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Application Proof of

Guangdong Huacheng Electric Power Energy Co., Ltd.

廣東華成電力能源股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

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Guangdong Huacheng Electric Power Energy Co., Ltd.

廣東華成電力能源股份有限公司

(A joint stock company incorporated in the People’s Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] : [REDACTED] [REDACTED] (subject to the
under the [REDACTED] [REDACTED])
Number of International [REDACTED] : [REDACTED] [REDACTED] (subject to
[REDACTED])
Number of [REDACTED] : [REDACTED] [REDACTED] (subject to
[REDACTED] and the [REDACTED])
[REDACTED] : Not more than HK\$[REDACTED] per
[REDACTED] and expected to be not less than
HK\$[REDACTED] per [REDACTED], plus
brokerage of 1%, SFC transaction levy of
0.0027%, AFRC transaction levy of 0.00015%
and Stock Exchange trading fee of 0.00565%
(payable in full on [REDACTED] in Hong
Kong dollars and subject to [REDACTED])
Nominal value : RMB0.10 per H Share
[REDACTED] : [●]

Sole Sponsor



[REDACTED]



[REDACTED]

[●]

[REDACTED] and [REDACTED]

[●]

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The [REDACTED] is expected to be fixed by agreement between the [REDACTED] (for itself and on behalf of the [REDACTED]), and us on the [REDACTED]. The [REDACTED] is expected to be on or before [REDACTED] and, in any event, not later than 12:00 noon on [REDACTED]. The [REDACTED] will be not more than HK\$[REDACTED] and is currently expected to be not less than HK\$[REDACTED]. [REDACTED] for the [REDACTED] are required to pay, on [REDACTED], the maximum [REDACTED] of HK\$[REDACTED] for each Hong Kong [REDACTED] together with brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%, subject to [REDACTED] if the [REDACTED] is lower than HK\$[REDACTED].

The [REDACTED] (for itself and on behalf of the [REDACTED]) may, with the consent of our Company, reduce the number of [REDACTED] and/or the indicative [REDACTED] range below that stated in this document at any time prior to the morning of the last day for lodging [REDACTED] under the Hong Kong [REDACTED]. In such a case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging [REDACTED] under the [REDACTED] cause to be published notices of the reduction in the number of [REDACTED] being [REDACTED] under the [REDACTED] and/or the indicative [REDACTED] range. Such notices will also be available at our Company’s website at www.zhhdcl.com and the website of the Stock Exchange at www.hkexnews.hk. Further details are set out in “Structure and Conditions of the [REDACTED]” and “How to Apply for [REDACTED]” in this document. If, for any reason, the [REDACTED] is not agreed between the [REDACTED] (for itself and on behalf of the [REDACTED]) and us by 12:00 noon on [REDACTED], the [REDACTED] (including the [REDACTED]) will not proceed and will lapse.

Prior to making an [REDACTED] decision, prospective [REDACTED] should consider carefully all of the information set out of this document, including the risk factors set out in “Risk factors” in this document.

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The obligations of the [REDACTED] under the [REDACTED] to [REDACTED] for, and to procure [REDACTED] for the [REDACTED] for, the [REDACTED], are subject to termination by the [REDACTED] (for itself and on behalf of the Hong Kong [REDACTED]) if certain grounds arise prior to 8:00 a.m. (Hong Kong time) on the [REDACTED]. Such grounds are set out in “[REDACTED] — [REDACTED] Arrangements and Expenses — [REDACTED] — Grounds for Termination” in this document. It is important that you refer to that section for further details.

[REDACTED]

[REDACTED]

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

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IMPORTANT NOTICE TO [REDACTED]

This document is issued by our Company solely in connection with the [REDACTED] and the [REDACTED] and does not constitute an [REDACTED] to [REDACTED] or a solicitation of an [REDACTED] to [REDACTED] any security other than the [REDACTED] [REDACTED] by this document. This document may not be used for the purpose of and does not constitute an [REDACTED] to [REDACTED] or a solicitation of an [REDACTED] in any other jurisdiction or in any other circumstances. No action has been taken to permit a [REDACTED] of the [REDACTED] or the distribution of this document in any jurisdiction other than Hong Kong. The distribution of this document and the [REDACTED] and [REDACTED] of the [REDACTED] in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom.

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to [REDACTED] in our [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in “Risk Factors” this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED]. Various expressions used in this section are defined or explained in “Definitions” and “Glossary of Technical Terms” in this document.

BUSINESS OVERVIEW

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 (港澳大橋) and Shenzhen-Zhongshan Link (深中通道)).

COMPETITIVE STRENGTHS

We believe our competitive strengths lie in our (a) expertise in design and EPC; (b) technical competence and comprehensive qualifications; (c) reputable customer base; (d) R&D capabilities and competitive solution offerings; and (e) dedicated and experienced management team. For details, please see “Business — Competitive Strengths” in this document.

BUSINESS STRATEGIES

We will pursue the following business strategies to continuously expand our business in the new energy sector: (a) advancing business workflow and solution offerings with AI; (b) developing and launching AI-powered O&M service for new energy power projects; (c) increasing investments in new energy power projects; and (d) further developing EPC business. For details, please see “Business — Business Strategies” in this document.

SUPPLIERS, SUB-CONTRACTORS AND CUSTOMERS

For our EPC service, our main suppliers are traders and manufacturers of parts, equipment and machinery in the PRC. For our survey, design and consultancy services, despite our inhouse team performs most of our contracted tasks, we engage third party suppliers to provide specific technical services or services which requires specialised licence. For FY2023, FY2024, FY2025, 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,

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respectively. In particular, 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.

In our capacity as the main contractor for the EPC projects, we serve as the project manager responsible for overall management and oversee the work performed by 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.

For our survey, design and consultancy business, our main customers comprise state-owned power grid enterprises and private power generation enterprises. For our EPC business, our main customers comprise both SOEs that invest in or undertake new energy power generation projects and private enterprises. 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 during those years, respectively. In particular, revenue from our largest customer for the same periods accounted for approximately 75.3%, 36.1% and 59.6% of our total revenue during those years, respectively.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth our summary financial information covering the Track Record Period. Such financial information is extracted from, and should be read together with and is qualified in its entirety by reference to, our consolidated financial statements contained in the Accountants’ Report presented in Appendix I to this document, including the related notes. Our consolidated financial information has been prepared in accordance with the IFRS Accounting Standards.

Summary of Consolidated Statements of Profit or Loss

Set forth below is a summary of our consolidated statements of profit or loss for each financial year during the Track Record Period. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period:

	FY2023 <i>RMB’000</i>	FY2024 <i>RMB’000</i>	FY2025 <i>RMB’000</i>
Revenue	341,093	322,218	407,442
Cost of sales	<u>(279,150)</u>	<u>(229,291)</u>	<u>(299,327)</u>
Gross profit	<u>61,943</u>	<u>92,927</u>	<u>108,115</u>
Profit and total comprehensive income for the year	<u>17,536</u>	<u>34,037</u>	<u>36,919</u>

Revenue

During the Track Record Period, we derive our revenue primarily from survey, design and consultancy services and EPC services. We derived all of our revenue from the PRC during the Track Record Period.

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Our revenue decreased by approximately 5.5% from RMB341.1 million for FY2023 to approximately RMB322.2 million for FY2024, primarily due to the decrease in revenue derived from our EPC services. Our revenue then increased by approximately 26.4% to RMB407.4 million for FY2025, primarily due to an increase in revenue derived from our EPC services.

Revenue by Segment

The table below sets forth the breakdown of our revenue by business segments during the Track Record Period:

	FY2023		FY2024		FY2025	
	RMB'000	%	RMB'000	%	RMB'000	%
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 ^(Note)	3,005	0.9	14,519	4.5	8,816	2.2
Total	341,093	100.0	322,218	100.0	407,442	100.0

Note: Others primarily represented revenue from the provision of (i) O&M services for substations, transmission lines and PV power generation facilities; and (ii) investment in and operation of new energy power projects, with elements of power trading, whose revenue sources included sales of power to landlords or power grid companies.

During the Track Record Period, we generated most of our revenue from EPC services, which accounted for approximately 86.4%, 81.3% and 84.5% of our revenue for each of the FY2023, FY2024 and FY2025, respectively.

We also generate a portion of our revenue from our survey, design and consultancy services, which accounted for approximately 12.7%, 14.2% and 13.3% of our revenue for each of the FY2023, FY2024 and FY2025, respectively.

Gross Profit and Gross Profit Margin

Our overall gross profit was approximately RMB61.9 million, RMB92.9 million and RMB108.1 million for the FY2023, FY2024 and FY2025, respectively. Our overall gross profit margin was approximately 18.2%, 28.8% and 26.5% for the FY2023, FY2024 and FY2025, respectively.

The following table sets forth a breakdown of our gross profit and gross profit margin by business segments during the Track Record Period:

	FY2023		FY2024		FY2025	
	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin
	RMB'000	%	RMB'000	%	RMB'000	%
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
	61,943	18.2	92,927	28.8	108,115	26.5

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Profit and total comprehensive income for the year

Our profit and total comprehensive income for the year increased by approximately 94.1% from approximately RMB17.5 million for FY2023 to approximately RMB34.0 million for FY2024, and further increased by approximately 8.5% to approximately RMB36.9 million for FY2025. The increase in our profit and total comprehensive income for the year during the Track Record Period, was primarily attributable to the increase in gross profit.

Please see “Financial Information — Discussion of Results of Operations — Year to Year Comparison of Results of Operations” in this document for further details of the changes in our profit and total comprehensive income for each financial year during the Track Record Period.

Summary of Consolidated Statements of Financial Position

The table below sets forth selected information from our consolidated statements of financial position as at the dates indicated:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current assets	224,394	385,939	601,739
Non-current assets	24,410	27,423	28,783
Current liabilities	145,082	240,151	407,882
Non-current liability	—	—	12,510
Net current assets	79,312	145,788	193,857
Net assets	103,722	173,211	210,130

Our net current assets increased from approximately RMB79.3 million as at 31 December 2023 to approximately RMB145.8 million as at 31 December 2024, which was primarily due to (i) an increase in our contract assets of approximately RMB210.2 million, as partially offset by (i) a decrease in trade and bills receivables of approximately RMB13.8 million; (ii) a decrease in our cash and cash equivalents of approximately RMB19.1 million; (iii) an increase in our trade and other payables of approximately RMB103.1 million; and (iv) a decrease in bank borrowings of approximately RMB11.0 million.

Our net current assets increased from approximately RMB145.8 million as at 31 December 2024 to approximately RMB193.9 million as at 31 December 2025, which was primarily due to (i) an increase in our trade and bills receivables of approximately RMB59.7 million; (ii) an increase in our contract assets of approximately RMB137.1 million; and (iii) an increase in other receivables and prepayments of approximately RMB20.4 million, as partially offset by (i) an increase in our trade and bills payables of approximately RMB107.5 million; and (ii) an increase in our bank borrowings of approximately RMB48.8 million.

Please see to the section headed “Financial Information — Net Current Assets” in this document for further details of the changes in our current assets and liabilities as at the end of each financial year during the Track Record Period.

Non-IFRS Measure

To supplement our consolidated financial statements which are presented in accordance with the IFRS, we also use certain non-IFRS measure, namely, adjusted net profit (non-IFRS measure), as an additional financial metric. We define adjusted net profit (non-IFRS measure) as profit and total comprehensive income for the year with elimination of the deductions made on account of [REDACTED]. This non-IFRS measure is not required by or presented in accordance with IFRS. We

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believe that it facilitates comparison of our operating performance by eliminating potential impacts of [REDACTED], which are non-recurring and non-operating in nature, and presents our management and our Shareholders and potential [REDACTED] alike with useful information for understanding and evaluating our consolidated results of operations. However, this non-IFRS measure does not have a standardised meaning prescribed under the accounting standards and may therefore not be comparable to similar measures presented by other companies. The use of this non-IFRS measure has inherent limitations as an analytical tool and should not be considered in isolation from, or as a substitute for analysis of, our results of operations or financial position as reported under the IFRS.

The following table reconciles our adjusted net profit (non-IFRS measure) for the financial year stated with our profit and total comprehensive income for that financial year as presented in accordance with the IFRS:

	FY2025 <i>RMB'000</i>
Profit and total comprehensive income for the year	36,919
Add: [REDACTED]	<u>[REDACTED]</u>
Adjusted net profit (non-IFRS measure)	<u>[REDACTED]</u>

Summary of Consolidated Statements of Cash Flows

The following table sets forth our consolidated statements of cash flows during the Track Record Period:

	FY2023 <i>RMB'000</i>	FY2024 <i>RMB'000</i>	FY2025 <i>RMB'000</i>
Net cash used in operating activities	<u>(31,549)</u>	<u>(37,518)</u>	<u>(60,488)</u>
Net cash used in investing activities	<u>(2,348)</u>	<u>(3,324)</u>	<u>(3,209)</u>
Net cash from financing activities	<u>51,541</u>	<u>21,738</u>	<u>56,888</u>
Net increase (decrease) in cash and cash equivalents	17,644	(19,104)	(6,809)
Cash and cash equivalents as at 1 January	<u>22,854</u>	<u>40,498</u>	<u>21,394</u>
Cash and cash equivalents as at 31 December	<u>40,498</u>	<u>21,394</u>	<u>14,585</u>

Please see “Financial Information — Liquidity and Capital Resources — Cash Flows” in this document for further details of the changes in our cash flows for each financial year during the Track Record Period.

SUMMARY

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios for the years indicated:

	FY2023	FY2024	FY2025
Profit Indicators			
Return on equity	16.9%	19.7%	17.6%
Return on total assets	7.0%	8.2%	5.9%
Gross profit margin	18.2%	28.8%	26.5%
Net profit margin	5.1%	10.6%	9.1%
Liquidity			
Current ratio (<i>times</i>)	1.55	1.61	1.48
Quick ratio (<i>times</i>)	1.40	1.61	1.47
Gearing ratio	87.8%	46.2%	67.3%

Please see “Financial Information — Key Financial Ratios” in this document for the calculation basis of the above financial ratios.

COMPETITION

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. 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. Please see “Industry Overview — Competitive Landscape of the PRC Energy Solution 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.

RISK FACTORS

There are certain risks and uncertainties involved in [REDACTED] in our H Shares, some of which are beyond our control. These risks are set out in “Risk Factors” in this document. Some of the major risks we face include:

- Our historical results may not be indicative of our future performance, and we may not be successful in expanding our operations or managing our growth.
- Our business is affected by the policies of the PRC government on power industry.
- 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.
- We are exposed to substantial potential risks and liabilities associated with our EPC services.
- Tender price may not reflect the actual costs involved. If we fail to accurately estimate the overall risks or cost of projects, or the time needed to complete the relevant projects, we may experience cost overruns, schedule delays, additional expenses, lower profitability, or losses, or could even encounter events giving rise to contract disputes.
- We face competition in the markets in which we operate, which could adversely affect our businesses.

SUMMARY

LEGAL PROCEEDINGS AND COMPLIANCE

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. 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.

CONTROLLING SHAREHOLDERS

Immediately following completion of the [REDACTED], and taking no account of any Shares which may be [REDACTED] and [REDACTED] pursuant to the exercise of the [REDACTED], we will be owned as to approximately [REDACTED] by Mr. Ren, [REDACTED] by Zhuhai Jierong, [REDACTED] by Zhuhai Zhichen and [REDACTED] by Zhuhai Jiehua. Zhuhai Jierong and Zhuhai Jiehua are employee shareholding platforms, and Mr. Ren is the general partner of each of Zhuhai Jierong and Zhuhai Jiehua. Zhuhai Zhichen is owned as to 66.67% by Ms. Xu (the spouse of Mr. Ren) and as to 1.67% by Mr. Ren. Accordingly, Mr. Ren, Ms. Xu, Zhuhai Jierong, Zhuhai Jiehua and Zhuhai Zhichen will hold in aggregate approximately [REDACTED] of the issued share capital of our Company and will be our Controlling Shareholders upon the [REDACTED]. Please see “Relationship with our Controlling Shareholders” in this document for further details.

[REDACTED]

The [REDACTED] to be borne by us are estimated to be approximately RMB[REDACTED] million (based on the [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED] range stated in this document), representing approximately [REDACTED] of the estimated gross [REDACTED] from the [REDACTED], assuming the [REDACTED] is not exercised at all. Our [REDACTED] consist of (i) [REDACTED]-related expenses, including [REDACTED] commission, of approximately RMB[REDACTED] million; and (ii) non-[REDACTED]-related expenses of RMB[REDACTED] million, comprising (a) fees and expenses of our legal advisers and reporting accountants of approximately RMB[REDACTED] million; and (b) other fees and expenses of approximately RMB[REDACTED] million.

During the Track Record Period, we incurred approximately RMB[REDACTED] million of [REDACTED]. Subsequent to the Track Record Period, approximately RMB[REDACTED] million of our [REDACTED] are expected to be charged to our consolidated statements of profit or loss, and the remaining RMB[REDACTED] million of our [REDACTED] are expected to be accounted for as a deduction from equity upon [REDACTED].

We do not consider any of the above components of our [REDACTED] to be unusually high for our Group. The [REDACTED] stated above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate. The actual amount to be recognised is subject to adjustments based on audit and the then changes in variables and assumptions. Prospective [REDACTED] should note that the financial performance of our Group for the year ending [31 December 2026] may be materially and adversely affected by the [REDACTED] mentioned above.

