally engaging in installation, maintenance and testing of electrical facilities, general contracting for building projects, construction of fire safety facilities and construction project execution.	December 2022	23,816.5	8.5	30 days after receipt of invoice	Installation and construction services
Sub-contractor K	A private company incorporated in Xiangxiang city Hunan Province, the PRC in 2013 principally engaging in installation, maintenance and testing of electrical transmission, distribution and reception facilities, construction labour sub-contracting and construction project execution.	March 2022	15,398.7	5.5	10 days after receipt of invoice	Construction services
Sub-contractor A	A private company incorporated in Loudi city, Hunan Province, the PRC in 2019 principally engaging in power construction project execution and construction labour sub-contracting.	July 2022	4,514.1	1.6	30 days after receipt of invoice	Construction services
Sub-contractor L	A private company incorporated in Guangdong Province in the PRC in 2019 principally engaging in sale of electrical machinery and equipment, power facilities equipment and construction labour sub-contracting.	January 2023	1,899.4	0.7	30 days after receipt of invoice	Installation and testing services
Total:			<u>78,651.6</u>	<u>28.1</u>		

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INVENTORY CONTROL

Our inventories comprised unutilised construction materials. We procure equipment and construction materials under our EPC projects, including, among other things, PV modules, wind turbines, power inverters, step-up voltage transformers, switch cabinets and cables. The construction materials and equipment needed for our EPC projects are mainly procured in the PRC. We monitor closely the supply, payment and delivery arrangement of construction materials and equipment, in order to adjust our procurement plans according to the project needs. We have an inventory control system in place to monitor the planning and distribution of the warehouse inventories so as to keep pace with the project needs and time allotment thereby optimising our operation. Upon completion of the EPC project, we might have a small amount of unused construction materials, for which we would normally include them into inventories for future purposes.

CUSTOMERS

For our survey, design and consultancy business, our main customers comprise state-owned power grid enterprises and private power generation enterprises. We have maintained business relationships with some of our major customers in this business segment for over 18 years, without entering into any long-term service agreement. We receive payments from our customers according to the contracted payment milestone.

For our EPC business, our main customers comprise both SOEs that invest in or undertake new energy power generation projects and private enterprises. We have maintained business relationships with some of our major customers in EPC business for over six years. We did not enter into any long-term service agreement with our customers in our EPC business. We receive progress payments from our customers in instalments according to the relevant contract terms. For salient terms of the contracts we entered into with customers, please see “Business Model — EPC Services — Types of Contracts” in this section.

During the Track Record Period, we provided O&M services to both SOEs and private enterprises. We charged fixed fees and/or variable fees mainly based on the achievement level of the contracted operating targets and received payment on regular intervals (such as monthly). Customers usually pay us in RMB through telegraphic transfer.

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The following table sets forth details of our five largest customers for each year during the Track Record Period:

FY2025

Customer	Customer background and principal business	Commencement of business relationship with us	Revenue contribution ⁽¹⁾ (RMB'000)	Percentage of total revenue	Typical credit terms	Major services purchased from us
Customer A	A private company incorporated in Taiyuan city, Shanxi Province, the PRC in 2017 principally engaging in installation, maintenance, and testing of electrical facilities.	June 2025	242,785.8	59.6%	28 days after receipt of invoice	EPC
Customer Group B	A company listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange with headquarters in Foshan city, Guangdong Province, the PRC specialising in smart home solutions, smart building technology, energy, robotics and automation, etc.	July 2024	45,297.4	11.1%	15 days after receipt of invoice	EPC
Customer Group C	A company listed on the Shenzhen Stock Exchange with headquarters in Nanning city, Guangxi Province, the PRC principally engaging in installation, maintenance, and testing of power transmission, distribution, and receiving facilities.	November 2024	38,155.7	9.4%	28 days after receipt of invoice	EPC
Customer Group D	A national power grid enterprise	April 2008	27,115.3	6.7%	45 days after receipt of invoice	Survey, design and consultancy
Customer Group E	A national power generation enterprise	November 2018	9,111.1	2.2%	45 days after receipt of invoice	EPC and survey, design and consultancy
Total			362,465.3	89.0%		