SUMMARY

[REDACTED] STATISTICS

	Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED]	Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED]
Market capitalisation of the H Shares following the completion of the [REDACTED] ⁽¹⁾	HK\$[REDACTED] million	HK\$[REDACTED] million
Unaudited [REDACTED] adjusted consolidated net tangible assets of the Group attributable to owners of the Company per [REDACTED] ⁽²⁾	HK\$[REDACTED]	HK\$[REDACTED]

Notes:

- (1) The calculation of the market capitalisation is based on the assumption that [REDACTED] H Shares will be in issue immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised at all).
- (2) Please see “Appendix II — Unaudited [REDACTED] Financial Information” in this document for details regarding the assumptions used and the calculation method.

DIVIDEND POLICY

According to the PRC law, with respect to distribution of any future net profit of the current year that we make, we will be obliged to allocate 10% of our net profit to our statutory reserve fund until such fund has reached more than 50% of our registered capital. If our statutory reserve is insufficient to cover previous years’ losses, the current year’s profits shall first be used to cover such losses before being set aside. We will therefore only be able to declare dividends after (i) all our historically accumulated losses, if any, have been made up for; and (ii) we have allocated sufficient net profit to our statutory reserve fund as described above.

Our dividend policy is formally set forth in our Articles of Association. As the overarching principle, our profit distribution plan should emphasise providing investors with reasonable returns where account should also be taken of our actual operating condition in the relevant financial year and the sustainable development of our business, and we should seek to maintain continuity and stability of our profit distribution policy, and compliance with the relevant regulatory requirement.

Under our dividend policy, profit distribution may be made by means of payment of cash dividends, issue of scrip shares or a combination of both. We may also pay interim dividends. In deciding the profit distribution method, priority should be given to payment of cash dividends, provided that the following conditions are met: (i) compliance with the relevant regulatory requirements with respect to setting aside the necessary amount to the statutory reserve fund as described above; (ii) we record distributable profit (i.e. profit after tax after making up for losses and appropriations for reserves) for the relevant financial year; (iii) our aggregate distributable profit is positive; (iv) no material investment plan or material cash expenditure event has occurred; and (v) our cash flows are sufficient to meet our needs in connection with our daily operations and sustainable development. Under the premise of a reasonable share capital scale and equity structure, our Company may consider additionally make profit distribution by means of issue of scrip shares or capitalisation of surplus reserves. Any proposed profit distribution plan is subject to the discretion of our Board and approval at a Shareholders’ meeting.

No dividend has been paid or declared by us during the Track Record Period.

SUMMARY

USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED] range, and assuming that the [REDACTED] is not exercised at all, we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED] (after deducting the estimated [REDACTED] commissions and other fees and expenses payable by us in connection with the [REDACTED]). In line with our business strategies, we intend to use our [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be used to advance business workflow and solution offerings with AI;
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be used to develop and launch AI-powered O&M services for new energy power projects;
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be used for investments in new energy power projects;
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be used to further develop EPC business; and
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be used for working capital and general corporate purposes.

For further details, please see “Future Plans and Use of [REDACTED]” in this document.

LISTING ON THE NEEQ AND VOLUNTARY DELISTING FROM NEEQ

On 15 August 2016, all issued shares of our Company were listed on the NEEQ under the stock code of 839031. On 14 February 2026, our then Shareholders resolved to, among others, voluntarily delist our shares from the NEEQ. Our Company applied and subsequently received regulatory approval for the delisting. Our shares ceased to be traded on NEEQ on 1 April 2026. Please see “History, Development and Corporate Structure — Major Shareholding Changes Concerning Our Company” in this document for further details.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors confirmed that, save for the [REDACTED] as disclosed in the paragraph headed “[REDACTED]” in this section, since 31 December 2025, being the end of the Track Record Period, and up to the date of this document, there has been no material adverse change in the financial or trading position of our Group, and that there has been no event since 31 December 2025 that would materially affect the information in the Accountants’ Report presented in Appendix I to this document.

DEFINITIONS

In this document, unless the context otherwise requires, the following expressions have the following meanings. Certain technical terms are explained in the section headed “Glossary of Technical Terms” in this document.

“1H”	the six-month period that ended or will end (as the case may be) on 30 June of the year stated. For example, “1H2025” refers to the six-month period ended 30 June 2025 and “1H2026” refers to the six-month period ending 30 June 2026.
“2H”	the six-month period that ended or will end (as the case may be) on 31 December of the year stated. For example, “2H2025” refers to the six-month period ended 31 December 2025 and “2H2026” refers to the six-month period ending 31 December 2026.
“Accountants’ Report”	the accountants’ report of our Company for the Track Record Period as included in “Appendix I” to this document
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Articles” or “Articles of Association”	the articles of association of our Company, as amended, which shall become effective on the [REDACTED], a summary of which is set out in “Appendix VI — Summary of Articles of Association” to this document
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of directors of our Company
“Business Day” or “business day”	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]

DEFINITIONS

“China” or “PRC”	the People’s Republic of China and, except where the context otherwise requires and only for the purpose of this document, and for geographical reference only, references in this document to China or the PRC exclude Hong Kong, the Macau and Taiwan region
“Chairman”	the chairman of our Board, Mr. Ren
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”	Guangdong Huacheng Electric Power Energy Co., Ltd. (廣東華成電力能源股份有限公司) (formerly known as Zhuhai Huacheng Electric Power Design Institute Co., Ltd. (珠海華成電力設計院股份有限公司), a company established under the laws of the PRC on 2 December 2003, and converted into a joint stock company with limited liability on 6 April 2016
“Compliance Adviser”	Lego Corporate Finance Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules, and, in the case of our Company, means Mr. Ren, Ms. Xu, Zhuhai Jierong, Zhuhai Jiehua and Zhuhai Zhichen individually and as a group of persons. Please see “Relationship with our Controlling Shareholders” in this document for further details
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“CSOE”	the acronym for “central state-owned enterprise” (中央直屬企業)
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the PRC securities markets and overseas securities activities of PRC entities

DEFINITIONS

“Deed of Indemnity”	the deed of indemnity dated [●] given by Mr. Ren in favour of our Company regarding certain indemnities, details of which are set out in “Appendix VII — Statutory and General Information — 5. Other information — A. Tax and other indemnities” to this document
“[REDACTED]”	[REDACTED]
“Director(s)”	the director(s) of our Company
“Extreme Conditions”	the occurrence of “extreme conditions” as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, largescale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
“[REDACTED]”	[REDACTED]
“FY”	the financial year that ended or will end (as the case may be) on 31 December of the year stated. For example, “FY2025” refers to the financial year ended 31 December 2025 and “FY2026” refers to the financial year ending 31 December 2026.
“F&S”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company
“[REDACTED]”	[REDACTED]
“[REDACTED]”	the [REDACTED] and the International [REDACTED]
“Group”, “we” or “us”	our Company and our subsidiaries at the relevant time or, where the context otherwise requires, in respect of the period prior to our Company becoming the holding company of our present subsidiaries, our present subsidiaries and the businesses operated by such subsidiaries or their predecessors (as the case may be)
“Guangdong Gaorui”	Guangdong Gaorui No. 10 Equity Investment Partnership (Limited Partnership) (廣東高瑞拾號股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 3 July 2023, a minority Shareholder and an Independent Third Party
“Guangzhou Yingqi”	Guangzhou Yingqi Management Consulting Partnership (Limited Partnership) (廣州盈啟管理諮詢合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 14 December 2021, a minority Shareholder and an Independent Third Party

DEFINITIONS

“Guide for New [REDACTED] Applicants”	the Guide for New [REDACTED] Applicants issued by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“H Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB0.10 each, which are to be [REDACTED] for and [REDACTED] in Hong Kong dollars and to be [REDACTED] on the Stock Exchange
“[REDACTED]”	[REDACTED]
“Hainan Huacheng”	Hainan Huacheng Electric Power Energy Co., Ltd. (海南華成電力能源有限公司), a limited liability company established under the laws of the PRC on 11 March 2026 and a direct wholly owned subsidiary of our Company
“Hefei Yongchu”	Hefei Yongchu New Energy Technology Co., Ltd. (合肥永儲新能源科技有限公司), a limited liability company established under the laws of the PRC on 7 August 2025 and a direct wholly owned subsidiary of our Company. As at the Latest Practicable Date, it is in the process of deregistration
“Hengqin Jinshan”	Zhuhai Hengqin Jinshan Enterprise Management Partnership (Limited Partnership) (珠海橫琴錦山企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 4 January 2022, a minority Shareholder and an Independent Third Party
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]

DEFINITIONS

“[REDACTED]”	[REDACTED]
“Hong Kong”, “HKSAR” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars”, “HKD”, “HK\$” or “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong [REDACTED](s)”	the [REDACTED] H Shares initially [REDACTED] at the [REDACTED] pursuant to the [REDACTED], subject to reallocation as further described in the section headed “Structure and Conditions of the [REDACTED]” in this document
“[REDACTED]”	the [REDACTED] by our Company of the [REDACTED] for [REDACTED] by the [REDACTED] in Hong Kong, as further described in the section headed “Structure and Conditions of the [REDACTED]” in this document
“[REDACTED]”	the [REDACTED] of the [REDACTED] listed in the paragraph headed “[REDACTED] — [REDACTED]” in this document
“[REDACTED]”	the [REDACTED] dated [●] relating to the [REDACTED] and entered into by our Company, our Controlling Shareholders, the [Sole Sponsor, the [REDACTED], the [REDACTED]], as further described in the paragraph headed “[REDACTED] — [REDACTED] arrangements and expenses — [REDACTED] — [REDACTED]” in this document
“Huacheng Philippines”	Huacheng Electric Power Corp., a domestic stock company established under the laws of the Republic of Philippines on 4 August 2025 and an indirect non-wholly owned subsidiary of our Company
“IASB”	International Accounting Standards Board
“IFRS”	the International Financial Reporting Standards as issued by the IASB, which comprise the IFRS Accounting Standards, International Accounting Standards, Interpretations developed by the IFRS Interpretations Committee or its predecessor body, the Standing Interpretations Committee

DEFINITIONS

“Independent Third Party(ies)”	entity(ies) or person(s) which, to the best of our Directors’ knowledge, information and belief having made all reasonable enquiries, is/are not a connected person(s) of our Company within the meaning of the Listing Rules
“International [REDACTED]”	the conditional [REDACTED] of the International [REDACTED] at the [REDACTED] by the [REDACTED], as further described in the section headed “Structure and Conditions of the [REDACTED]” in this document
“International [REDACTED]”	the [REDACTED] H Shares initially [REDACTED] pursuant to the International [REDACTED], subject to the [REDACTED] and [REDACTED] as described in the section headed “Structure and Conditions of the [REDACTED]” in this document
“[REDACTED]”	the [REDACTED] of the International [REDACTED] that are expected to enter into the [REDACTED]
“[REDACTED]”	the [REDACTED] expected to be entered into on or around [REDACTED] by our Company, our Controlling Shareholders, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] in respect of the International [REDACTED], as further described in the paragraph headed “[REDACTED] — [REDACTED] arrangements and expenses — The International [REDACTED]” in this document
“[REDACTED]”	the [REDACTED] as named in “Directors and Parties Involved in the [REDACTED]” in this document
“[REDACTED]”	the [REDACTED] as named in “Directors and Parties Involved in the [REDACTED]” in this document
“[REDACTED]”	the [REDACTED] as named in “Directors and Parties Involved in the [REDACTED]” in this document
“Latest Practicable Date”	[10 May] 2026, being the latest practicable date prior to the printing of this document for the purpose of ascertaining certain information in this document prior to its publication
“[REDACTED]”	[REDACTED]
“[REDACTED] Committee”	the [REDACTED] Committee of the Stock Exchange
“[REDACTED]”	[REDACTED]

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Longrong”	Longrong Future Energy Management (Zhuhai Hengqin) Co., Ltd. (龍融未來能源管理(珠海橫琴)有限公司), a limited liability company established under the laws of the PRC on 25 June 2024, a minority Shareholder and an Independent Third Party
“Macau”	the Macao Special Administrative Region of the PRC
“Macau Henghai”	Super Nova Energy Technology Company Limited (澳門恆海能源科技有限公司) (formerly known as Super Nova Energy Technology Company Limited (星塵能源科技有限公司)), a limited liability company established under the laws of Macau on 8 October 2020 and a direct non-wholly owned subsidiary of our Company. As at the Latest Practicable Date, the acquisition of Macau Henghai had not yet been completed. We expect this acquisition to be legally completed prior to [REDACTED]
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with the GEM of the Stock Exchange
“MOP\$”	Macau pataca, the lawful currency of Macau
“Mr. Ren”	Mr. Ren Xuefeng (任學鋒), chairman of our Board, an executive Director and a Controlling Shareholder
“Ms. Xu”	Ms. Xu Lirong (許麗蓉), the spouse of Mr. Ren
“NEEQ”	the National Equities Exchange and Quotation (全國中小企業股份轉讓系統), a PRC over-the-counter system for trading shares for public companies
“Nomination Committee”	the nomination committee of the Board
“[REDACTED]”	the final [REDACTED] per [REDACTED] (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) expressed in Hong Kong dollars, at which the [REDACTED] are to be [REDACTED] for and [REDACTED] pursuant to the [REDACTED], to be determined as described in section headed “Structure and Conditions of the [REDACTED]” in this document
“[REDACTED](s)”	the [REDACTED] and the International [REDACTED]

DEFINITIONS

“Outline of the 15th Five-Year Plan”	the Outline of the 15th Five-Year Plan for National Economic and Social Development of the PRC (中華人民共和國國民經濟和社會發展第十五個五年規劃綱要)
“[REDACTED]”	[REDACTED]
“[REDACTED](s)”	the [REDACTED] as named in “Directors and Parties Involved in the [REDACTED]” in this document
“Overseas Listing Trial Measures”	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) promulgated by the CSRC on 17 February 2023, as amended, supplemented or otherwise modified from time to time
“PhP”	Philippine Peso, the lawful currency of the Philippines
“PRC Company Law”	the Company Law of the People’s Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“PRC Government”	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them
“PRC Legal Adviser”	DeHeng Law Offices, our legal adviser as to PRC laws
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	the date on which the [REDACTED] is to be determined

DEFINITIONS

“[REDACTED]”	[REDACTED]
“R&D”	the acronym for “research and development”
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration for Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB0.10 each, comprising Unlisted Shares (prior to [REDACTED]) and H Shares (upon [REDACTED])
“Shanxi Cellular”	Shanxi Cellular Optical Network Energy Technology Co., Ltd. (山西省蜂窩光網能源科技有限公司), a limited liability company established under the laws of the PRC on 30 November 2023 and a joint venture of our Company
“Shareholder(s)”	holder(s) of the Share(s)
“SOE”	the acronym for “state-owned enterprise”
“Sole Sponsor”	the sole sponsor as named in “Directors and Parties Involved in the [REDACTED]” in this document, the sponsor to our Company’s application for the [REDACTED]
“[REDACTED]”	the [REDACTED] as named in “Directors and Parties Involved in the [REDACTED]” in this document
“[REDACTED]”	[REDACTED]
“State”	the PRC Government at the state level
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	FY2023, FY2024 and FY2025
“[REDACTED]”	the [REDACTED] and the [REDACTED], details of which are set out in the section headed “[REDACTED]” in this document
“[REDACTED]”	the [REDACTED] and the [REDACTED]
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“[REDACTED]”	[REDACTED]
“US\$”, “USD” or “U.S. dollars”	United States dollars, the lawful currency of the United States
“Unlisted Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB0.10 each, which is/are not [REDACTED] on any stock exchange
“[REDACTED]”	[REDACTED]
“[REDACTED] Service Provider”	[REDACTED]
“Xinjiang Zhida”	Xinjiang Zhida Electrical Energy Co., Limited (新疆致達電力能源有限公司), a limited liability company established under the laws of the PRC on 9 January 2026 and a direct wholly owned subsidiary of our Company
“Zhuhai Electric”	Zhuhai Huacheng Electric Construction Co. Ltd. (珠海華成電力建設有限公司), a limited liability company established under the laws of the PRC on 27 May 2021 and a direct wholly owned subsidiary of our Company
“Zhuhai Fukunyang”	Zhuhai Fukunyang Management Consulting Center (Limited Partnership) (珠海富昆揚管理諮詢中心(有限合夥)), a limited partnership established under the laws of the PRC on 17 December 2018 and an Independent Third Party

DEFINITIONS

“Zhuhai Gangwan”	Zhuhai Gangwan Kerui No. 3 Venture Capital Fund Partnership (Limited Partnership) (珠海港灣科睿三號創業投資基金合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 5 July 2022, a minority Shareholder and an Independent Third Party
“Zhuhai Henghai”	Zhuhai Henghai Comprehensive Energy Services Co., Ltd. (珠海市恆海綜合能源服務有限公司), a limited liability company established under the laws of the PRC on 31 March 2021 and a direct non-wholly owned subsidiary of our Company
“Zhuhai Huacheng”	Zhuhai Huacheng Electric Power Design Institute Co., Ltd. (珠海華成電力設計院有限公司) (formerly known as Zhuhai Huacheng Electric Power Engineering Consulting Co., Ltd. (珠海華成電力工程諮詢有限公司)), the predecessor of our Company, a limited liability company established under the laws of the PRC on 2 December 2003
“Zhuhai Ligao”	Zhuhai Ligao No.2 Equity Investment Fund Partnership Enterprise (Limited Partnership) (珠海力高貳號股權投資基金合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 7 January 2021, a minority Shareholder and an Independent Third Party
“Zhuhai Jiehua”	Zhuhai Jiehua Investment Partnership (Limited Partnership) (珠海捷華投資合夥企業 (有限合夥)) (formerly known as Zhuhai Jiehua Investment Management Partnership (Limited Partnership) (珠海捷華投資管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 12 November 2015, and Mr. Ren is the general partner of Zhuhai Jiehua and held approximately 18.28% of its equity interests, being one of our Controlling Shareholder
“Zhuhai Jierong”	Zhuhai Jierong Investment Partnership (Limited Partnership) (珠海捷榮投資合夥企業(有限合夥)) (formerly known as Zhuhai Jierong Investment Management Partnership (Limited Partnership) (珠海捷榮投資管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 20 November 2015, and Mr. Ren is the general partner of Zhuhai Jierong and held approximately 12.68% of its equity interests, being one of our Controlling Shareholder

DEFINITIONS

“Zhuhai Zhichen” Zhuhai Zhichen Investment Co., Ltd. (珠海智辰投資有限公司) (formerly known as Zhuhai Zhichen Investment Management Co., Ltd. (珠海智辰投資管理有限公司)), a limited liability company established under the laws of the PRC on 4 December 2015, and being owned as to approximately 1.67% by Mr. Ren and 66.67% by Ms. Xu, being one of our Controlling Shareholder

“%” per cent

For ease of reference, the names of PRC’s laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in the document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

Certain amounts and percentage figures included in this document were subjected to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be arithmetic aggregation of the figures preceding them.