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FY2024

Customer	Customer background and principal business	Commencement of business relationship with us	Revenue contribution ⁽¹⁾ (RMB'000)	Percentage of total revenue	Typical credit terms	Major services purchased from us
Customer Group B	A company listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange with headquarters in Foshan city, Guangdong Province, the PRC specialising in smart home solutions, smart building technology, energy, robotics and automation, etc.	July 2024	116,239.8	36.1%	15 days after receipt of invoice	EPC
Customer F	The Beijing branch office of a private company incorporated in Beijing city, the PRC principally engaging in energy engineering and general contracting.	April 2020	56,690.4	17.6%	30 days after receipt of invoice	EPC
Customer Group E	A national power generation enterprise.	November 2018	48,181.8	15.0%	45 days after receipt of invoice	EPC and survey, design and consultancy
Customer G	A private company incorporated in Xiangtan city, Hunan Province, the PRC in 2020 principally engaging in production and sales of specialty cables.	August 2024	30,382.6	9.4%	10 days after receipt of invoice	EPC
Customer Group D	A national power grid enterprise.	April 2008	22,012.2	6.8%	45 days after receipt of invoice	Survey, design and consultancy
Total			273,506.7	84.9%		

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FY2023

Customer	Customer background and principal business	Commencement of business relationship with us	Revenue contribution ⁽¹⁾ (RMB'000)	Percentage of total revenue	Typical credit terms	Major services purchased from us
Customer Group E	A national power generation enterprise.	November 2018	256,828.1	75.3%	45 days after receipt of invoice	EPC and survey, design and consultancy
Customer Group D	A national power grid enterprise.	April 2008	29,941.0	8.8%	45 days after receipt of invoice	Survey, design and consultancy
Customer F	The Beijing branch office of a private company incorporated in Beijing city, the PRC principally engaging in energy engineering and general contracting.	April 2020	17,322.8	5.1%	30 days after receipt of invoice	EPC
Customer Group H	A SOE listed on the Shanghai Stock Exchange principally engaging in construction and operation of hydropower, thermal power, new energy and power grid infrastructure.	July 2017	14,048.8	4.1%	15 days after receipt of invoice	EPC and survey, design and consultancy
Customer I	A PRC subsidiary of a Shanghai and Hong Kong dual-listed company incorporated in 2008, which principally engaged general contracting and power related construction.	April 2022	2,707.5	0.8%	15 days after receipt of invoice	Survey, design and consultancy
Total			320,848.2	94.1%		

Note:

- (1) During the Track Record Period, revenue generated from group customers included revenue generated from itself and its subsidiaries.

To the best knowledge of our Directors, each of our five largest customers for each year during the Track Record Period is an Independent Third Party, and there was no other past or present relationships (including financing, trust or otherwise) between us and each of our five largest customers, their respective substantial shareholders, directors or senior management, or any of their respective associates during the Track Record Period. None of our Directors, their close associates, or any Shareholder, which to the best knowledge of our Directors, owned more than 5.0% of the total number of issued Shares, had any interest in any of our five largest customers for each year during the Track Record Period.

Customer Concentration

For FY2023, FY2024, FY2025, revenue from our five largest customers amounted to RMB320.8 million, RMB273.5 million and RMB362.5 million, respectively, accounting for approximately 94.1%, 84.9% and 89.0% of our total revenue, respectively. In particular, revenue from our largest customer for the same periods accounted for approximately 59.6%, 36.1% and 75.3% of our total revenue,

BUSINESS

respectively. Our Directors believe that our customer concentration is a direct reflection of the broader industry landscape in the PRC energy solutions market. According to F&S, large-scale power grid construction and infrastructure projects were predominantly managed by a limited number of market participants, primarily large-scale SOEs and CSOs. Our major customers vary each year during the Track Record Period as once a project concludes, customers may not require further services until new needs arise, leading to a turnover of customers each year during the Track Record Period. As we continue to enlarge our market coverage by exploring business opportunities in zero carbon zones, green energy bases, 5G base station facilities and in overseas markets, our customer base and profile are expected to be diversified, and we expect to further reduce our customer concentration. For risks associated with our major customers, please see “Risk Factors — 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.” in this document.

SEASONALITY

Our EPC business is subject to seasonality. We typically recorded higher profits in the second half of the year than in the first half of the year. We attribute this seasonality to cold weather and more public holidays during the first half of the year, which have an impact on construction work. On the other hand, to the best knowledge of the Directors, many of our CSO and SOE customers determined their annual business plan in the first quarter of each year, followed by contract negotiation and execution, with the latter generally took place in second half of the year. We anticipate that, as we improve our technology and equipment, we may gradually reduce the effect of seasonality in our business operations. Nevertheless, we may still experience cost increases or delays when conducting our business operations during particular seasons.