For the purpose of this document, references to “provinces” of PRC include provinces, municipalities under direct administration of the central government and provincial-level autonomous regions.

Unless expressly stated or the context otherwise requires, all times refer to Hong Kong time and references to years in this document are to calendar years.

GLOSSARY OF TECHNICAL TERMS

This glossary contains an explanation of certain technical terms used in this document as they relate to our Company and as they are used in this document in connection with our business or us. Such terminology and meanings may not correspond to standard industry meanings or usages of those terms.

“AI”	acronym for artificial intelligence
“BIM”	acronym for building information modelling, the process of generating and managing building data during its design, construction and building life cycle
“clean energy”	energy generated from sources with minimal to zero emissions, including renewables like solar, wind, and hydro energy, and other forms of energy generated with low-emission technologies such as nuclear energy
“digital twin”	a virtual representation of a physical object or system that uses real-time data to accurately reflect its real-world counterpart’s behaviour, performance and conditions
“distribution substation”	a power substation at which transformers are used to step down the voltage of power coming from the transmission system for distribution to end users
“energy storage”	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
“EPC” or “engineering, procurement and construction”	a common form of contracting arrangement whereby the contractor is commissioned by the project owner to carry out such project work as design, procurement, construction and trial operations, or any combination of the above, either through the contractor’s own labour or by sub-contracting part or all of the project work, and is responsible for the quality, safety, completion and cost control of the project
“fossil fuel energy”	energy produced through burning fossil fuels such as coal, natural gas or petroleum
“IoT”	acronym for internet of things, a network of physical devices, vehicles, appliances and other physical objects that are embedded with sensors, software and network connectivity, allowing them to collect and share data

GLOSSARY OF TECHNICAL TERMS

“new energy”	energy resources and energy carriers other than the traditional fossil fuels of oil, gas, and coal, and nuclear energy. Such energy resources and carriers cover both renewable and non-renewable ones, such as solar energy, wind energy, geothermal energy and hydro energy. For the purpose of this document, “new energy” should refer to solar energy and wind energy only.
“new-type power system”	a power system with wind and PV power as main energy sources that aims to achieve carbon peak and carbon neutrality by applying various new technologies such as new energy storage system, AI deployment system, virtual power plant and source network-load storage system
“O&M”	acronym for “operation and maintenance”
“power distribution”	the final stage in the delivery of power, at which power is carried from the distribution substation to end users at lower voltages for consumption
“power grid”	an interconnected network for power delivery from producers to end users, consisting of step-up substations, transmission systems, distribution substations and distribution systems
“power substation”	a place where the voltage level of power is changed, which may take the form of a step-up substation or a distribution substation
“power transformation”	the process of using transformers to change the voltage level of power that takes place at a power substation
“power transmission”	the bulk movement of power from a generating site, such as a power station, to a distribution substation at high voltages to reduce energy loss due to resistance that occurs over long distances
“PV” or “photovoltaic”	used to describe the direct conversion of light into power using semi-conductor devices
“solar energy”	the conversion of sunlight into power, either through the direct use of PV, or indirect use of solar thermal energy
“step-up substation”	a power substation at which transformers are used to step up the voltage of power coming from power stations and generators such that the power can be transmitted over long distances with reduced energy loss and higher efficiency

GLOSSARY OF TECHNICAL TERMS

“virtual power plant”	a cloud-based digital platform that aggregates diverse distributed power resources from various sources, such as rooftop PV panels and energy storage systems, into a single, despatchable entity equivalent to a traditional power plant and dynamically balances power supply and demand through forecasting and optimisation of power supply and automated power despatch
“wind energy”	a form of renewable energy that converts the kinetic energy of wind into mechanical or electrical energy using wind turbines

FORWARD-LOOKING STATEMENTS

We have included in this document forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This document contains certain forward-looking statements and information relating to our Company and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words "aim," "anticipate," "believe," "could," "expect," "going forward," "intend," "may," "ought to," "plan," "project," "seek," "should," "will," "would" and the negative of these words and other similar expressions, as they relate to our Group or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our company which could affect the accuracy of forward-looking statements include, but are not limited to, the following: (i) estimates of our costs, expenses, future revenues, capital expenditures and our needs for additional financing; (ii) our ability to attract and retain senior management and key employees; (iii) our operations and business prospects; (iv) future developments, trends, conditions and competitive landscape in the industry and markets in which we operate; (v) changes to regulatory and operating conditions in the industry and markets in which we operate; (vi) our strategies, plans, objectives and goals and our ability to successfully implement them; (vii) our financial condition and operating results and performance; (viii) industry trends and competition; and (ix) general political and economic conditions.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this document might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to the cautionary statements in this section. In this document, statements of or references to our intentions or those of our Directors are made as of the date of this document. Any such information may change in light of future developments.

RISK FACTORS

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

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

From time to time, we may need to perform extra work for our contracts on customers’ requests. This may result in disputes over whether the work performed is beyond the scope of work included in the original project specifications, or what price the customer should pay for the extra work. Although some of our contracts stipulate that the customer should be responsible for costs of the extra work they requested, we may be required to advance the cost of such work for a lengthy period of time until the design change is approved and funded by our customers. In addition, any delay caused by the extra work may impact the progress of our projects and our ability to meet specific contract milestone dates. We

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may not be able to recover all incurred costs if the design changes initiated by our customers are subsequently be declined by relevant authorities or result in contract disputes. We cannot assure you that we will be able to recover the cost of the extra work in full or at all, which may lead to business disputes, or may otherwise adversely affect our business, financial position, results of operations and prospects.

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

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

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

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

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

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

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

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

EPC projects we manage may not be completed on time.

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

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

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

In addition, we often have to provide advance payment guarantees in favour of customers to secure our obligations under contracts. Availability of advance payment guarantees depends on various factors, including our capitalisation, working capital, our existing level of borrowings, our track record, management expertise and external factors such as the financial institutions' evaluation of our credit, overall market conditions and the overall financial capacity of financial institutions, some of which are

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beyond our control. If there is any deterioration of any of the foregoing, we may not be able to continue obtaining new advance payment guarantees sufficient to meet our business requirements. If our financial position deteriorates, we may also be required to provide cash collateral or other security to maintain existing guarantees. If this occurs, our ability to perform our projects may be adversely affected.

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

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

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

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

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

In order to maximise our cost-efficiency and flexibility, we often engage third-party sub-contractors or suppliers to perform a portion of the work or provide the required materials or equipment under our contracts. For details, see “Business — Sub-contracting.” However, we may not be able to

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monitor the performance of these third parties as directly and efficiently as with our own staff. In addition, our inability to hire qualified third parties could hinder our ability to complete a project successfully. We may also suffer losses on contracts if the amounts we are required to pay to sub-contractors exceed our original estimates. Outsourcing exposes us to risks associated with sub-standard performance, delayed performance, or non-performance of obligations by these third parties. As a result, we may experience deterioration in the quality or deferred delivery of our projects, incur additional costs for remediation. These circumstances could lead us to disputes or litigations with our customers or contractual parties, or subject us to liability under the relevant contract for these third parties’ performance. Such events could adversely affect our business, financial position and results of operations.

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

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

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

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

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

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

We recorded net cash used in operating activities of approximately RMB31.5 million, RMB37.5 million and RMB60.5 million for the FY2023, FY2024 and FY2025, respectively. Please see the section headed “Financial Information — Liquidity and Capital Resources — Cash flows — Net cash used in operating activities”. We may not be able to generate positive cash flows from operating activities in the

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future. If we continue to record net operating cash outflows in the future, our working capital may be constrained, which may adversely affect our financial condition. Our future liquidity primarily depends on our ability to maintain adequate cash inflows from our operating activities and adequate external financing such as [REDACTED] and issuing securities, or other sources such as external debt, which may not be available on terms favourable or commercially reasonable to us or at all. If we fail to obtain sufficient funding in a timely manner and on reasonable terms, or at all, we may not be able to expand our business. Thus, our business, results of operations and financial condition may be adversely affected.

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

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

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

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

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

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We may encounter unexpected difficulties in expanding into new markets.

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

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

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

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

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

RISK FACTORS

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

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

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

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

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

RISK FACTORS

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

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

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

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

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

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RISKS RELATING TO CONDUCTING BUSINESS IN THE PRC

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

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

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

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

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

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

We may need to convert revenue into other currencies to meet foreign currency obligations, including operating costs and dividends payable on our H Shares. Shortages in foreign currencies may restrict our ability to pay dividends or satisfy our other foreign currency-denominated obligations. Under

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existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, may be made in foreign currencies without prior SAFE approval, subject to compliance with applicable procedural requirements. Conversion of Renminbi into foreign currency for capital account purposes, such as repayment of foreign currency denominated loans, requires approval from or registration with the relevant governmental authorities. As foreign exchange regulations may evolve over time, we cannot assure you that the rules governing the remittance of Renminbi into or out of the PRC will remain unchanged.

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

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

On 18 January 2019, the Supreme People’s Court of the PRC and Hong Kong entered into an agreement regarding the scope of judgments which may be enforced between the PRC and Hong Kong (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the “**New Arrangement**”). The New Arrangement broadens the scope of judgments that may be enforced between the PRC and Hong Kong under the Arrangement. Whereas a choice of jurisdiction needs to be agreed in writing in the form of an agreement between the parties for the selected jurisdiction to have exclusive jurisdiction over a matter under the Arrangement, the New Arrangement provides that the court where the judgment was sought could apply jurisdiction in accordance with the certain rules without the parties’ agreement. The New Arrangement was promulgated on 25 January 2024 and became effective on 29 January 2024 both in China and in Hong Kong, and replaced the Arrangement. Under the New Arrangement, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the effective judgments in civil and commercial cases subject to the conditions set forth in the New Arrangement. Although the New Arrangement has been signed and took

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effect, the outcome and effectiveness of any action brought under the New Arrangement may still be uncertain. We cannot assure you that an effective judgment that complies with the New Arrangement can be recognised and enforced in a PRC court.

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

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

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

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

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

On 17 February 2023, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “Trial Measures”) and five supporting guidelines, effective from 31 March 2023. Pursuant to the Trial Measures, domestic companies are required to file with and report relevant information to the CSRC when seeking to [REDACTED] or [REDACTED] securities overseas, both directly and indirectly, and

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in the event of subsequent [REDACTED] and certain major events. If it is determined that we failed to comply with these requirements, such as for our future capital raising activities, if any, we could be subject to penalties imposed by the CSRC or other PRC regulatory authorities. Failure to timely complete such filings with the CSRC could result in delays or termination of our relevant capital raising plans, as well as our reputation, business, financial condition and results of operations.

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

RISKS RELATING TO THE [REDACTED]

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

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

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

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

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

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

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

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

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

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

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

We cannot assure you when or in what form dividends will be paid on our H Shares following the [REDACTED]. Our historical dividend record is not indicative of future dividend policy, and the declaration and distribution plan of dividends is at the discretion of the Board, subject to our business

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

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

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

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

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

WAIVERS

In preparation for the [REDACTED], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

Rules	Subject matter
Rules 8.12 and 19A.15	Management presence in Hong Kong
Rules 3.28 and 8.17	Appointment of joint company secretaries

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, our Company must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Stock Exchange.

We do not have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules. Our Group’s core business operations are principally located, managed and conducted in the PRC and the Company’s headquarter is situated in the PRC. Besides, all of our executive Directors and senior management, who are primarily responsible for the overall management, corporate strategy, planning, business development and control of our Group’s business, principally reside in the PRC. Our Directors consider that either by means of relocation of our existing executive Directors to Hong Kong or the appointment of additional executive Directors who are ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and would not be in the best interests of our Company and our Shareholders as a whole.

As such, the Company does not, and will not for the foreseeable future, have a sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules. Accordingly, we have applied for, and pursuant to Rule 19A.15 of the Listing Rules, the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules. We will ensure that there is an effective channel of communication between us and the Stock Exchange by way of the following arrangements:

- (a) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorised representatives, who will act as our principal channel of communication with the Stock Exchange and ensure that our Company complies with the Listing Rules at all times. The two authorised representatives (the “**Authorised Representatives**”) are Mr. Ren Shuning, our executive Director and general manager and Mr. Lo Chung Yeung Matthew (“**Mr. Lo**”), our joint company secretary. Each of our Authorised Representatives will be available to meet with the Stock Exchange within a reasonable time frame upon request of the Stock Exchange and will be readily contactable by phone and email. Each of the Authorised Representatives is authorised to communicate on our behalf with the Stock Exchange;

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- (b) each of the Authorised Representatives has means for contacting all of our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. To enhance communication between the Stock Exchange, our Authorised Representatives and our Directors, we have implemented a policy that (i) each Director will provide their respective contact details (including mobile phone number office phone number, e-mail address and fax numbers (where available)) to the Stock Exchange and the Authorised Representatives; and (ii) in the event that a Director expects to travel or is otherwise out of office, he/she will endeavour to provide his/her phone number of the place of his/her accommodation to the Authorised Representatives or maintain an open line of communication via his/her mobile phone;
- (c) our Directors who are not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period;
- (d) we have appointed Lego Corporate Finance Limited as our compliance adviser (the “**Compliance Adviser**”) pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED]. The Compliance Adviser will have access at all times to our Authorised Representatives, our Directors and our senior management as prescribed by Rule 3A.23 of the Listing Rules, who will act as an additional channel of communication of our Company with the Stock Exchange. Our Company shall ensure that our Authorised Representatives, Directors and our senior management members will timely provide such information and assistance as the Compliance Adviser may need or may reasonably request in connection with the performance of the Compliance Adviser’s duties as set forth in the Listing Rules;
- (e) we have provided the Stock Exchange with the names and contact information of at least two of the Compliance Adviser’s officers who will act as our Compliance Adviser’s contact persons between the Stock Exchange and our Company. We will inform the Stock Exchange as soon as practicable in respect of any change of the Authorised Representatives and/or the Compliance Adviser;
- (f) we will appoint other professional advisers (including legal advisers in Hong Kong) after the [REDACTED] to assist us in dealing with any questions which may be raised by the Stock Exchange and to ensure that there will be prompt and effective communication with the Stock Exchange; and
- (g) our Company has designated staff members as the communication officers at our headquarter after the [REDACTED] who will be responsible for maintaining day-to-day communication with the Authorised Representatives and our Company’s professional advisers in Hong Kong, including legal advisers in Hong Kong and the Compliance Adviser, to keep abreast of any correspondences and/or enquiries from the Stock Exchange and report to our executive Directors to further facilitate communication between the Stock Exchange and our Company.

WAIVERS

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and
- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange will consider the following factors in assessing the “relevant experience” of the individual:

- (a) length of employment with the issuer and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (WUMP) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

Our Company has appointed Dr. Zeng Weiwei (“**Dr. Zeng**”) as one of our joint company secretaries. The Company believes that it would be in the best interests of the Company and the corporate governance of the Group to have as its joint company secretary a person such as Dr. Zeng, who has extensive experience in financial management, capital operations and corporate governance management. Dr. Zeng has the necessary nexus to the Board and close working relationship with management of the Company in order to perform the function of a joint company secretary and to take the necessary actions in the most effective and efficient manner. However, Dr. Zeng presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules and may not be able to solely fulfil the requirements of the Listing Rules. Therefore, we have appointed Mr. Lo, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Dr. Zeng for an initial period of three years from the [REDACTED] (the “**Engagement Period**”) to enable Dr. Zeng to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules. In the event that Mr. Lo resigns or his engagement is terminated earlier than the expiration of the Engagement Period, our Company will employ another qualified candidate as the joint company secretary to replace Mr. Lo and to assist Dr. Zeng until the end of the Engagement Period.

WAIVERS

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Dr. Zeng may be appointed as a joint company secretary of our Company. The waiver is valid for an initial period of three years from the [REDACTED], and is granted on the condition that Dr. Zeng will work closely with Mr. Lo to jointly discharge the duties and responsibilities as company secretary and assist Dr. Zeng in acquiring the relevant experience as required under Rules 3.28 and 8.17 of the Listing Rules. Mr. Lo will also assist Dr. Zeng in organising Board meetings and Shareholders’ meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Dr. Zeng is expected to work closely with Mr. Lo and will maintain regular contact with Dr. Zeng, the Directors, and the senior management of our Company. The waiver will be revoked immediately if Mr. Lo ceases to provide assistance to Dr. Zeng as a joint company secretary during the Engagement Period and in the absence of another qualified company secretary rendering the same assistance, or where there is any material breach of the Listing Rules by our Company. In addition, Dr. Zeng will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the Engagement Period. Dr. Zeng will also be assisted by (a) the Compliance Adviser, particularly in relation to compliance with the Listing Rules; and (b) our legal advisers in Hong Kong, on matters concerning our Company’s ongoing compliance with the Listing Rules and the applicable laws and regulations.

Before the expiration of the Engagement Period, the qualifications of Dr. Zeng will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will demonstrate and seek the Stock Exchange’s confirmation prior to the end of the three year period that Dr. Zeng, having benefited from the assistance of Mr. Lo for the preceding three years, has attained the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules and is capable of discharging the functions of company secretary so that a further waiver will not be necessary.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

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INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Executive Directors

Name	Residential Address	Nationality
Mr. Ren Xuefeng (任學鋒)	Room 1201, Unit 2, Building 1 No. 1088, Fenghuang North Road Xiangzhou District Zhuhai City Guangdong Province PRC	Chinese
Mr. Ren Shuning (任舒寧)	Room 1201, Unit 2, Building 1 No. 1088 Fenghuang North Road Xiangzhou District Zhuhai City Guangdong Province PRC	Chinese
Mr. Duan Xiaohui (段曉輝)	Room 2909, No. 1089 Fenghuang North Road Xiangzhou District Guangdong Province Zhuhai City PRC	Chinese
Mr. He Yongan (何永安)	Room 1804, Building 1 No. 198 Cuiqian North Road Gongbei Street Xiangzhou District Zhuhai City Guangdong Province PRC	Chinese
Ms. Li Xia (李俠)	Room 3503, Unit 1, Block 12 Huafa Chengjian Weilaihui Guoji Huayuan No. 99 Yunfeng Road Xiangzhou District Zhuhai City Guangdong Province PRC	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Independent non-executive Directors

Name	Residential Address	Nationality
Mr. Miao Fan (苗帆)	Room D, 2nd Floor, Tower 23 Upper Baguio Villa Pokfulam Hong Kong	Chinese (Hong Kong)
Mr. Lee Chi Ho (李智豪)	Unit G, 7/F, Tower 5 8 Muk Ning Street, One Kai Tak (II) Kai Tak, Kowloon City Kowloon Hong Kong	Chinese (Hong Kong)
Mr. Shi Shaoying (石少英)	Room 1701, Unit 2, Building 5 Nanwan Guoji Gongguan No. 133 Maofeng Road, Zhuhai City Guangdong Province PRC	Chinese

For further details of the Directors and other senior management members, see the section headed “Directors and Senior Management” in this document.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

Lego Corporate Finance Limited
Room 1505, 15/F, Wheelock House
20 Pedder Street
Central
Hong Kong

[REDACTED]

Lego Securities Limited
Room 1506, 15/F, Wheelock House
20 Pedder Street
Central
Hong Kong

**[REDACTED],
[REDACTED] and
[REDACTED]**

Lego Securities Limited
Room 1506, 15/F, Wheelock House
20 Pedder Street
Central
Hong Kong

Legal Advisers to our Company

As to Hong Kong law
Chiu & Partners
40/F, Jardine House
1 Connaught Place
Central, Hong Kong

As to PRC law
DeHeng Law Offices
12/F, Tower B
Focus Place
No. 19 Finance Street
Beijing
PRC

As to Macau law
MAK HENG IP Lawyers & Private Notary
Alameda Dr. Carlos D'Assumpção, n.ºs 335–341,
Edif. Centro Hotline, 21.º andar “P”, “Q” e “R”
Macau

As to Philippines law
Ocampo & Manalo Law Firm
28th Floor Pacific Star Building SEN.
Gil Puyat Ave Cor. Makati Ave Makati City 1200
Philippines

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

**Legal Advisers to the Sole Sponsor
and the [REDACTED]**

As to Hong Kong law
Stevenson, Wong & Co.
 Units 1801–08 & 1810, 18/F, Gloucester Tower
 The Landmark
 15 Queen’s Road Central
 Hong Kong

As to PRC law
AllBright Law Offices
 60/F, Guangzhou International Finance Center
 No. 5 Pearl River West Road
 Tianhe District
 Guangzhou
 PRC

Auditor and Reporting Accountant

Deloitte Touche Tohmatsu
*Certified Public Accountants and
 Registered Public Interest Entity Auditor*
 35/F, One Pacific Place
 88 Queensway
 Hong Kong

Industry Consultant

Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.
 Room 3006, Two Exchange Square
 No. 8 Connaught Place
 Central
 Hong Kong

Property Valuer

Vincorn Consulting and Appraisal Limited
 Units 1602–4, 16/F
 No. 308 Des Voeux Road Central
 Hong Kong

[REDACTED]

[REDACTED]

CORPORATE INFORMATION

Registered office	No. 27, Technology 6th Road Innovation Coast High-tech Zone Zhuhai City Guangdong Province PRC
Headquarters and principal place of business in the PRC	No. 27, Technology 6th Road Innovation Coast High-tech Zone Zhuhai City Guangdong Province PRC
Principal place of business in Hong Kong under Part 16 of the Companies Ordinance	40th Floor, Jardine House 1 Connaught Place Central Hong Kong
Company’s website	www.zhhdcl.com <i>(information contained in this website does not form part of this document)</i>
Joint company secretaries	Dr. Zeng Weiwei (曾偉偉) Unit 2404, Building 3 Longhu Lanjing Garden Huangpu District, Guangzhou City Guangdong Province PRC Mr. Lo Chung Yeung Matthew (盧仲暘) <i>(A member of the Hong Kong Institute of Certified Public Accountants)</i> 40th Floor, Jardine House 1 Connaught Place Central Hong Kong
Authorised Representatives	Mr. Ren Shuning (任舒寧) Room 1201, Unit 2, Building 1 No. 1088 Fenghuang North Road Xiangzhou District Zhuhai City Guangdong Province PRC

CORPORATE INFORMATION

	Mr. Lo Chung Yeung Matthew (盧仲暘) 40th Floor, Jardine House 1 Connaught Place Central Hong Kong
Audit committee	Mr. Shi Shaoying (石少英) (<i>Chairman</i>) Mr. Lee Chi Ho (李智豪) Mr. Miao Fan (苗帆)
Remuneration and Appraisal committee	Mr. Shi Shaoying (石少英) (<i>Chairman</i>) Mr. Lee Chi Ho (李智豪) Mr. He Yongan (何永安)
Nomination committee	Mr. Shi Shaoying (石少英) (<i>Chairman</i>) Mr. Lee Chi Ho (李智豪) Ms. Li Xia (李俠)
Compliance adviser	Lego Corporate Finance Limited Room 1505, 15/F, Wheelock House 20 Pedder Street Central Hong Kong
[REDACTED]	[REDACTED]
Principal banks	Zhuhai Rural Commercial Bank Co., Ltd., Gaoxin Branch (珠海農業商業銀行股份有限公司高新支行) Ground floor, 163 Jinfeng Middle Road Tangjiawan Town, Zhuhai City PRC Bank of China, Zhuhai Jinding Branch (中國銀行珠海金鼎支行) 78–84 Jinfeng Middle Road Tangjiawan Town, Zhuhai City PRC

INDUSTRY OVERVIEW

The information contained in this section, unless otherwise indicated, have been derived from various official government publications and other publications generally believed to be reliable and the market research report prepared by Frost & Sullivan which we commissioned. We believe that the sources of such information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. None of our Company, the Sole Sponsor, the [REDACTED], the [REDACTED] and the [REDACTED] or any of our or their respective directors, officers or representatives or any other person involved in the [REDACTED], except for Frost & Sullivan, has independently verified such information nor give any representation as to the accuracy or completeness of such information. As such, you should not unduly rely upon such information in making, or refraining from making, any [REDACTED] decision.

SOURCE OF INFORMATION

We have commissioned Frost & Sullivan, an independent market research and consulting company, to conduct an analysis of, and to prepare a report on the PRC energy solutions market. The report prepared by Frost & Sullivan for us is referred to in this [REDACTED] document as Industry Report. We agreed to pay Frost & Sullivan a fee of HK\$380,000 which we believe reflects market rates for reports of this type.

Founded in 1961, Frost & Sullivan has 40 offices with more than 2,000 industry consultants, market research analysts, technology analysts and economists globally. Frost & Sullivan’s services include technology research, independent market research, economic research, corporate best practices advising, training, client research, competitive intelligence and corporate strategy.

We have included certain information from the Industry Report in this [REDACTED] document because we believe this information facilitates an understanding of the PRC energy solutions market for the prospective [REDACTED]. The Industry Report includes information of the PRC energy solutions market as well as other economic data, which have been quoted in the [REDACTED] document. Frost & Sullivan’s independent research consists of both primary and secondary research obtained from various sources in respect of the PRC energy solutions market. Primary research involved in-depth interviews with leading industry participants and industry experts. Secondary research involved reviewing company reports, independent research reports and data based on Frost & Sullivan’s own research database. Projected data were obtained from historical data analysis plotted against macroeconomic data with reference to specific industry-related factors. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Industry Report, various official government publications and other publications.

In compiling and preparing the research, Frost & Sullivan assumed that the social, economic and political environments in the relevant markets are likely to remain stable in the forecast period, which ensures the steady development of the PRC energy solutions market.

OVERVIEW OF THE PRC ENERGY SOLUTIONS MARKET

Definition

Energy solutions encompass a comprehensive, full-lifecycle service portfolio delivered by specialised power engineering firms, integrating survey and design, general contracting (EPC), and operation and maintenance services to support the development and optimisation of electric power infrastructure. This integrated model begins with front-end survey and design including engineering consulting, geological surveys, and detailed technical schemes for projects spanning various voltage-level grids, traditional power sources such as thermal, hydro, and nuclear, and new energy generation, with a particular emphasis on PV and wind power. It extends through turnkey general contracting, encompassing project management, construction, equipment procurement, and system development to deliver fully operational transmission, substation, distribution, and renewable energy facilities. It incorporates long-term operation and maintenance services focused on equipment upkeep, energy efficiency assessments, and performance-based management primarily for solar and wind systems to sustain or enhance generation output and achieve targeted efficiency goals. Tailored predominantly for central and state-owned enterprises, alongside select private commercial and industrial clients, this one-stop approach ensures efficient, reliable, and sustainable energy project planning, execution, and ongoing operation across the entire value chain.

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Advisory Consulting: Front-end strategic and decision-support services, including energy planning studies, project feasibility analysis, investment evaluation, energy-saving assessments, environmental impact evaluations, policy consulting, and carbon asset management. These services provide clients with scientific decision-making foundations through professional reports and proposals, ensuring alignment with national energy strategies and green development requirements.

Survey and Design: Core technical services encompassing geological, hydrological, and geotechnical surveys, as well as engineering design. Deliverables include survey reports, consulting reports, design schemes, and digital drawings. Applicable to grid transmission and distribution, new energy power stations, traditional power sources, and integrated energy projects, with emphasis on technological innovation, BIM applications, and full-process digital design.

General Contracting Engineering: Engineering, Procurement, and Construction (EPC), responsible for the process from equipment procurement, and construction management to system integration and commissioning. Focus areas include transmission and substation projects, new energy power stations, integrated smart energy systems, and related infrastructure, ensuring high-quality, safe, and timely project completion. In the energy solutions sector in the PRC, Survey and Design Services and EPC Services are classified as distinct business segments, reflecting their differing scopes, risk profiles, and project phases. Survey and Design operate as a front-end technical consulting segment, focusing on intellectual deliverables such as geological, hydrological, and geotechnical surveys, feasibility studies, and detailed engineering designs, including BIM-enabled digital drawings and reports. This segment emphasises technological innovation and regulatory compliance, with lower capital intensity and primarily technical risks, typically concluding upon design approval. In contrast, EPC represents an integrated mid-to-back-end project delivery segment, encompassing full turnkey responsibility from equipment procurement, and construction management to system integration, commissioning, and handover of operational facilities. It involves higher capital requirements, comprehensive execution risks, including schedule, cost, and performance guarantees, and longer durations. This segmentation enables energy solutions providers to offer specialised expertise or complete lifecycle solutions, optimising value capture while meeting client needs for standalone planning or fully executed power infrastructure projects.

Retrofit and Upgrading: Front-Upgrade and optimisation services for existing energy facilities, including flexibility retrofits for coal-fired units, energy-saving and consumption-reduction modifications, technological upgrades (e.g., integration of energy storage and digital systems), capacity expansion, and replacement of ageing equipment. These services aim to enhance system efficiency, improve new energy accommodation capacity, and extend asset lifecycle.

Operation and Maintenance Services: Long-term post-project operation and maintenance, including equipment inspection and repair, performance monitoring, energy-saving management, fault diagnosis, and managed hosting services. Primarily targeting new energy systems, these services employ digital platforms and performance-based models (e.g., charging based on power generation or energy-saving outcomes) to ensure stable operation and continuous optimisation of generation or energy-use efficiency.

Settlement and Trading: Market-oriented energy operation services covering medium- and long-term power contracts, spot trading, green power certificate trading, ancillary services, deviation settlement, and carbon emissions trading. These support full guaranteed acquisition for new energy, direct green power supply, demand-side response, and differential compensation mechanisms, maximising energy value and hedging risks.

Value Chain

In upstream, the energy solutions provider monitors and influences raw material sourcing and core component manufacturing (e.g., polysilicon, PV cells/modules, wind turbine blades, rare earth magnets, and battery materials) primarily through strategic partnerships, qualified supplier frameworks, and procurement management rather than direct ownership. This phase ensures supply security, cost competitiveness, quality compliance, and sustainability standards (e.g., low-carbon silicon, responsible mining) to mitigate risks for downstream project execution.

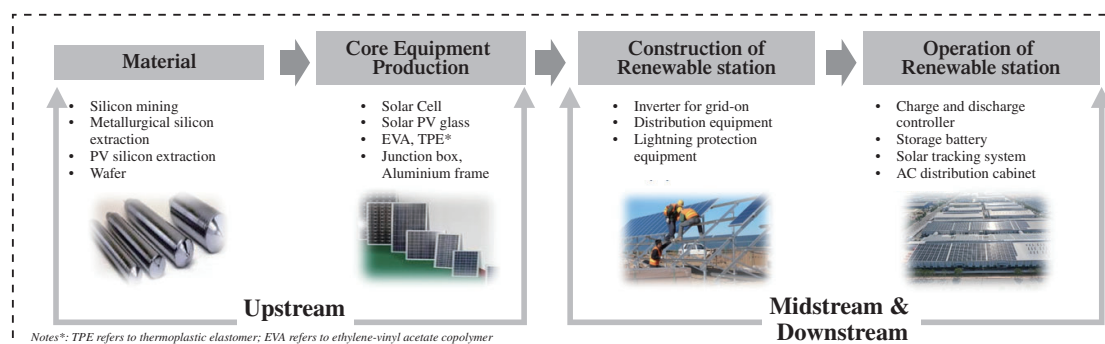
In midstream, the provider actively participates through technology evaluation, specification development, quality assurance, and bulk procurement of core equipment (PV modules, inverters, wind turbines, balance-of-system components, and storage systems). Leveraging deep engineering expertise, the provider optimises equipment selection and customisation to align with project-specific performance, reliability, and grid-integration requirements, thereby enhancing overall system efficiency and bankability.

In downstream, it encompasses full-lifecycle services including advisory consulting and feasibility studies, survey and design, EPC general contracting for station construction (site development, installation, electrical integration, and grid connection), retrofit/upgrading of existing assets, long-term

INDUSTRY OVERVIEW

operation and maintenance (with performance-based models), and energy trading/settlement support. By delivering integrated one-stop solutions particularly for large-scale ground-mounted, distributed, or hybrid renewable projects the provider maximises client returns through optimised design, accelerated project timelines, guaranteed performance, and sustained operational excellence.

Value Chain of PV stations



Source: Frost & Sullivan

Market Drivers and Trends

1. Grid Modernisation and Smart Infrastructure Development

Energy solutions market in the PRC is propelled by aggressive renewable energy expansion, driven by national dual carbon goals of peaking emissions before 2030 and achieving carbon neutrality by 2060. The 14th Five-Year Plan (2021–2025) targeted non-fossil fuels to reach 20% of primary energy consumption by 2025, a milestone overfulfilled ahead of schedule, with renewables supplying over one-third of electricity generation. In 2024, newly installed renewable energy generation capacity in the PRC reached 374 million kW, representing annual growth rate of 22.0%. Renewable energy power generation reached 3.47 trillion kWh, representing a annual growth rate of 17.3% and accounting for approximately 35.0% of the nation's total electricity generation, with wind and solar power combined accounting for about 18.5% of total electricity generation. Supportive policies, including subsidies, guaranteed grid access, and mandates for renewable substitution, have accelerated deployment. This policy framework fosters demand for full-lifecycle energy solutions, from survey/design to EPC and operation and maintenance, particularly in photovoltaic, wind, and hybrid systems.

2. Rising Electricity Demand and Infrastructure Development

Surging electricity consumption underpins robust growth in energy solutions, with nationwide power use projected to exceed 10 trillion kWh in 2025, marking a record high. This demand surge is fueled by economic expansion, rapid electrification in transport, emerging loads from data centres, 5G infrastructure, and high-tech manufacturing. Industrial and advanced sectors have driven disproportionate increases, necessitating expansive infrastructure development, including large-scale renewable bases, transmission enhancements, and distributed projects. Energy solutions providers benefit from opportunities in EPC contracting, retrofit/upgrading, and advisory services to support reliable supply and integration of new capacity amid this demand trajectory.