DATA SECURITY

We place significant emphasis on information security management, drawing on the best international practices in our operations. In the course of daily operations, we may need to collect, process and/or use the personal information of, including but not limited to, our employees, visitors and business partners, by ourselves or through entrusted third-party processors. We strictly comply with applicable laws and regulations, including the Personal Information Protection Law of the PRC, the Data Security Law of the PRC, the Cybersecurity Law of the PRC and other application laws and regulations, and enhance our data compliance management practices. We proactively follow the developments and interpretations of laws and regulations, conduct compliance risk assessments, perform compliance reviews and provide relevant training to our employees.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material data leakage or loss of data or information. Based on consultation with our legal adviser on information security and privacy, our Directors have confirmed that, during the Track Record Period and up to the Latest Practicable Date, we complied in all material respects with applicable laws and regulations governing cybersecurity, data security, and privacy protection, and that we did not engage in any material violations such as illegal collection, use, or provision of data.

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EMPLOYEES

As at 31 December 2025, we had 262 employees, all of them were located in the PRC. The following table sets out the number of employees by our business segments as at 31 December 2025:

Business segment	Number of employees	Percentage of total (%)
Survey, design and consultancy services	170	64.9
EPC services	24	9.2
Others	68	26.0
Total	262	100.0

We consider our employee base is of high quality in view of the following composition:

	Number of employees	Percentage of total (%)
Technical staff	203	77.5
Bachelor degree	183	69.8
Master degree or above	10	3.8
National registered engineers or architects	47	17.9

Our success depends on our ability to attract, motivate, train and retain qualified personnel. We believe we offer our employees competitive compensation packages and environment that fosters career development. To recruit new talent, we employ various means such as online recruitment, internal referrals and headhunt service agency, which enables us to build and cultivate our own pool of skilled professionals. In terms of talent retention, we implement a multi-dimensional talent development policy, including senior mentorship programmes, continuous executive capability building, professional training, management skills development and periodic training on our policies and procedures in various aspects. On the other hand, we provide various incentives and benefits to our employees, including salaries, awards, bonuses, incentive schemes and employee welfare which we believe are competitive to our employees, particularly our key employees. Apart from statutory contributions, we also voluntarily provide our employees with benefits such as incentive subsidies. As a result of these efforts, we believe we have been generally successful in attracting and retaining qualified personnel, and have established a stable core management team.

To formalise our employment relations, we enter into an individual employment contract with each of our employees. These contracts usually cover matters such as service term, position, salaries, bonuses, employee benefits, workplace safety, confidentiality obligations, work product assignment and grounds for termination. We have also entered into confidentiality and intellectual property ownership agreements and non-competition agreements with our employees. In particular, we ensure that any inventions created by our employees are assigned to us through confidentiality and intellectual property ownership agreements.

BUSINESS

We have a labour union for our employees. The union comprises a chairperson, a vice-chairman and seven committee members. We maintain open communication channels and a cooperative relationship with the union.

We believe that we have maintained a positive working relationship with our employees. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material disputes with our employees.

Social insurance and housing provident funds

According to laws and regulations in the PRC, we are required to participate in various employee social security plans for our employees that are administered by local governments, including housing, pension, medical insurance, maternity insurance, occupational injury insurance, unemployment insurance and housing provident funds through a PRC government-mandated benefit contribution plan.

During the Track Record Period and up to the Latest Practicable Date, we had not made social insurance and housing provident fund contributions for some of our employees in full in accordance with the relevant Chinese laws and regulations. During the Track Record Period, the shortfall in social insurance contributions and housing provident funds amounted to approximately RMB4.0 million, RMB4.8 million and RMB5.0 million. We have undertaken that, should any of our subsidiaries be required in the future by relevant regulatory authorities or by employees to make up for unpaid social insurance or housing provident fund contributions, or be subject to penalties imposed by such authorities, or otherwise suffer any financial losses or expenses arising therefrom, we shall fully pay for all such costs or losses, and shall ensure that we shall not suffer any adverse impact or loss as a result.

According to the Social Insurance Law, if an employer fails to make social insurance contributions in full, the relevant authorities could order the employer to pay, within a prescribed time limit, the outstanding amount with an additional late payment penalty at the daily rate of 0.05%, and if the employer fails to make the overdue contributions within such time limit, a fine equal to one to three times the outstanding amount may be imposed. Additionally, according to the Regulation on the Administration of Housing Provident Fund, if the employer fails to register and establish an account for housing provident fund contributions, the authority could order the employer to correct it within a prescribed time limit, where failure to do so at the expiration of the time limit shall result in a fine of not less than RMB10,000 nor more than RMB50,000 being imposed. Where an employer is overdue in the payment and deposit of, or underpays, the housing provident fund, the authority could order it to make the payment and deposit within a prescribed time limit, and where the payment and deposit has not been made after the expiration of the time limit, an application may be made to a court in the PRC for compulsory enforcement.