3. Continuous Development of One-stop Energy Solutions

The market for one-stop energy solutions in the PRC is experiencing sustained growth, driven by the need for comprehensive services that span advisory consulting, survey and design, EPC general contracting, retrofit/upgrading, operation and maintenance, and settlement/trading. Leading market participants are expanding their portfolios to deliver seamless, end-to-end solutions, particularly in renewable energy integration and multi-energy complementarity. This trend is fueled by national priorities for building a new-type power system, where clients seek single-point accountability to reduce project risks, accelerate timelines, and optimise long-term performance. The rise of energy solutions models further promotes integrated offerings that minimise upfront capital for users while ensuring efficiency and sustainability. Moreover, policies encouraging market reforms, digital transformation such as BIM and AI in project management, and hybrid systems are stimulating demand for providers capable of orchestrating the entire value chain, supporting dual carbon goals and enhancing energy security through resilient, low-carbon infrastructure.

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Market Opportunities

1. *Large-Scale Renewable Energy Storage Integration and Hybrid Systems*

Renewable energy expansion in the PRC has created significant challenges in grid stability, renewable curtailment reduction, and peak-load regulation, driving substantial demand for large-scale energy storage solutions. As of mid-2025, the PRC’s installed new-type energy storage capacity exceeded 100 GW, with ambitious targets under the 14th and emerging 15th Five-Year Plans emphasising coordinated development of source-grid-load-storage systems. This presents prime opportunities for energy solutions providers in full-lifecycle services, including advisory consulting and feasibility studies for hybrid projects, detailed survey and design incorporating storage optimisation, EPC general contracting for utility-scale battery energy storage systems, pumped hydro, and compressed air facilities, as well as retrofit integration into existing renewable bases.

2. *Distributed Photovoltaics and Whole-County Rooftop Solar Development*

Distributed PV systems continue to dominate the PRC’s solar growth trajectory, underpinned by national initiatives such as “whole-county rooftop PV promotion” and mandatory installation requirements for new public buildings, industrial parks, and rural households. This decentralised model aligns with goals for high-quality renewable integration and local energy self-sufficiency, particularly in eastern and central provinces with high electricity demand density. Energy solutions providers are well-positioned to capture value across the entire chain, including front-end advisory and resource assessment, customised survey and design for rooftop/complex terrain applications, EPC delivery encompassing module procurement, structural mounting, and microgrid integration, and long-term operation/maintenance under performance-linked models that tie remuneration to actual generation output. Additional opportunities arise in upgrading legacy distributed assets, incorporating energy management systems for demand-side response, and facilitating green power trading/settlement, serving a diverse client base including local governments, industrial/commercial enterprises, and rural cooperatives pursuing energy cost reduction and carbon compliance.

Market Challenges

1. *Grid Integration and Infrastructure Limitations*

The rapid expansion of renewable energy capacity in the PRC has outpaced grid infrastructure development, leading to integration challenges and rising curtailment rates, which highlight transmission bottlenecks. Insufficient flexibility from storage, demand-side response, and smart grid technologies exacerbates intermittency issues, increasing reliance on coal for backup and raising system costs. These limitations pose risks to project bankability, revenue stability for energy solutions providers, and the efficient utilisation of investments in survey/design, EPC, and operation and management services.

2. *Environmental and Land Use Constraints*

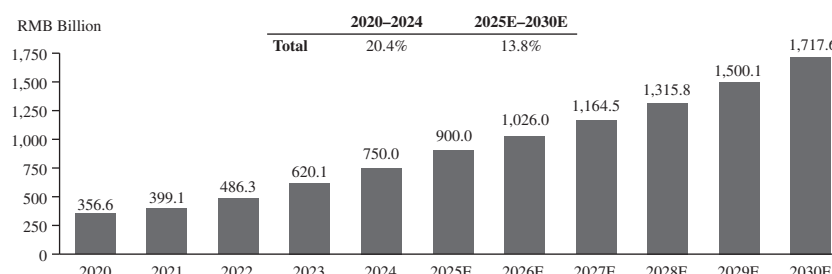
Large-scale renewable projects, particularly solar and wind farms, face growing constraints from environmental regulations and land availability, complicating site selection and development timelines. The PRC’s ecological protection red lines and policies prohibiting alteration of arable land, forests, or sensitive ecosystems restrict suitable areas, pushing developments toward deserts and arid regions while requiring rigorous environmental impact assessments. Competition for land amid urbanisation, agriculture, and biodiversity goals delays permitting and increases costs for energy solutions providers. Furthermore, potential ecological risks from vegetation removal, soil disturbance, and dust accumulation in fragile desert environments demand integrated approaches like agro-photovoltaics or grazing-compatible designs to mitigate impacts and ensure long-term sustainability.

Market Size

The energy solutions market in the PRC market has exhibited rapid growth from RMB356.6 billion in 2020 to RMB750.0 billion in 2024 at a CAGR of 20.4% from 2020 to 2024, driven by the dual-carbon goals and the construction of a new power system. The market is projected to maintain the growth at a CAGR of 13.8% from 2025 to 2030, reaching RMB1,717.6 billion in 2030. The energy solutions market in the PRC is driven primarily by the national dual carbon goals peaking carbon emissions before 2030 and achieving carbon neutrality by 2060 bolstered by supportive government policies and incentives that accelerate renewable energy deployment and green certification. Surging electricity demand, fueled by urbanisation, industrialization, widespread electrification, and sustained economic growth, requires substantial investments in power infrastructure. Rapid technological advancements and declining costs in solar, wind, energy storage, and grid systems, coupled with extensive funding for grid modernisation and smart infrastructure, propel the transition toward a new-type power system characterised by high renewable penetration and enhanced resilience.

INDUSTRY OVERVIEW

Market Size of Energy Solutions (The PRC), 2020–2030E



Source: China Electricity Council, Frost & Sullivan

15th Five-Year Plan (2026–2030)

China’s 15th Five-Year Plan (FYP), officially the Outline of the 15th Five-Year Plan for National Economic and Social Development of the People’s Republic of China (2026–2030), was promulgated in March 2026 during the annual session of the National People’s Congress. This strategic blueprint, succeeding the 14th FYP (2021–2025), emphasises high-quality development, innovation-driven growth, and green transformation amid global economic challenges and domestic priorities such as achieving carbon peak by 2030 and neutrality by 2060. The plan outlines 20 binding targets across economic, social, and environmental domains, with a strong focus on enhancing energy security, efficiency, and sustainability. It proposes 109 major projects in six key areas, including fostering new quality productive forces and advancing ecological conservation, many of which directly pertain to the energy sector.

Key Targets for Electricity Generation Capacity and New Energy Integration: China’s 15th Five-Year Plan (2026–2030) establishes key targets to significantly expand electricity generation capacity while prioritising new energy integration, particularly renewables, to support the transition toward a new-type power system. The plan aims to increase the share of non-fossil energy in total energy consumption to 25% by 2030, up from approximately 21.7% in 2025, aligning with China’s international commitments and dual-carbon goals. This plan already surpassing earlier 2030 targets of 1,200 GW, and projections in aligned analyses suggesting cumulative installations could reach around 766 GW for wind and 1,880 GW for solar by 2030 in baseline scenarios, contributing to renewables supplying over 50% of installed power capacity and 30–40% of electricity generation. Overall energy production capacity is targeted to reach the equivalent of 5.8 billion tonnes of standard coal by 2030, emphasising domestic output growth alongside a 17% reduction in CO₂ emissions per unit of GDP. To enable this integration, the plan drives massive infrastructure development, including commissioning 15 new ultra-high voltage transmission lines to boost cross-provincial capacity by 35% and integrate substantial renewable volumes, while advancing energy storage, pumped hydro, and grid flexibility measures to address intermittency and enhance system resilience. These targets collectively accelerate the dominance of clean energy in China’s power mix, fostering opportunities across the full-lifecycle energy solutions sector.

Infrastructure Development of Generation, Transmission, and Storage: China’s 15th Five-Year Plan prioritises massive, coordinated infrastructure development across generation, transmission, and storage facilities, involving investments estimated in the trillions of yuan to support a resilient, renewables-dominated “new-type power system.” In generation infrastructure, accelerated deployment focuses on large-scale renewable bases including desert-based wind and solar power complexes in the three northern regions and integrated hydro-wind-solar projects in the southwest, as well as major hydropower initiatives (e.g., the Yarlung Tsangpo dam) and expansions in offshore wind (targeting 100 GW by 2030) and nuclear (reaching 110 GW by 2030), enabling hundreds of gigawatts of annual additions to meet rising electricity demand while minimising fossil fuel reliance. Transmission infrastructure receives particular emphasis through the construction of power-transmission corridors capable of delivering up to 420 GW from western clean-energy bases to eastern load centres, supported by State Grid’s commitment to commission 15 new ultra-high voltage (UHV) transmission lines between 2026 and 2030; these long-distance, high-capacity lines, spanning thousands of kilometres, will increase cross-provincial transmission capacity by approximately 35% and facilitate the annual integration of around 200 GWh of renewable power, thereby reducing curtailment and enhancing nationwide resource allocation. For storage and system flexibility, the plan mandates vigorous development of battery energy storage alongside the addition of approximately 100 GW of pumped hydro storage capacity during the period, complemented by smart grids, microgrids, and interprovincial mutual-aid schemes to address the intermittency of variable renewables and ensure grid stability amid growing electrification and clean energy penetration. This comprehensive infrastructure push aligned with national priorities for energy

INDUSTRY OVERVIEW

security, ecological conservation, and dual-carbon objectives creates substantial opportunities for full-lifecycle energy solutions providers in survey and design, EPC contracting, retrofits, O&M, and market-oriented services.

Market Opportunities for The PRC Energy Solutions Market:

The 15th Five-Year Plan mandated an accelerated transition to a clean, low-carbon, safe, and efficient modern energy system often termed the “new-type power system”. The plan creates sustained, large-scale demand for comprehensive, full-lifecycle services provided by specialised power engineering firms. This framework aligns national priorities such as energy security, technological self-reliance, ecological civilization and the dual-carbon goals, while supporting high-quality economic growth through innovation in green technologies.

At the core of this drive is the plan’s emphasis on scaling renewable energy to dominate the power mix. Massive infrastructure investments estimated in the trillions of yuan necessitate extensive front-end advisory consulting and survey and design services that ensure projects align with national strategies and secure approvals for grid integration.

The plan’s push for power generation and transmission infrastructure, notably the commissioning of 15 new ultra-high voltage lines to boost cross-provincial capacity by approximately 35 percent and integrate around 200 GWh of renewables annually, along with smart grid enhancements, creates substantial opportunities for general contracting and EPC services, particularly for firms that can deliver turnkey solutions under design-led EPC models and handover for transmission routes, substations, distribution networks, and large renewable facilities.

Flexibility and resilience requirements further amplify demand for enhanced peaking and deep cycling to accommodate renewable energy featured by variable power output. Long term O&M contracts applying performance-based models, supported by digital platforms for real-time monitoring, predictive maintenance, fault diagnosis, and yield optimisation, become essential for sustaining high generation output in solar, wind, and hybrid assets.

Market-oriented mechanisms embedded in the outline of 15th Five-Year Plan, including expanded green power certificate trading, carbon emissions markets, medium- and long-term carbon-trade contracts, spot trading, ancillary services and demand-side response, drive services for carbon trade and settlement. Providers assist clients in maximising environmental attribute value, hedging risks, ensuring full guaranteed acquisition for renewables, and participating in unified power markets, thereby capturing premiums or receiving compensation for pursuing environmental protection policies.

Overall, the 15th Five-Year Plan positions the energy solutions sector as a cornerstone of China’s economic resilience and global clean-technology leadership. It fosters recurring, high-margin revenue streams beyond one-off construction, encourages bundling of services across the value chain for risk minimization and efficiency gains, and intensifies competition among major players such as China Energy Engineering Corporation and Power Construction Corporation of China, which benefit from scale, policy alignment, and integrated capabilities. This dynamic not only accelerates the nation’s energy transition but also enhances the competitiveness and sustainability of its power infrastructure ecosystem.

COMPETITIVE LANDSCAPE OF THE PRC ENERGY SOLUTIONS MARKET

Competition Overview

In 2024, the energy solutions market in the PRC exhibits a relatively concentrated competitive landscape, characterised by the significant dominance of leading enterprises, with the top five market participants collectively accounting for 65.3% of the total market share. Notably, Power Construction Corporation of China, Ltd. ranked first with a market share of 34.1%, establishing a distinct leading position, while other major participants maintain competitive advantages in their respective niche segments. The Group has accounted a market share of approximately 0.04% with a revenue of RMB0.3 billion.

INDUSTRY OVERVIEW

Ranking and Market Share of Leading Energy Solution Providers by Revenue (the PRC), 2024

Rank	Company	Revenue in 2024 (RMB Billion)	Market Share (%)
1	Power Construction Corporation of China, Ltd. (中國電力建設集團有限公司)	255.8	34.1%
2	China Energy Engineering Group Co., Ltd. (中國能源建設股份有限公司)	117.2	15.6%
3	TBEA SUNOASIS CO., LTD (特變電工新疆新能源股份有限公司)	63.7	8.5%
4	Zhejiang Chint New Energy Development Co., Ltd. (浙江正泰新能源開發有限公司)	32.7	4.4%
5	Sungrow Power Supply Co., Ltd. (陽光電源股份有限公司)	20.6	2.8%
	Top 5 Sub-total	489.9	65.3%
	Total	750.0	100%

Source: Frost & Sullivan

Entry Barriers

1. Hefty Capital Investment

Participation in the energy solution market requires substantial upfront capital commitments. Service providers engaged in engineering survey and design, EPC contracting, and operation and maintenance are often required to advance funds for equipment procurement, component purchases, preliminary construction works, and related project expenses. When multiple projects are executed concurrently, market participants must also maintain sufficient financial resources to support working-capital turnover and ensure uninterrupted project delivery. These considerable capital requirements pose a significant barrier for new entrants seeking to establish a competitive presence in the market.

2. Technical

The provision of comprehensive energy solutions-ranging from front-end resource assessment and system design to procurement, engineering construction, commissioning, and long-term operation and maintenance-requires a high level of technical expertise and the possession of relevant industry qualifications. As system integration quality directly determines the operational performance, reliability, and energy yield of renewable power facilities, providers must demonstrate strong engineering capabilities and multidisciplinary competence across each stage of the project lifecycle. New entrants without mature technical systems or proven integration capabilities face substantial challenges in meeting customer and regulatory expectations.

3. Qualification and Management

Effective execution of renewable energy engineering and EPC projects depends on the availability of qualified technical personnel and experienced project management teams capable of ensuring safety, quality, cost control, and timely delivery. In light of the rapid expansion of the renewable energy industry in the PRC and the relative scarcity of skilled professionals with practical engineering experience, it is difficult for new entrants to rapidly assemble and train teams with the requisite expertise. The high threshold for talent, qualifications, and managerial capability therefore constitutes an additional barrier to entry for prospective market participants.

4. Corporate and Individual Qualifications

Corporate and individual qualifications impose rigorous professional and educational standards, acting as barriers by demanding proven expertise and certifications that new entrants may struggle to assemble. Firms must demonstrate a history of compliance with national standards, no major violations in the past 3–5 years, and possession of ISO certifications for quality, environmental, and safety management. On the other hand, key personnel such as chief engineers and project managers must hold senior titles, such as professor-level senior engineers, and national registrations, namely Registered Structural Engineers or Certified Constructors, with minimum experience thresholds, such as 10 years for senior roles in Level 1 qualifications. This emphasis on accredited talent creates high recruitment costs and time delays for newcomers, reinforcing the advantage of established firms with internal talent pools.

INDUSTRY OVERVIEW

5. *Net Asset Size Thresholds*

A key entry barrier is the prescribed net asset thresholds, which serve as a financial gatekeeper to ensure firms can handle large-scale projects and associated risks. For Power Engineering General Contracting Qualifications, Level 1 requires net assets exceeding RMB100 million, Level 2 over RMB40 million, and Level 3 at least RMB8 million. Similarly, Power Facility O&M Licences (Levels 1–3) require net assets commensurate with their activities of installing, repairing, and testing power facilities, and these net assets account for no less than 15% of their total assets. These requirements deter startups and small firms, as they necessitate substantial capital reserves, often favouring state-owned or large private enterprises with strong balance sheets, thereby limiting market access and consolidating industry dominance among incumbents.

6. *Staff Size Requirements*

Staff size thresholds represent another formidable barrier, requiring firms to maintain a minimum number of qualified employees to demonstrate operational capacity. For Level 1 Power Engineering General Contracting, enterprises need over 300 technical and management staff, including at least 15 senior engineers and 30 intermediate-level professionals; Level 3 requires at least 50 staff with 5 seniors and 10 intermediates. Design qualifications (Grade A) mandate over 100 technical personnel, with over 40 registered engineers, while O&M licences (Level 1) stipulate more than 200 staff. These mandates increase overhead costs for labour, training, and retention, particularly in a competitive talent market, making it challenging for smaller or foreign entrants to scale up quickly and comply, thus protecting incumbent players.

7. *Standards of Compliance and Operational Performance*

Stringent standards for compliance and operational performance, both for obtaining and maintaining licences, create ongoing barriers through continuous oversight and potential revocation risks. Initial approval involves audits for safety records, environmental compliance, and financial health, with no major incidents in recent years. Maintenance requires annual reporting, periodic inspections by Ministry of Housing and Urban-Rural Development (住房和城乡建设部) and National Energy Administration (國家能源局), adherence to updated standards and minimum performance metrics. Non-compliance can lead to downgrades or suspensions, imposing high administrative burdens and legal costs, which disproportionately affect resource-limited entrants while favouring well-established firms with robust compliance systems.

Factors of Competition

1. *Acquisition of Resources*

Competition in the energy solution market is closely linked to participants’ ability to secure high-quality resources across the value chain. Service providers must maintain strong relationships with reputable upstream suppliers to procure key equipment and components in a timely and cost-effective manner, ensuring smooth project execution and adherence to construction schedules. At the same time, providers must build and sustain effective downstream customer channels, particularly in the more fragmented segments such as distributed renewable projects, requiring strong managerial capability, brand recognition, and localised customer engagement. The breadth and reliability of both upstream and downstream resource networks therefore represent a critical determinant of competitive strength.