Our Directors believe that the incident described above would not have a material adverse effect on our business and results of operations, considering that: (1) as of the Latest Practicable Date, we had not received any notification from the relevant PRC regulatory authorities requiring us to pay the shortfalls with respect to social insurance and housing provident funds; (2) we were not aware of any material employee complaints nor were involved in any material labour disputes with our employees with respect to social insurance and housing provident funds and (3) based on the interview conducted by our PRC Legal Adviser with the competent housing provident fund regulatory authority, and separate compliance confirmation obtained from the relevant social insurance fund regulatory authority, the relevant authorities will not take initiatives to investigate and penalise enterprises for any historical

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shortfall in social insurance and housing provident fund contribution, late fees nor administrative penalty in arrears. In addition, pursuant to the Notice on Implementing Several Measures to Further Support and Serve the Development of the Private Economy” (《關於實施進一步支持和服務民營經濟發展若干措施的通知》) promulgated in 16 November 2018, tax authorities shall not, under any circumstances, independently organise centralised collection campaigns for arrears from previous years owed by taxpayers, including private enterprises. Pursuant to the Notice on Implementing Several Measures to Further Support and Serve the Development of the Private Economy (國務院辦公廳關於印發降低社會保險費率綜合方案的通知) promulgated on 1 April 2019 by the State Taxation Administration of China, no centralised collection of enterprises’ historical arrears shall be conducted on one’s own initiative, and no measures that increase the actual contribution burden on small and micro enterprises shall be adopted, so as to avoid causing difficulties in the production and operation of enterprises. As advised by our PRC Legal Adviser, the risk that we will be collectively required by the relevant local social insurance and housing provident funds authorities to make centralised payments or make up for the shortfalls for social insurance and housing provident funds, or impose administrative penalty on us is remote. Based on the foregoing, we did not make provision for the shortfall in social insurance and housing provident fund contribution.

To monitor our compliance with relevant laws and regulations in respect of social insurance and housing provident fund contributions, we have taken the following internal control measures:

- designated our human resources department to review and monitor the reporting and contributions of social insurance and housing provident fund on a monthly basis;
- increased the payment bases for our social insurance and housing provident fund contributions and plan to further increase such payment bases to the level compliant with the relevant laws and regulations;
- kept abreast of latest developments in Chinese laws and regulations in relation to social insurance and housing provident funds; and
- consult our PRC Legal Adviser on a regular basis for advice on relevant Chinese laws and regulations to keep abreast of relevant regulatory developments, and will provide relevant employees with legal compliance training relating to the same.

If requested by the competent government authorities, we will fully rectify and make full contributions of social insurance premiums and housing provident funds for all of our employees within the stipulated timeframe as requested by the competent authorities.

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PROPERTIES

Owned properties

Our headquarters is located at No. 27, Technology 6th Road, Innovation Coast, High-tech Zone, Zhuhai City, Guangdong Province, China.

As at the Latest Practicable Date, we owned one property in China, which is an industrial building erected on a piece of land we owned, with aggregated gross floor area of 7,738.12 sq.m.. We held such property for self-use as office.

Leased property

As at the Latest Practicable Date, we leased one property in China that was material for our business, with a total gross floor area of approximately 101.0 sq.m. Our leased property is mainly used as our employee accommodations, which are non-property activities as defined under Rule 5.01(2) of the Listing Rules. We believe our existing facilities are generally adequate to meet our current needs, but we expect to seek additional space as needed to accommodate future growth.

The aforementioned property lease agreement has not undergone the required registration and filing procedures. As advised by our PRC Legal Adviser, pursuant to the relevant provisions of the Civil Code of the People’s Republic of China, failure by the parties to complete the registration and filing procedures for lease agreements in accordance with laws and administrative regulations does not affect the validity of the agreements. Therefore, the aforementioned property lease agreement entered into by us will not be invalidated due to the failure to complete the registration and filing procedures. Pursuant to the Measures for the Administration of Commercial Housing Leases (商品房屋租賃管理辦法), failure to complete the registration and filing of housing leases as required shall result in the competent governments authorities ordering rectification within a specified time limit; entities that fail to rectify by the deadline shall be subject to a fine of not less than RMB1,000 and not more than RMB10,000. As of the Latest Practicable Date, we have not been subject to administrative penalties for failure to file lease agreement, and our Directors are of the view that the aforementioned deficiencies will not have a material adverse effect on our daily operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We are committed to sustainable development and integrates environmental, social and governance (“ESG”) considerations into its overall business strategy, operations and risk management processes. This section provides a summary of our ESG policies, initiatives, management approach and performance during the Track Record Period.