2. *Strategic Partnerships*

As large SOEs and CSOs increasingly expand into the renewable EPC and engineering services market, many leverage their financial scale and credibility while seeking partners with deeper technical expertise and on-the-ground execution experience. This creates opportunities for experienced energy solution providers to form complementary partnerships, particularly on projects with higher technical complexity or more demanding construction environments. Such collaborations enhance service capacity, strengthen market presence, and broaden access to project and client resources. The ability to develop and maintain strong strategic partnerships, supported by a solid market reputation and proven project-delivery track record, constitutes an important factor in market competitiveness.

3. *Market Know-how*

With the growing complexity of renewable energy project models, especially as distributed systems proliferate alongside continued expansion of centralised projects, specialised industry knowledge has become a key differentiator. Competent service providers must possess deep understanding of policy developments, technical standards, installation requirements, and component cost trends, and must continuously upgrade construction techniques and system-integration capabilities. Comprehensive market insight enables companies to respond effectively to evolving project demands, optimise solution design, and position themselves competitively in business development. As a result, market know-how and accumulated operational experience serve as essential competitive advantages for energy solution providers.

INDUSTRY OVERVIEW

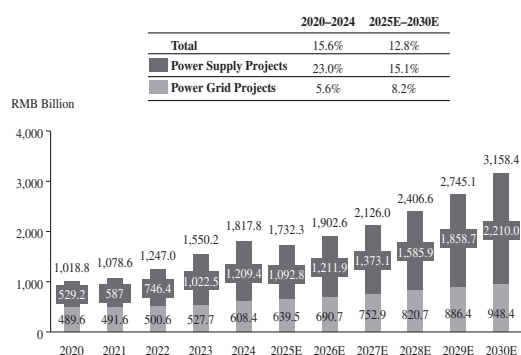
OVERVIEW OF THE PRC POWER FACILITY CONSTRUCTION MARKET

Total Electricity-Related Project Investment

Driven by the national “Dual Carbon” strategy and the 14th Five-Year Plan, total electricity project investment in China surged from RMB1,018.8 billion in 2020 to RMB1,817.8 billion in 2024, representing a CAGR of 15.6%. The upward trend is projected to continue, growing from RMB1,732.3 billion in 2025 to RMB3,158.4 billion in 2030, representing a CAGR of 12.8%. Historically, Power Supply Projects were the primary growth driver, expanding to reach RMB1,209.4 billion in 2024, representing a CAGR of 23.0%. Moving forward, supply-side growth will moderate to represent a CAGR of 15.1%, reaching RMB2,210.0 billion by 2030. Conversely, Power Grid Projects are entering an acceleration phase to support new power system construction and resolve renewable connection bottlenecks. Grid investment will accelerate from a historical CAGR of 5.6%, which reached RMB608.4 billion in 2024, to a forecasted CAGR of 8.2%, reaching RMB948.4 billion by 2030.

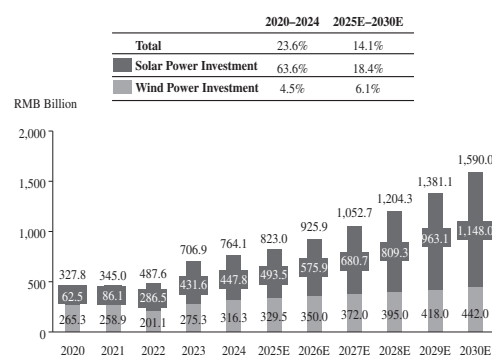
Within power supply, Wind and Solar Projects demonstrated explosive historical growth, rising from RMB327.8 billion in 2020 to RMB764.1 billion in 2024, representing a robust CAGR of 23.6%. The figure is projected to reach RMB1,590.0 billion by 2030, representing a CAGR of 14.1%. Solar power was the dominant engine, surging to RMB447.8 billion in 2024, representing a historical CAGR of 63.6% due to supply chain cost reductions and distributed solar adoption. As the market matures from rapid capacity expansion to systemic integration, solar’s forecasted growth will stabilize to represent a CAGR of 18.4%, reaching RMB1,148.0 billion in 2030. Despite this percentage deceleration, absolute investment growth between 2025 and 2030, totaling RMB654.6 billion, will nearly double its historical counterpart, ensuring solar remains the primary engine of the energy transition. Meanwhile, Wind power investment will pick up momentum, accelerating from a historical CAGR of 4.5%, reaching RMB316.3 billion in 2024, to a forecasted CAGR of 6.1%, reaching RMB442.0 billion in 2030, driven by high-value offshore projects and the repowering of older onshore turbines.

Total Annual Investment Completed in Electricity Projects (The PRC), 2020–2030E



Source: China Electricity Council (CEC), Frost & Sullivan

Total Annual Investment Completed in Solar Power and Wind Power (The PRC), 2020–2030E



Source: China Electricity Council (CEC), Frost & Sullivan

Newly Installed Power Generating Capacity

Underpinned by the 14th Five-Year Plan and a strategic pivot toward non-fossil fuels, China’s newly installed power generating capacity surged from 190.9 GW in 2020 to 430.0 GW in 2024, representing a robust CAGR of 22.5%. Looking ahead, growth momentum is expected to normalize as annual installations increase from 542.7 GW in 2025 to 901.5 GW in 2030, representing a CAGR of 10.7%. The sustained expansion is driven by the ongoing construction of the New Power System and the continuous electrification of the broader economy.

In particular, solar power was the primary catalyst for historical industry expansion, with annual newly installed capacity surging from 48.2 GW in 2020 to 280.0 GW in 2024, representing a remarkable CAGR of 55.2%. It was driven by the Whole Country PV pilot policy and massive desert energy bases. In 2025, the sector enters a market-oriented transformation phase, guided by new policies including a Contract for Difference (CfD) mechanism, carbon market expansion, and classified distributed PV management. Under this high-quality framework, growth will normalize to reach an annual installation of 651.8 GW by 2030, representing a CAGR of 15.4%. Despite the moderating rate, absolute capacity additions from 2025 to 2030 (333.8 GW) will exceed the 2020–2024 period (231.8 GW), reflecting a shift toward massive-scale stability.

- **Xinjiang:** Newly grid-connected capacity skyrocketed from 1.5 to 2,668.2 ten thousand kW (2020–2024), representing a CAGR of 549.4%, driven by the national “Sha-Ge-Huang” strategy and expanded UHV transmission corridors.

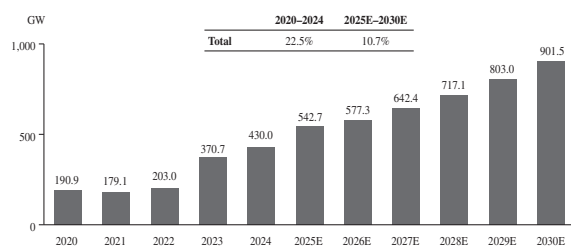
INDUSTRY OVERVIEW

- **Guangdong:** Installations climbed from 130.5 to 1,594.2 ten thousand kW, representing a CAGR of 87.0%, fueled by a strategic pivot toward commercial and industrial distributed rooftop PVs.
- **Shanxi:** Capacity grew from 165.0 to 986.5 ten thousand kW, representing a CAGR of 56.4%, underpinned by the innovative “Photovoltaic + Mining Subsidence” model to achieve ecological restoration.

Wind power maintained a steady trajectory as it transitioned to grid parity. Annual newly installed capacity grew from 72.1 GW in 2020 to 81.4 GW in 2024, representing a CAGR of 3.1%, reflecting a shift toward high-yield northern bases and complex offshore projects. Looking ahead, the sector will accelerate slightly under the 15th Five-Year Plan, driven by turbine repowering and the commercial scaling of deep-sea offshore wind, projected to reach 150.6 GW by 2030, representing a CAGR of 4.8%.

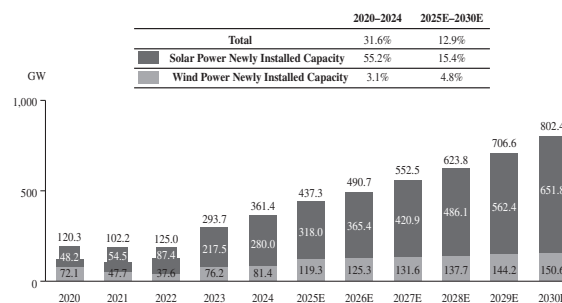
- **Xinjiang:** Newly grid-connected capacity surged from 64.0 to 1,228.0 ten thousand kW (2020–2024), representing a CAGR of 109.3%, serving as a critical baseload for massive hybrid renewable bases.
- **Guangdong:** Installations grew from 107.0 to 144.4 ten thousand kW, representing a CAGR of 7.8%, driven by an aggressive marine economy strategy focusing on offshore wind clusters in the Pearl River Delta.
- **Shanxi:** Solidified its position as a mature energy hub with cumulative installed capacity reaching 2,616.0 ten thousand kW in 2024. The province focused on the “Coal-to-Green” transition by integrating wind power with existing coal-fired regulation capabilities for grid stability.

**Newly installed power generating capacity
(The PRC), 2020–2030E**



Source: China Electricity Council (CEC), Frost & Sullivan

**Newly installed power generating capacity of
Solar and Wind Power (The PRC), 2020–2030E**



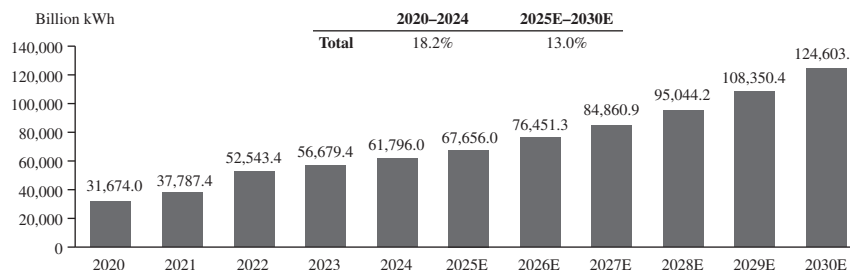
Source: China Electricity Council (CEC), Frost & Sullivan

OVERVIEW OF THE PRC ELECTRICITY SALES MARKET

Market-based Electricity Trading Volume in the PRC

The market-based electricity trading volume in the PRC experienced consistent growth, rising from 31,674.0 billion kWh in 2020 to 61,796.0 billion kWh in 2024 at a CAGR of 18.2%. It is expected that the trading volume would reach 124,603.0 billion kWh in 2030, at a CAGR of 13.0% from 2025 to 2030. This trajectory is primarily driven by ongoing power market liberalisation reforms, including the progressive establishment of a unified national market, expanded spot and ancillary services trading, and the full integration of renewable energy into competitive mechanisms, which enhance resource allocation efficiency, promote cross-regional flows, and support the new-type power system’s development.

Market-based Electricity Trading Volume (The PRC), 2020–2030E



Source: Frost & Sullivan

REGULATORY OVERVIEW

We are subject to a variety of PRC laws, regulations and rules affecting many aspects of our business. This section summarises major PRC laws, regulations and rules that are relevant to our business operations. While these PRC Laws may be amended from time to time, this summary does not purport to provide a comprehensive or detailed legal analysis of all such laws relating to our business operations in the PRC, nor does it constitute an exhaustive list of all PRC Laws applicable to our activities in the jurisdiction.

COMPANY AND FOREIGN INVESTMENT

The PRC Company Law (《中華人民共和國公司法》), which was promulgated by the Standing Committee of the PRC National People’s Congress, or the SCNPC, and last revised on 29 December 2023 and became effective on 1 July 2024, applies to both PRC domestic companies and foreign-invested enterprises with respect to their establishment, organisational structure and management, etc. Limited liability companies and joint stock limited companies established in the PRC possess corporate legal person status. The liabilities of shareholders in limited liability companies and joint stock limited companies are limited to the amount of capital they have subscribed to contribute or the shares they have purchased, respectively.

Foreign investment activities within the territory of the PRC are principally governed by the following regulations: (i) the Catalogue of Industries for Encouraging Foreign Investment (2025 Edition) (《鼓勵外商投資產業目錄(2025年版)》) (the “**Encouraging Catalogue**”), (ii) the Special Administrative Measures for Access of Foreign Investment (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”), both of which are jointly promulgated by the Ministry of Commerce of the PRC (the “**MOFCOM**”) and the NDRC and are subject to amendment from time to time, and (iii) the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “**Foreign Investment Law**”), which was adopted by the National People’s Congress (the “**NPC**”) on 15 March 2019 and became effective on 1 January 2020, together with its corresponding implementing rules and ancillary regulations.

Pursuant to the Foreign Investment Law, PRC implements a management system for foreign investment based on pre-entry national treatment and the Negative List. Pre-entry national treatment refers to according foreign investors and their investments treatment no less favourable than that accorded to domestic investors and their investments during the investment admission phase. The Negative List refers to the special administrative measures for market access imposed by the State on foreign investment in specific sectors.

The Negative List (2024 Edition) implemented on 1 November 2024 consolidates restrictive measures concerning equity ratios and management for foreign investment market access, as well as sectors prohibited to foreign investment. The Negative List covers 11 industries. Foreign investment outside the scope of the Negative List shall be accorded national treatment. Foreign investors are prohibited from investing in sectors prohibited by the Negative List. For sectors restricted by the Negative List, foreign investors must comply with the stipulated investment conditions. Foreign investment falling outside the Negative List shall be managed in accordance with the principle of equal treatment for domestic and foreign investment. The State has established a foreign investment information reporting system.

REGULATORY OVERVIEW

Pursuant to the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》), jointly implemented by the MOFCOM and the State Administration for Market Regulation of the PRC (the “SAMR”) on 1 January 2020, foreign investors or foreign-invested enterprises are required to submit investment information in a timely manner, adhering to the principles of truthfulness, accuracy, and completeness. They are prohibited from submitting false or misleading reports and from omitting material information. Where a foreign-invested enterprise establishes an enterprise within PRC (including through multi-tiered investment), after completing registration and filing with the market regulatory authorities and submitting its annual report information, the relevant information will be shared by the market regulatory authorities with the competent commerce department.

On 19 December 2020, the NDRC and the MOFCOM jointly promulgated the Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》), which took effect on 18 January 2021. These Measures stipulate the working mechanism for the security review of foreign investment, including, among other things, the types of investments subject to review, the scope of review, and the review procedures. Foreign investors or relevant parties within PRC shall declare investments for security review prior to implementation if they involve: (i) investment in sectors related to national defence and security, such as military industry and supporting industries, as well as investment in areas surrounding military and defence industrial facilities; and (ii) investment in important sectors related to national security, including key agricultural products, important energy and resources, important equipment manufacturing, important infrastructure, vital transportation services, important cultural products and services, key information technology and internet products and services, important financial services, important technologies, and other significant fields; and where such investment results in the acquisition of actual control over the invested enterprise.

The MOFCOM promulgated the Administrative Measures on Overseas Investments Management (《境外投資管理辦法》) on 6 September 2014, which came into effect on 6 October 2014. Pursuant to the definition provided under the Measures, “Overseas investment” refers to an act whereby an enterprise established in accordance with PRC law establishes or acquires ownership, control, management rights or other rights and interests in a non-financial enterprise outside PRC through establishing a new entity, merger and acquisition, or by any other means. Overseas investments involving sensitive countries or regions, or sensitive industries, are subject to approval by the competent authorities. All other overseas investments are subject to a filing-based administration system. Local enterprises shall complete the filing procedures with the provincial-level commerce authorities in their locality. Upon successful registration and filing, qualified enterprises will obtain an “enterprise overseas investment certificate” issued by the relevant provincial commerce authority.

The NDRC promulgated the Administrative Measures for the Outbound Investment by Enterprises (《企業境外投資管理辦法》) on 26 December 2017, which took effect on 1 March 2018. According to the definition under these Measures, “outbound investment” refers to investment activities conducted by a domestic enterprise in PRC, either directly or through an overseas enterprise it controls, by injecting assets, equity, or providing financing or guarantees, to obtain ownership, control, management rights, or other related rights and interests in an overseas target. Undertaking outbound investment requires compliance with certain procedures, including the approval or filing of outbound investment projects, submission of relevant information, and cooperation with supervision and inspection. The NDRC promulgated the Catalogue of Sensitive Industries for Outbound Investment (2018 Edition) (《境外投資敏感行業目錄(2018年版)》) on 31 January 2018, which took effect on 1 March 2018, detailing the industries currently designated as “sensitive”.

REGULATORY OVERVIEW

LAWS AND REGULATIONS ON PRODUCTION SAFETY

Pursuant to the Production Safety Law of the PRC (《中華人民共和國安全生產法》), as amended by the NPCSC on 10 June 2021 and effective from 1 September 2021, an enterprise shall (i) provide the production safety conditions specified in the Production Safety Law and other relevant laws, administrative regulations, national standards, and industry standards, (ii) establish a comprehensive production safety responsibility system and production safety rules and regulations, and (iii) develop the standardisation of production safety to ensure safe production. Entities that do not possess the requisite production safety conditions are prohibited from engaging in production and business operations. The principal responsible person of an enterprise bears overall responsibility for the production safety operations within their entity.