ESG Governance

The Board has overall responsibility for our ESG strategy, reporting and governance. The Board is committed to integrating ESG considerations into our long-term business strategy, risk management framework and internal control systems.

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During the Track Record Period, the Board, supported by senior management and the ESG Committee, evaluated the actual and potential impacts of ESG-related risks and opportunities on our operations and financial performance. The Board approved key ESG policies and strategies and ensured that adequate resources were allocated for effective implementation.

We have established an ESG committee (the “**ESG Committee**”) comprising representatives from relevant departments and functions. The ESG Committee is responsible for coordinating the collection, analysis and verification of ESG-related data, monitoring our ESG performance across environmental, social and governance aspects, assisting the Board in identifying, assessing, prioritising and managing material ESG risks and opportunities, and periodically reporting to the Board on ESG performance and progress against targets.

We have also formulated its internal ESG management measures to provide a structured framework for its ESG work across the organisation.

Board Diversity

We are committed to promoting board diversity. The board diversity policy aims to enhance decision-making by ensuring the Board comprises directors with diverse backgrounds, skills, experience, gender, age and professional qualifications. Please see “Directors and Senior Management” in this document for further details of current Board composition.

Reporting Basis

This ESG disclosure covers the three financial years FY2023, FY2024, FY2025 and has been prepared in accordance with the Environmental, Social and Governance Reporting Code set out in Appendix C2 to the Listing Rules. We have applied the reporting principles of materiality, quantitative, balance and consistency.

A. ENVIRONMENTAL

As an office-based electrical engineering design and energy services provider, our direct environmental impact is relatively limited. We have implemented an environmental management system certified to ISO 14001:2015 (Environmental Management Systems) to systematically manage its environmental performance and support continual improvement.

During the Track Record Period, we were not aware of any material non-compliance with relevant environmental laws and regulations in the PRC that would have a significant adverse impact on our Group, including but not limited to the Environmental Protection Law of the PRC, the Water Pollution Prevention and Control Law of the PRC, and the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste.

Environmental Targets

We have set the following intensity-based reduction targets by 2025:

- Electricity consumption intensity: 5% reduction
- Water consumption intensity: 5% reduction

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- Non-hazardous waste intensity: 5% reduction
- Greenhouse gas (“GHG”) emissions intensity: 5% reduction

Emissions Performance

The principal sources of our air emissions are unleaded petrol consumed by company vehicles and natural gas used in the office kitchen. Despite business growth during the Track Record Period, we successfully controlled and reduced air emissions through improved fleet management and operational efficiency.

Air emissions

Types of Exhaust Gas	Unit	FY2023	FY2024	FY2025
Nitrogen oxides (“NO _x ”)	Emissions tonnes	0.05383	0.05154	0.04756
Sulphur oxides (“SO _x ”)	Emissions tonnes	0.00116	0.00111	0.00100
Particulate matters (“PM”)	Emissions tonnes	0.00396	0.00379	0.00350

We recorded a steady reduction in air emissions over the Track Record Period. The further decrease in FY2025 was mainly attributable to reduced vehicle usage, optimised travel routes, regular maintenance and increased adoption of virtual meetings.

Greenhouse Gas Emissions

The major sources of our GHG emissions are Scope 1 (direct emissions from vehicles and natural gas) and Scope 2 (indirect emissions from purchased electricity consumed in our office). Performance during the Track Record Period is as follows:

Indicators	Unit	FY2023	FY2024	FY2025
Direct GHG emissions (Scope 1)	tCO ₂ e	189.64	182.74	164.50
— Unleaded petrol consumption				
— Natural gas consumption				
Energy indirect GHG emissions (Scope 2)	tCO ₂ e	188.32	258.84	216.83
— Electricity consumption				
Total GHG emissions	tCO ₂ e	377.95	441.57	381.33
Total GHG emissions intensity	tCO ₂ e/employee	1.59	1.62	1.46

We achieved a reduction in both total GHG emissions and emission intensity in FY2025, primarily due to energy-saving initiatives, reduced vehicle usage and the contribution from the PV system.

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Use of Resources

We continue to promote resource efficiency across its operations.

Indicators	Unit	FY2023	FY2024	FY2025
Purchased electricity	kWh	243,370.00	334,500.00	280,210.00
LPG	kWh	18,768.00	22,440.00	20,236.80
Petrol	kWh	764,271.57	733,108.50	659,925.31
Total energy consumption	MWh	1,026.41	1,090.05	960.37
Total water consumption	tonnes	1,092.99	1,291.46	1,065.09

Electricity and total energy consumption decreased in FY2025 after peaking in FY2024, mainly due to enhanced energy-saving measures. Water consumption also declined as a result of water-saving initiatives and increased employee awareness.

Waste Management

Given the office-based nature of the business, we generate minimal hazardous waste. Non-hazardous waste mainly consists of office paper and general commercial waste. We follow the 5Rs principle and has implemented comprehensive waste reduction measures. Waste generation remained stable during the Track Record Period.

We recorded no material environmental non-compliance during the Track Record Period.

Climate Change

We recognise that climate change presents both risks and opportunities. It has integrated physical and transition risks into its governance, strategy and risk management processes. We support the low-carbon economy through its renewable energy services and photovoltaic projects. In FY2025, our Zhuhai office photovoltaic system (82.62 kW) was certified for 80 tCO₂e reduction under Guangdong’s Carbon Inclusive Mechanism (“**PHCER**”). We prioritise energy efficiency and renewable energy adoption, support clients in transitioning to low-carbon energy solutions and engage in community projects that promote clean energy and rural revitalisation.

B. SOCIAL

Employment

Talent is the cornerstone of our sustainable development. We highly value the contributions of its employees and recognises that a skilled, diverse and engaged workforce is essential to achieving business objectives and creating long-term value.

Our employment policies are clearly documented in internal guidelines covering recruitment, promotion, dismissal, compensation, diversity, equal opportunities and anti-discrimination. These policies are reviewed periodically to ensure competitiveness and compliance with PRC labour laws.

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We offer competitive remuneration, comprehensive benefits (including social insurance, housing provident fund, commercial insurance, health check-ups and subsidies) and fair promotion opportunities based on performance and merit. The employee turnover rate improved from 33.5% in FY2023 to 27.9% in FY2024 and further to 19.5% in FY2025, reflecting enhanced retention initiatives and better employee engagement. No material labour disputes were recorded during the Track Record Period.

Health and Safety

Employee health and safety is the top priority of us. We are committed to providing a healthy and safe working environment and strives to achieve zero tolerance towards hazards and accidents.

We maintain an occupational health and safety management system certified to ISO 45001:2018. Regular risk assessments, safety inspections, provision of personal protective equipment and emergency drills are conducted. Our employees are required to attend training courses on occupational safety, environmental control, and emergency response organised by us. Emergency and evacuation procedures are established to enable timely and orderly responses to major safety incidents. A designated safety officer conducts regular safety training for our employees and any workers arranged by sub-contractors (where applicable), ensuring competency for assigned tasks and maintaining proper training records. Our employees are encouraged to provide feedback on improving workplace safety. We achieved zero work-related fatalities and zero lost days due to work injuries across FY2023, FY2024 and FY2025, demonstrating the effectiveness of its proactive safety culture.

Development and Training

We recognise our employees as our most valuable asset and believe that their continuous development is critical to sustaining competitiveness in the electric power and energy sector. As a high-tech enterprise, we rely on a highly skilled workforce to support safe, reliable and efficient power systems for its customers.

We provide systematic and targeted training programmes based on actual business needs and different employee categories. These include mentorship schemes for new joiners, structured trainee programmes, technical skills development, safety awareness training, and professional enhancement courses on new industry knowledge and emerging technologies. We also encourage employees to attend external training and provides subsidies for job-related courses. Post-training assessments are conducted, with results linked to career progression.

Training coverage remained high throughout the Track Record Period, with approximately 89.87% of employees receiving training in FY2023, 90.07% in FY2024 and 90.04% in FY2025. Average training hours per employee increased significantly from 9.26 hours in FY2023 to 19.90 hours in FY2024, and further to 22.51 hours in FY2025. This substantial increase reflects our enhanced investment in skill development and upskilling, particularly in renewable energy technologies and power engineering, in response to rapid industry advancements.

Labour Standards

We strictly prohibit the use of child labour and forced labour in its operations and supply chain. This commitment is embedded in our employment policies, recruitment procedures and supplier management system.

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During recruitment, the human resources department verifies applicants’ identity documents to ensure they meet the minimum legal working age. Working hours and overtime arrangements are strictly monitored to ensure all work is voluntary. We were not aware of any non-compliance with laws and regulations relating to child labour and forced labour during the Track Record Period.

Supply Chain Management

We provide turnkey solutions in the renewable energy and power engineering sector, involving sourcing of various equipment such as photovoltaic modules, inverters, mounting structures, energy storage systems and cables. Effective supply chain management is therefore vital to our business.

We have established a structured supplier management system under our Procurement Management Measures. Key measures include pre-qualification screening, maintenance of an approved supplier list and annual performance evaluations covering quality, delivery, environmental and social compliance. As at the end of FY2025, ESG-related management practices had been implemented with 96 suppliers. We prioritise local suppliers where possible to reduce transportation emissions and support the local economy.