In accordance with the Measures for the Supervision and Administration of the “Three Simultaneities” of Safety Facilities in Construction Projects (《建設項目安全設施“三同時”監督管理辦法》), which were revised by the former State Administration of Work Safety (which was dissolved in March 2018 and superseded by the Ministry of Emergency Management) on 2 April 2015 and effective from 1 May 2015, the safety facilities of new, renovated, or expanded construction projects must be designed, constructed, and put into use in production simultaneously with the main body of the project. Enterprises are required to conduct a feasibility study and pre-assessment of the safety conditions for the construction project, prepare a design for the safety facilities, and submit these for review or filing with the relevant work safety supervision and administration department. Prior to the commissioning or operation of a completed construction project, the enterprise shall organise an acceptance check for the safety facilities and prepare a written acceptance report for record-keeping purposes. Enterprises that violate the relevant provisions may be ordered to make corrections within a specified time limit. Failure to rectify the issues within the deadline may result in an order to suspend construction or cease production and business for rectification, accompanied by the imposition of a fine.

LAWS AND REGULATIONS ON ELECTRIC POWER BUSINESS

Electric Power Market Regulation

Pursuant to the Electricity Law of the PRC (《中華人民共和國電力法》), as most recently amended by the NPCSC on 29 December 2018 and came into effect on the same day, this Law is formulated in order to safeguard and promote the development of electric power operations, to protect the legal rights and interests of investors, operators and consumers of electric power and to ensure the safe operation of electric power. Electric power facilities are protected by the State. Any entity or individual is prohibited from endangering the safety of electric power facilities or illegally appropriating or consuming electric energy. Electric power construction projects shall conform to the electric power development plan and the State’s electric power industry policies, and shall not utilise power equipment or technologies that have been explicitly eliminated by the State.

REGULATORY OVERVIEW

General Contracting of Electric Power Engineering Construction

Pursuant to the Construction Law of the PRC (《中華人民共和國建築法》), as most recently amended by the NPCSC on 23 April 2019 and implemented thereon, and the Standard for Construction Enterprise Qualifications (《建築業企業資質標準》) and its amendments implemented by the Ministry of Housing and Urban-Rural Development of the PRC (the “MOHURD”) on 1 January 2015, construction project general contracting projects, including power engineering construction general contracting, shall be undertaken by enterprises that have obtained the corresponding construction general contracting qualification. An enterprise that has obtained a general contracting qualification may undertake all specialised works falling within the scope of the general contracting project it has contracted, or may sub-contract specialised works in accordance with the law. Where a specialised work requiring a qualification is sub-contracted, it shall be sub-contracted to an enterprise possessing the corresponding specialised contracting qualification. When sub-contracting labour services, the work shall be sub-contracted to an enterprise possessing a construction labour services qualification.

Installation (Repair, Testing) of Electric Power Facilities

Pursuant to the Administrative Measures for Licences for Installation (Repair, Testing) of Electric Power Facilities (《承裝(修、試)電力設施許可證管理辦法》) most recently amended by the NDRC on 11 April 2025 and effective from 1 July 2025, those engaging in installation, repair, and testing of electric power facilities within the PRC shall obtain a licence for installation (repair, testing) of electric power facilities in accordance with the provisions of these measures. The installation, repair, and testing of electric power facilities specifically refers to the installation, repair, and testing of power transmission (including step-up substations and outgoing lines for power generation projects), power supply, and power consumption facilities. The aforementioned licences are divided into three categories: installation, repair, and testing.

Survey and Design for Construction Projects

In accordance with the Regulations on the Administration of Survey and Design for Construction Projects (《建設工程勘察設計管理條例》) promulgated and implemented by the State Council on 7 October 2017, survey and design entities for construction projects shall undertake survey and design services within the scope permitted by their qualification grades. It is prohibited for such survey and design entities to undertake services beyond their permitted qualification scope or in the name of other qualified survey and design entities. It is prohibited for such entities to allow other entities or individuals to undertake survey and design services in their name.

Engineering Consulting

In accordance with the Measures for the Administration of the Engineering Consulting Industry (《工程諮詢行業管理辦法》) promulgated by the NDRC on 6 November 2017, implemented on 6 December 2017, and revised on 23 March 2023, engineering consulting entities shall be subject to notification-based filing administration. The evaluation of Class A credit rating engineering consulting entities shall be conducted by relevant industry organisations under the guidance of the NDRC. The evaluation of Class B credit rating engineering consulting entities shall be conducted by relevant industry organisations under the guidance of provincial-level development and reform commissions.

REGULATORY OVERVIEW

LAWS AND REGULATIONS ON LAND, PLANNING AND CONSTRUCTION LICENCE

Land Use Rights

Pursuant to the Land Administration Law of the PRC (《中華人民共和國土地管理法》), which was most recently amended by the NPCSC on 26 August 2019 and took effect on 1 January 2020, state-owned land may be allocated or granted to units for construction use in accordance with the law. According to the Interim Regulations on Real Estate Registration (《不動產登記暫行條例》), which was most recently amended by the State Council on 10 March 2024 and implemented on 1 May 2024, real estate registration shall be handled by the real estate registration agency of the people’s government at the county level in the place where the real estate is located.

Pursuant to the Urban Real Estate Management Law of the PRC (《中華人民共和國城市房地產管理法》), where land use rights are acquired through a grant for real estate development, the development must be carried out in accordance with the land use purpose and the stipulated development commencement deadline specified in the land use right grant contract. If development has not commenced one year after the date specified in the grant contract, an idle land fee of up to twenty percent of the land grant fee may be imposed. If, two years after the agreed date, development has still not commenced, the land use right may be recovered without compensation. However, these penalties shall not apply if the delay in commencement is due to force majeure, actions by the government or relevant government departments, or necessary preparatory work required for the development. The design and construction of real estate development projects must comply with relevant national standards and specifications. A real estate development project may only be delivered for use after it has passed the final completion acceptance inspection.

Pursuant to the Civil Code of the PRC (《中華人民共和國民法典》), the creation, alteration, transfer, and extinction of real property rights shall become effective upon completion of registration in accordance with the law. The real property ownership certificate serves as proof that the holder enjoys the respective real property rights. In accordance with the Interim Regulations on Real Estate Registration (《不動產登記暫行條例》) and the Detailed Rules for the Implementation of the Interim Regulations on Real Estate Registration (《不動產登記暫行條例實施細則》), which was most recently revised by the Ministry of Natural Resources of the PRC and came into effect on 9 May 2024, the State implements a unified real estate registration system.

Construction Land Planning Permit

Pursuant to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》), which was most recently amended by the NPCSC on 23 April 2019, and implemented thereon, an entity that acquires the right to use state-owned land through grant or allocation for utilisation shall obtain a construction land planning permit. If a construction unit obtains land use approval without having acquired a construction land planning permit, the relevant approval documents shall be nullified by the people’s government at or above the county level. If the land has been occupied, it shall be promptly returned. And if damage is caused to any party, compensation shall be paid in accordance with the law.

REGULATORY OVERVIEW

Construction Project Planning Permit

Pursuant to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》), within the planned areas of cities and towns, any construction unit or individual carrying out the construction of buildings, structures, roads, pipelines, or other engineering projects shall apply for a construction project planning permit from the competent urban and rural planning department of the city or county people’s government, or from the town people’s government designated by the people’s government of the province, autonomous region, or municipality directly under the Central Government. If construction is carried out without obtaining a construction project planning permit or not in accordance with the provisions of the permit, the competent urban and rural planning department of the local people’s government at or above the county level shall order the cessation of construction. If the impact on the implementation of the plan can be eliminated by taking corrective measures, a deadline for correction shall be set, and a fine of not less than 5% but not more than 10% of the construction project’s cost shall be imposed. If the impact cannot be eliminated by corrective measures, a deadline for demolition shall be set. If demolition is not possible, the physical structure or illegal income shall be confiscated, and a fine of up to 10% of the construction project’s cost may also be imposed.

Construction Permit for Construction Project

Pursuant to the Construction Law of the PRC (《中華人民共和國建築法》) and the Measures for Administration of Construction Permits for Construction Projects (《建築工程施工許可管理辦法》) which was promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on 25 June 2014 and recently amended with immediate effect on 30 March 2021, prior to the commencement of construction, the construction unit shall, in accordance with the relevant national regulations, apply for a construction permit from the competent construction administration department of the people’s government at or above the county level where the project is located. However, this requirement does not apply to small-scale projects below the threshold specified by the competent construction administration department of the State Council, or to projects for which a construction commencement report has been approved in accordance with the limits of authority and procedures prescribed by the State Council. According to the Regulations on the Quality Management of Construction Projects (《建設工程質量管理條例》), which was most recently revised by the State Council on 23 April 2019, and implemented thereon, if a construction unit commences construction without obtaining a construction permit or without approval of the construction commencement report, it shall be ordered to stop construction and rectify the violation, and shall also be fined not less than 1% but not more than 2% of the contract value of the project.

REGULATORY OVERVIEW

Check and Acceptance of Construction Project

Pursuant to the Regulations on the Quality Management of Construction Projects (《建設工程質量管理條例》), which was most recently revised by the State Council on 23 April 2019, and implemented thereon, and the Measures for the Administration of Completion Acceptance Filing of Building Construction and Municipal Infrastructure Projects (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》) implemented by the MOHURD on 19 October 2009, a construction project shall not be delivered for use without having passed the completion acceptance inspection. The construction unit shall, within 15 days from the date the project passes the completion acceptance inspection, complete the filing procedures with the competent construction administration department of the people’s government at or above the county level where the project is located. If the construction unit delivers the project for use illegally without having organised the completion acceptance inspection, or delivers the project for use illegally despite failing the acceptance inspection, it shall be ordered to rectify the violation and shall be fined not less than 2% but not more than 4% of the contract value of the project. If losses are caused, it shall be liable for compensation. If the construction unit fails to complete the filing procedures within 15 days from the date the project passes the completion acceptance inspection, the filing authority shall order it to rectify within a specified period and impose a fine of not less than RMB0.2 million but not more than RMB0.5 million.

Pursuant to the Regulations on the Administration of the Verification and Filing of Enterprise Investment Projects (《企業投資項目核准和備案管理條例》) promulgated by the State Council on 30 November 2016, and effective from 1 February 2017, projects that relate to national security, affect the nationwide layout of major productive forces, involve the development of strategic resources, or concern significant public interests, among others, are subject to approval management. The specific scope of such projects, as well as the verifying authorities and their respective limits of authority, shall be implemented in accordance with the government-approved investment project catalogue. Other projects are subject to filing management.

LAWS AND REGULATIONS ON ENVIRONMENTAL PROTECTION

Environmental Protection

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) (the “**Environmental Protection Law**”) was promulgated and effective on 26 December 1989, and amended on 24 April 2014, under which any entity which discharges or will discharge pollutants during the course of operations or other activities must implement effective environmental protection safeguards and procedures to control and properly treat waste gas, waste water, waste residue, dust, malodorous gases, radioactive substances, noise, vibrations, electromagnetic radiation, and other hazards produced during such activities. The Environmental Protection Law makes it clear that the legal liabilities of any violation of said law include warning, fine, rectification within a time limit, compulsory cease operation, compulsory reinstallation of dismantled installations of the prevention and control of pollution or compulsory reinstallation of those left idle, compulsory shutout or close down, or even criminal punishment. Any person or entity that pollutes the environment resulting in damage could also be held liable under the Civil Code. In addition, environmental organisations may also bring lawsuits against any entity that discharges pollutants detrimental to the public welfare.

REGULATORY OVERVIEW

Environmental Impact Assessment

On 28 October 2002, the SCNPC promulgated the Environmental Impact Assessment Law of PRC (《中華人民共和國環境影響評價法》) (the “**Environmental Impact Assessment Law**”), which was latest amended on 29 December 2018. According to the Environmental Impact Assessment Law, the State Council implemented the environmental impact assessment to classify construction projects according to the impact of the construction projects on the environment.

Pursuant to the Interim Measures for Environmental Protection Acceptance of Completed Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) effective on 20 November 2017 and the Regulations on the Administration Construction Project Environmental Protection (《建設項目環境保護管理條例》), which was revised on 16 July 2017 and implemented on 1 October 2017, after the completion of a construction project for which an environmental impact report or an environmental impact report form is required, the construction entity shall, according to standards and procedures prescribed by the environmental protection administrative authorities, conduct environmental protection completion acceptance check and compile an acceptance check report. A construction project for which an environmental impact report or an environmental impact report form is required shall not be put into production or use until the environmental protection completion acceptance check has been passed.

Air Pollution

Pursuant to the Air Pollution Prevention and Control Law of the PRC (《中華人民共和國大氣污染防治法》), which was most recently revised on 26 October 2018, and implemented thereon, new construction projects, renovation projects, and expansion projects that emit air pollutants shall comply with the relevant provisions on environmental protection for construction projects. Enterprises, institutions, and other producers or operators that construct projects which have an impact on the atmospheric environment shall, in accordance with the law, conduct an environmental impact assessment and publicly disclose the environmental impact assessment documents. Those that discharge pollutants into the atmosphere shall comply with the air pollutant emission standards and adhere to the requirements for controlling the total emission volume of key air pollutants.

Solid Waste

Pursuant to the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》), which was most recently revised by the NPCSC on 29 April 2020, and came into effect on 1 September 2020, construction projects that generate, store, utilise, or dispose of solid waste shall undergo an environmental impact assessment. The solid waste pollution prevention and control facilities must be designed, constructed, and put into operation simultaneously with the main body of the construction project. The construction unit shall, in accordance with the provisions of relevant laws and regulations, carry out the acceptance inspection of the solid waste pollution prevention and control facilities that are constructed as part of the project, prepare an acceptance report, and make it publicly available.

REGULATORY OVERVIEW

Water Pollution

Pursuant to the Water Pollution Prevention and Control Law of the PRC (《中華人民共和國水污染防治法》), which was most recently revised by the NPCSC on 27 June 2017, and came into effect on 1 January 2018, construction projects and other water facilities that are newly built, reconstructed, or expanded, and which discharge pollutants directly or indirectly into water bodies, shall undergo an environmental impact assessment. Furthermore, the water pollution prevention and control facilities must be designed, constructed, and put into use simultaneously with the main body of the project. The water pollution prevention and control facilities must comply with the requirements set forth in the environmental impact documents approved or filed by the competent authorities.

Pursuant to the Law of the PRC on the Prevention and Control of Noise Pollution (《中華人民共和國噪聲污染防治法》), which was promulgated by the NPCSC on 24 December 2021, and came into effect on 5 June 2022, construction projects that are newly built, reconstructed, or expanded and are likely to cause noise pollution shall undergo an environmental impact assessment in accordance with the law. The noise pollution prevention and control facilities for construction projects shall be designed, constructed, and put into use simultaneously with the main body of the project. Before a construction project is put into production or use, the construction unit shall, in accordance with the provisions of relevant laws and regulations, carry out the acceptance inspection of the supporting noise pollution prevention and control facilities, prepare an acceptance report, and make it publicly available. If the acceptance inspection has not been conducted or the project fails the inspection, the construction project shall not be put into production or use.

Permission for Pollutant Discharges

Pursuant to the Regulations on the Administration of Pollutant Discharge Permits (《排污許可管理條例》) promulgated by the State Council on 24 January 2021, and effective on 1 March 2021, the Catalogue for the Classified Administration of Pollutant Discharge Permits for Fixed Pollution Sources (2019 Edition) (《固定污染源排污許可分類管理名錄(2019年版)》) promulgated by the Ministry of Ecology and Environment on 20 December 2019, and effective on the same date, and the Measures for the Administration of Pollutant Discharge Permits (《排污許可管理辦法》) promulgated by the Ministry of Ecology and Environment of the PRC on 1 April 2024, came into effect on 1 July 2024, enterprises, institutions, and other producers and operators that are subject to pollutant discharge permit management as stipulated by law shall apply for and obtain a pollutant discharge permit in accordance with the provisions; those that have not obtained a pollutant discharge permit are not allowed to discharge pollutants. Pollutant discharging units with relatively large quantities of pollutant generation or discharge, or with a relatively significant impact on the environment, shall be subject to key management of pollutant discharge permits. Those with relatively small quantities of pollutant generation and discharge, and a relatively minor impact on the environment, shall be subject to simplified management of pollutant discharge permits. Those with very small quantities of pollutant generation and discharge, and a very minor impact on the environment, shall be subject to pollutant discharge registration management.

REGULATORY OVERVIEW

Energy Saving

The Energy Conservation Law of the PRC (《中華人民共和國節約能源法》) promulgated by the NPCSC on 1 November 1997 was most recently revised on 26 October 2018 and came into effect on the same date. The Law requires the establishment and strengthening of statistical, monitoring, and assessment systems for energy conservation, enhances supervision over key energy-consuming entities, and promotes energy conservation efforts in critical sectors such as industry, construction, transportation, and public institutions. It expressly provides that the State shall implement an energy conservation target responsibility system and an energy conservation evaluation mechanism, conduct energy conservation reviews and supervision for special equipment with high energy consumption, and establish an energy efficiency labelling management system. Emphasis is also placed on the obligation of key energy-consuming entities to establish energy management positions, appoint responsible energy management personnel, and submit energy usage reports.

Environmental Protection Tax Law

Pursuant to the Environmental Protection Tax Law of the PRC (《中華人民共和國環境保護稅法》), which was most recently revised by the NPCSC on 28 October 2025 and came into effect on the same date, and the Implementing Regulations of the Environmental Protection Tax Law of the PRC (《中華人民共和國環境保護稅法實施條例》), promulgated by the State Council on 25 December 2017 and effective as of 1 January 2018, (i) enterprises, public institutions, and other production and business operators that directly discharge taxable pollutants into the environment within the territory of PRC and other sea areas under PRC’s jurisdiction are taxpayers liable for environmental protection tax and are obligated to pay environmental protection tax in accordance with the aforesaid laws and regulations; (ii) the Regulations on the Administration of the Collection and Use of Pollution Discharge Fees (《排污費徵收使用管理條例》) have been repealed, and pollution discharge fees are no longer levied.