Product Responsibility

Achieving and maintaining high service quality is of utmost importance to us. We closely monitor project execution to ensure we deliver high-quality engineering design and energy solutions to our customers.

We hold ISO 9001:2015 (Quality Management Systems) and ISO 14001:2015 (Environmental Management Systems) certifications. Engineers maintain close communication with customers throughout project delivery. No material customer complaints, product recalls or service-related issues were recorded during the Track Record Period.

Anti-corruption

We maintain a zero-tolerance stance against corruption, bribery, extortion, fraud and money laundering. We have implemented a comprehensive anti-bribery policy, whistle-blowing mechanism and annual training programmes for all directors and relevant employees.

During the Track Record Period, we were not aware of any material non-compliance with relevant anti-corruption laws and regulations. There were no concluded legal cases regarding corrupt practices brought against us or our employees from FY2023 to FY2025.

Community Investment

Community investment is an integral part of our social responsibility. We support local communities through monetary donations, education assistance, cultural events and clean energy initiatives that align with our core business.

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In FY2025, our total community investment amounted to approximately RMB363,000, including donations to charities in Zhuhai, support for dragon boat races, greening projects, student aid, and distributed photovoltaic poverty alleviation projects in Meizhou. Similar community efforts were also carried out in FY2023 and FY2024, demonstrating our consistent commitment to social contribution.

Outlook

We will continue to strengthen its ESG governance, achieve its FY2025 intensity reduction targets, expand our renewable energy services and enhance our ESG disclosure in line with regulatory requirements and stakeholder expectations. Sustainability will remain a core pillar of our long-term development strategy.

LICENCES, PERMITS AND APPROVALS

Our Directors, as advised by our PRC Legal Adviser, confirm that, as of the Latest Practicable Date, we had complied with all relevant PRC laws and regulations in all material respects and have obtained all material licences, approvals and permits from relevant regulatory authorities for our operations in China. Such business licences had remained in full effect. Set out below is a summary of the material licence and certificates of our Company:

Licence type	Licence content	Issuing authority	Issuance date	Expiry date
Engineering Design Qualification Certificate	Grade A Professional Qualification in Electric Power for Transmission Engineering, Substation Engineering	Ministry of Housing and Urban-Rural Development of the People's Republic of China	13 November 2024	22 December 2028
Engineering Design Qualification Certificate	Grade B Qualification in Electric Power for New Energy, Wind Power and Fossil Power Generation	Department of Housing and Urban-Rural Development of Guangdong Province	18 November 2024	11 December 2028
Engineering Consulting Firm Qualification Certificate	Grade A Professional Credentials for Electric Power (including Fossil Power, Hydropower, Nuclear Power, and New Energy)	China Engineering Consulting Association	28 November 2024	27 November 2027
Engineering Consulting Firm Qualification Certificate	Grade B Professional Credentials in Hydrogeology, Engineering Surveying, and Geotechnical Engineering	Guangdong Provincial Engineering Consulting Association	31 July 2025	30 July 2028

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Licence type	Licence content	Issuing authority	Issuance date	Expiry date
Construction Enterprise Qualification Certificate	Grade II General Contracting Qualification for Electric Power Projects	Department of Housing and Urban-Rural Development of Guangdong Province	2 April 2025	2 April 2030
Licence for Installation, Maintenance, and Testing of Power Facilities	Grade III Licence for Installation, Maintenance, and Testing of Power Facilities	Southern Energy Regulatory Bureau of the Nation Energy Administration of China	2 February 2021	1 February 2027
Construction Enterprise Qualification Certificate	Construction labour services	Department of Housing and Urban-Rural Development Of Zhuhai City	16 December 2024	16 December 2029
Safety Production Licence	Construction	Department of Housing and Urban-Rural Development of Guangdong Province	14 November 2024	18 February 2027
Electricity retailer qualification	Entering into the List of Enterprises in the Electricity Retailer Directory of Guangdong Power Exchange Center Co., Ltd.	Guangdong Power Exchange Center Co., Ltd.	6 November 2025	N/A

LEGAL COMPLIANCE AND PROCEEDINGS

Legal Proceedings

We may from time to time become a party to various legal, arbitration or administrative proceedings arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, there were no litigation, arbitration or administrative proceedings against our Group or any of the Directors which had caused a material and adverse effect on our business, results of operations or financial condition.

Compliance

We are subject to various regulatory requirements and guidelines issued by regulatory authorities in PRC. During the Track Record Period and as of the Latest Practicable Date, to the best knowledge of our Directors, we did not commit any material non-compliance of the laws and regulations, and we did not experience any material non-compliance incident, which taken as a whole, in the opinion of our Directors, is likely to have a material and adverse effect on our business, results of operations or financial condition. As advised by our PRC Legal Adviser, during the Track Record Period and up to the Latest Practicable Date, we had complied with the relevant laws and regulations in all material respects in PRC.

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RISK MANAGEMENT AND INTERNAL CONTROL

Our Board is responsible for establishing our internal control system and assessing its effectiveness. In accordance with applicable laws and regulations, we have established procedures for developing and maintaining internal control systems. Such systems cover corporate governance, operations, management, legal matters, finance and auditing, as appropriate for the needs of our organisation. We have established comprehensive risk management, primarily composed of departments specialised in auditing, finance, safety and quality, investment and legal matters and other functional management departments, through which we monitor, evaluate and manage risks related to construction safety, financial matters, market development, capital management, human resources and other matters that we are exposed to in our business activities. We plan to review and refine our risk management system regularly, based on changes to our business. Our senior management oversees our risk management systems and reviews the results of our annual risk assessment. Our different departments conduct annual risk evaluations and regular risk management and controls, and report to senior management about material findings, in a timely manner. Our personnel engaged in risk management have extensive experience related to power facility construction and equipment manufacturing.

In order to comply with our anti-corruption/anti-bribery obligations under applicable laws and regulations, we have established a series of internal policies, measures and procedures. Our Professional Ethic Codes and Behaviour Principles elaborate on issues of conflicts of interest, commercial secrets, confidentiality obligations, information disclosure, company property, and the behaviour principles for dealing with customers or third parties. We have also established a whistle-blower mechanism and relevant investigation procedures against corruption and bribery, to facilitate the execution of our anti-corruption/anti-bribery policies, measures and procedures.

QUALITY CONTROL

Our independent quality control centre monitors the quality of our EPC and survey, design and consultancy services.

We prepared the Quality and Schedule Supervision Management Manual, established a set of quality control procedures and quality control standards. We also implement the quality supervision and management organisational structure. For example, in our survey, design and consultancy business, we would run a series of strict quality control tests in accordance with relevant national or industrial standards at different stages of the project, especially before the delivery of the completed project or products to customers.

Additionally, in order to spot quality issues as early as possible, we have established a quality control reporting mechanism. We handle minor quality problems immediately and submit significant issues to our management for their resolution. We also carry out supervision and assessment activities to improve our product and services quality. For our survey, design, and consulting services, we provide project quality assurance services which involve follow-up on the rectification of design quality issues after completion of the construction work and commencement of the production activities, while simultaneously addressing review comments and requests from our customers. We schedule follow-up visits to assess customer satisfaction regarding project progress and quality, and to solicit feedback. For our EPC services, we conduct ongoing monitoring of the entire project implementation process during the construction phase and post-completion follow-up site visits. At the end of each EPC projects, we conduct comprehensive after-action review covering multiple aspects, including project management,

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technical capabilities, safety management, quality assurance, delivery timelines, and cost management. This approach allows us to promptly understand customer needs and optimise project management. In addition, we established a project quality assurance system to execute quality assurance work efficiently and effectively in a structured and realistic manner.

We have exercised quality control over mechanical equipment and construction processes or methods in our EPC projects, including conducting sampling tests and quality inspection on all materials, parts and components, working procedures, semi-products and finished products. We have also implemented certain quality control standards established by the International Organisation for Standardisation. We have implemented a quality control system pursuant to ISO9001 standards with detailed internal control procedures for major aspects of our operations, including business sources, contract management, project management, procurement, inspection, sub-contracting and accountability of responsible personnel. The safety and quality supervision departments in our subsidiaries, consisting of supervisors and quality inspection staff, are responsible for implementing quality control measures.

Our Directors confirm that there was no material quality problems associated with our completed projects during the Track Record Period.

INSURANCE

We maintain insurance in relation to a number of risks, with specific insurance coverage determined based on assessment of our risk exposure.

The owner of the projects we participate in typically purchase insurance relating to the construction process. Such insurance generally covers the entire contract period, including the warranty period following the completion of the project. We maintain insurance coverage that we believe is consistent with our risk of loss and the customary practice in the industry.

We also purchase pension insurance, medical insurance, unemployment insurance, occupational injury insurance and maternity insurance for our employees in accordance with the relevant PRC laws and regulations. We purchase insurance from a number of reputable insurance companies. In formulating our insurance plan and selecting insurance companies, we would take into consideration their track record, relevant experience, coverage, and premium policies.