Regulations on Clean Production

Pursuant to the Cleaner Production Promotion Law of the PRC (《中華人民共和國清潔生產促進法》), which was last amended by the NPCSC on 29 February 2012 and took effect on 1 July 2012, it is stipulated that environmental impact assessments shall be carried out for new construction, renovation, and expansion projects, with analysis and demonstration conducted regarding the use of raw materials, resource consumption, comprehensive resource utilisation, as well as the generation and disposal of pollutants. Priority shall be given to the adoption of cleaner production technologies, techniques, and equipment that feature high resource utilisation rates and low pollutant generation.

REGULATORY OVERVIEW

FIRE CONTROL

Pursuant to the Fire Prevention Law of the People’s Republic of China (《中華人民共和國消防法》) (the “**Fire Prevention Law**”) promulgated by the SCNPC on 29 April 1998 and latest amended on 29 April 2021, and the Interim Provisions on the Administration of Examination and Acceptance of Fire Prevention Design of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on 1 April 2020 and latest amended on 21 August 2023, special construction projects that fail to undergo or pass the fire protection acceptance check are prohibited from being put into use. Construction projects other than special construction projects shall go through the fire safety acceptance filing, and the competent housing and urban-rural development authorities shall conduct random inspections on the fire safety acceptance of other construction projects filed. If the construction projects fail to pass the random inspection on fire safety acceptance, such projects shall be suspended from use. Any special construction projects put into use without passing the fire protection acceptance check, or failure to suspend the use of any construction projects other than special construction projects which fail to pass the random inspection on fire safety acceptance, shall be ordered to discontinue the construction, use, production or operation and be fined not less than RMB30,000 but not more than RMB0.3 million. Any constructing entity fails to go through the fire safety acceptance filing for any construction projects other than special construction projects shall be ordered to make corrections and imposed a fine of not more than RMB5,000 by the competent housing and urban-rural development authorities.

Pursuant to the Fire Prevention Law, the constructing entity or the entity occupying the facility shall apply to the fire prevention and rescue department of the local people’s government at or above the county level for a fire safety inspection before a public gathering place is put into use or opens for business. Any public gathering place put into use or operated without passing the fire safety inspection or without satisfying the fire safety requirements, shall be ordered to discontinue the construction, use, production or operation and be fined not less than RMB30,000 but not more than RMB0.3 million.

ANTI-UNFAIR COMPETITION

On 2 September 1993, the SCNPC promulgated the PRC Anti-unfair Competition Law (《中華人民共和國反不正當競爭法》) (the “**Anti-unfair Law**”), which was last amended on 27 June 2025, and became effective on 15 October 2025. According to the Anti-unfair Law, a business shall, in its production and distribution activities, adhere to the free will, equality, fairness, and good faith principles, and abide by laws and business ethics and participate in market competition on a fair basis. A business shall not conduct any false or misleading commercial publicity in respect of the performance, functions, quality, sales, user reviews, and honours received of its commodities, in order to defraud or mislead consumers or other business operators.

On 30 August 2007, the SCNPC promulgated the PRC Anti-Monopoly Law (《中華人民共和國反壟斷法》), which was amended on 24 June 2022 and became effective on 1 August 2022. The PRC Anti-Monopoly Law is applicable to monopolistic behaviours which include business operators reaching a monopoly agreement, business operators abusing their dominant market position, and business operators’ concentration that has or may have the effect of eliminating or restricting competition. Pursuant to this Law, business operators may not use data and algorithms, technology, capital advantages or platform rules to engage in monopolistic practices prohibited by this Law.

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Pursuant to the Price Law of the PRC (《中華人民共和國價格法》) (the “**Price Law**”) promulgated by the SCNPC on 29 December 1997 and took effect from 1 May 1998, operators should observe the following principles when determining prices: fairness, lawfulness and good faith. The production and operation costs and the market supply and demand situation should be the fundamental basis for the operator to determine the price. When selling or purchasing goods and providing services, the operator shall clearly indicate the price and indicate the name, origin of production, specifications, grade, valuation unit and price of a commodity, or service item, charging standards and other related particulars in accordance with the requirements of the competent government price department. Operators shall not sell the goods at a price beyond the marked price or charge unspecified fees on the top of price indicated. In addition, operators may not take illegitimate pricing actions, such as colluding with others to manipulate market prices and damaging the legitimate rights and interests of other operators or consumers. Any operator engaged in the act of illegitimate pricing stipulated by the Price Law shall be ordered to make corrections, have the illegal income be confiscated, and may be imposed a fine of no more than five times of its illegal income; if the circumstances are serious, the business combination shall be ordered to suspend for rectification, or the administrative department for industry and commerce shall revoke the business licence. In addition, any operator who causes consumers or other operators to pay higher prices due to illegal pricing acts should refund the overpaid portion; if damage is caused, it shall be liable for compensation according to law. Any operator who violates the clearly marked price shall be ordered to make corrections, have the illegal income be confiscated, and may be imposed a fine of no more than RMB5,000.

LAWS AND REGULATIONS ON CYBERSECURITY AND DATA PROTECTION

Cybersecurity and Data Security

The Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) was promulgated on 7 November 2016 which took effect on 1 June 2017, most recently amended on 28 October 2025 and effective as of 1 January 2026. Pursuant to this law, no individual or organisation may steal or obtain personal information through other illegal means, or illegally sell or illegally provide personal information to others. Those who construct or operate networks or provide services through networks shall, in accordance with the provisions of laws and administrative regulations and the mandatory requirements under national standards, take technical and other necessary measures to ensure cybersecurity and stable operation, effectively respond to cybersecurity incidents, prevent cyber-related illegal and criminal activities, and maintain the integrity, confidentiality and availability of network data.

Pursuant to the Data Security Law of the PRC (《中華人民共和國數據安全法》), which was promulgated by the NPCSC on 10 June 2021, and came into effect on 1 September 2021, entities carrying out data processing activities shall comply with laws and administrative regulations, respect social morality and ethics, adhere to business and professional ethics, act in good faith, fulfil data security protection obligations, assume social responsibility, and shall not endanger national security or public interests, nor harm the lawful rights and interests of individuals or organisations. Any organisation or individual collecting data shall employ lawful and proper means and shall not acquire data through theft or other illegal methods.

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Pursuant to the Regulations on Network Data Security Administration (《網絡數據安全管理條例》) promulgated by the State Council on 24 September 2024 and effective from 1 January 2025, network data processors engaged in network data processing activities that affect or may affect national security shall undergo a national security review in accordance with relevant national provisions. Network data processors handling the personal information of more than 10 million individuals shall also comply with the regulations imposed on network data processors processing important data.

Cybersecurity Review and Outbound Data Transfer Security Assessment

The Cybersecurity Review Measures (《網絡安全審查辦法》) were promulgated on 28 December 2021, and took effect on 15 February 2022. These Measures stipulate CIIOs procuring network products and services, as well as online platform operators carrying out data processing activities that do or may affect national security, shall undergo cybersecurity review. The Cybersecurity Review Measures further stipulate a cybersecurity review shall be conducted in the following circumstances: (i) internet platform operators who possess more than one million users’ personal information and seek to list abroad are obliged to apply for a cybersecurity review; (ii) CIIOs purchasing network products or services where national security has been or may be affected shall apply for a cybersecurity review; and (iii) the competent PRC government authority may initiate cybersecurity review in case that any member of the cybersecurity review committee believes that any network product or service or data processing activity affects or is likely to affect national security and the Central Cyberspace Affairs Commission approves to do so.

On 7 July 2022, the CAC (the Cyberspace Administration of China) promulgated the Measures on Security Assessment of Outbound Data Transfer (《數據出境安全評估辦法》), which came into effect on 1 September 2022. Pursuant to the measures, data processors providing data overseas shall apply for outbound data transfer security assessment with the CAC in any of the following circumstances: (i) where a data processor provides important data abroad; (ii) where a CIIO or a data processor processing the personal information of more than one million individuals provides personal information abroad; (iii) where a data processor has provided personal information of 0.1 million individuals or sensitive personal information of 10,000 individuals in total abroad since January 1 of the previous year; and (iv) other circumstances prescribed by the CAC for which declaration for security assessment for outbound data transfers is required.

During the track record period and up to the latest practicable date, we have not received any notification from the protection authority regarding our company being identified as a critical information infrastructure operator.

Regulations on Privacy Protection

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) was promulgated by the NPCSC on 20 August 2021, and became effective on 1 November 2021. In accordance with this Law, the processing of personal information shall have a definite and reasonable purpose, be directly related to the processing purpose, and be conducted in a manner that minimises the impact on individuals’ rights and interests. The collection of personal information shall be limited to the minimum scope necessary to achieve the purpose of processing, and excessive collection of personal information is prohibited. Personal information processors are responsible for the personal information they process and shall take necessary measures to safeguard the security of the processed personal

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information. No organisation or individual may illegally collect, use, process, transmit, sell, provide, or disclose the personal information of others, nor engage in personal information processing activities that endanger national security or public interests.

EMPLOYMENT, SOCIAL INSURANCE, AND HOUSING PROVIDENT FUND

Employment

According to the PRC Labour Law (《中華人民共和國勞動法》), which was promulgated by the SCNPC on 5 July 1994, last amended and became effective on 29 December 2018, an employer shall develop and improve its rules and regulations to safeguard the rights of its employees, who are entitled to fair employment, choice of occupation, labour remuneration, leave, a safe workplace, a sanitation system, social insurance and welfare, and certain other rights. An employer shall develop and improve its labour safety and sanitation system, stringently implement national protocols and standards on labour safety and sanitation, conduct labour safety and sanitation education for employers, guard against labour accidents and reduce occupational hazards.

On 29 June 2007, the SCNPC promulgated the PRC Labour Contract Law (《中華人民共和國勞動合同法》) (the “**Labour Contract Law**”), which was amended on 28 December 2012 with effect from 1 July 2013, and the State Council promulgated the Implementing Regulations of the Labour Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) with immediate effect from 18 September 2008. The aim of the Labour Contract Law and its Implementing Regulation is primarily to regulate employee/ employer rights and obligations, including matters with respect to the establishment, performance, and termination of labour contracts. Pursuant to the Labour Contract Law and its Implementing Regulation, a written labour contract shall be executed by an employer and an employee when the employment relationship is established. Employers are forbidden to force or in a disguised manner force employees to work beyond the time limit, and employers shall pay employees for overtime work in line with related state rules and regulations. In addition, labour wages shall not be lower than local standards on minimum wages and shall be paid to employees in a timely manner.

Social Insurance and Housing Provident Fund

The PRC Social Insurance Law (《中華人民共和國社會保險法》), or the Social Insurance Law, issued by the SCNPC in 2010 and latest amended on 29 December 2018, has established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance and has elaborated in detail the legal obligations and liabilities of employers who fail to comply with relevant laws and regulations on social insurance. According to the Social Insurance Law and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council on 22 January 1999 and most recently amended on 24 March 2019 and effective from the same date, enterprises shall register social insurance with local social insurance and pay or withhold relevant social insurance for or on behalf of its employees. Any employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

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In accordance with the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》) promulgated by the State Council on 3 April 1999, and amended on 24 March 2002, and 24 March 2019, enterprises must register at the designated administrative centres and open bank accounts for depositing employees’ housing provident funds. Employers and employees are also required to pay and deposit housing provident funds, with an amount no less than 5% of the monthly average salary of the employee in the preceding year in full and on time. In case of overdue payment or underpayment by employers, orders for payment within a specified period will be made by the housing fund management centre. Where employers fail to make payment within such period, enforcement by the people’s court will be applied.

REGULATIONS ON THE MANAGEMENT OF LEASE HOUSING

The Administrative Measures for Commodity Housing Tenancy (《商品房屋租賃管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development on 1 December 2010 and became effective on 1 February 2011, stipulates that within thirty days from execution of a property lease contract, the parties to the contract shall complete property leasing registration with the competent construction (real estate) department of the local government where the leased property is located. If an organisation fails to perform this obligation, the competent construction (real estate) departments shall urge the organisation to make corrections within a specified time limit, and shall impose a fine between RMB1,000 and RMB10,000 on the organisation if it fails to make corrections within the time limit.

Pursuant to the PRC Civil Code (《中華人民共和國民法典》), a lessee may, upon the lessor’s consent, sublease the leased object to a third person. The lease contract between the lessee and the lessor shall continue to be valid despite the sublease by the lessee, and if the third person causes loss to the leased object, the lessee shall bear the liability for compensation. A change in the ownership of a leased object during the period that a lessee possesses the leased object in accordance with the lease contract shall not affect the validity of the lease contract.

INTELLECTUAL PROPERTY

Trademark

Pursuant to the PRC Trademark Law (《中華人民共和國商標法》) (the “**Trademark Law**”), which was promulgated by the SCNPC on 23 August 1982, last amended on 23 April 2019 and became effective on 1 November 2019, and the Implementation Regulation of the PRC Trademark Law (《中華人民共和國商標法實施條例》), which was adopted by the State Council on 3 August 2002, last amended on 29 April 2014, and became effective on 1 May 2014, the trademark registrants shall be entitled to the right to the exclusive use of their registered trademarks and shall be protected by law. A registered trademark is valid for a term of ten years commencing on the date of registration approval, and the term is renewable. The trademark registrant may, by concluding a trademark licensing contract, authorise other persons to use its registered trademark.

REGULATORY OVERVIEW

Patents

According to the PRC Patent Law (《中華人民共和國專利法》) promulgated by the SCNPC on 12 March 1984 and most recently amended on 17 October 2020 and became effective from 1 June 2021, and the Implementation Rules of the PRC Patent Law (《中華人民共和國專利法實施細則》), promulgated by the State Council on 15 June 2001, last amended on 11 December 2023 and effective from 20 January 2024, invention patents are valid for twenty years, utility model patents are valid for ten years, and design patents are valid for fifteen years, in each case from the date of application.

Copyright

In accordance with the PRC Copyright Law (《中華人民共和國著作權法》), which was promulgated by the SCNPC on 7 September 1990, last amended on 11 November 2020, and became effective on 1 June 2021, works of PRC nationals, legal persons and other organisations, whether published or not, and works of non-PRC nationals or stateless persons which are first published in the territory of the PRC, shall enjoy copyright under this Law. Unless otherwise provided for by this Law, the copyright in a work shall be owned by its author. An author’s rights of authorship, modification and integrity in respect of his/her work shall continue in perpetuity.

Domain Names

Pursuant to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》) promulgated by the Ministry of Industry and Information Technology (“MIIT”) on 24 August 2017 and effective from 1 November 2017, the MIIT is the primary regulatory body for national domain name services. Domain name services adopt a “first-to-file” principle. Applicants for domain name registration shall provide the domain name registration agency with genuine, accurate, and complete identity information of the domain name holder for registration purposes. Upon completion of the domain name registration, the applicant becomes the holder of the domain name.

LAWS AND REGULATIONS ON TAXATION AND FOREIGN EXCHANGE

Please see “Appendix IV — Taxation and Foreign Exchange” in this document for further details.

SECURITIES LAW AND OVERSEAS [REDACTED] AND [REDACTED] OF SHARES

On 29 December 1998, the SCNPC promulgated the PRC Securities Law (《中華人民共和國證券法》), which was last amended on 28 December 2019 and took effect on 1 March 2020. The PRC Securities Law regulates activities in the PRC securities market including issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of securities regulatory authorities, etc. The PRC Securities Law states that domestic enterprises that seek to issue securities abroad directly or indirectly or to list their securities abroad for trading shall comply with the relevant provisions of the State Council.

REGULATORY OVERVIEW

Pursuant to the Trial Measures for the Administration of Overseas Offering and Listing of Securities by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) promulgated by the CSRC on 17 February 2023 and effective as of 31 March 2023, direct or indirect issuance of securities overseas by a domestic company or listing of its securities overseas is subject to the regulations of the CSRC, and in the case of an initial public offering of shares or listing overseas, the issuer or the designated entity shall file with the CSRC within three business days after the application for the initial public offering is submitted.

On 24 February 2023, the CSRC and three other government authorities jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》). Pursuant to these Provisions, if a domestic enterprise is to provide to the relevant securities companies, securities service institutions, overseas regulatory authorities or other entities and individuals, or publicly disclose, any document or material that involves state secrets and working secrets of state agencies, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of the PRC by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC. Cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the PRC.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

HISTORY AND DEVELOPMENT

We are an integrated energy solution provider in the PRC focusing on new energy. Founded in 2003, we have established our core competence in design and engineering management for power projects. Please see “Business” in this document for further details of our business operation.

On 2 December 2003, the predecessor of our Company, Zhuhai Huacheng was established as a limited liability company in the PRC. Ms. Xu, the spouse of Mr. Ren, and Ms. Ran Zhixia (冉芝霞), an Independent Third Party, jointly founded Zhuhai Huacheng. In preparation for the listing on the NEEQ, our Company was established on 6 April 2016 through the conversion of Zhuhai Huacheng from a limited liability company into a joint stock limited company. On 15 August 2016, our Company was listed on the NEEQ. Our Company then voluntarily delisted from the NEEQ on 1 April 2026.

Since 2003, our Group has evolved through several key phases of business expansion. We first specialised our business in the provision of survey, design and consultancy services for power projects. In August 2007, Mr. Ren, the chairman of our Board, an executive Director and a Controlling Shareholder, joined our Group. Following his guidance, we have gradually shifted our business focus from the fossil energy power projects to new energy power projects by starting to provide design services for PV power generation and wind power generation. Recognising that the focus of the PRC power industry would eventually shift away from fossil fuels towards new energy, we continue to establish our foothold in the new energy market and expanded our service offerings to include EPC services in 2020 which cover the entire design and implementation process of specific construction projects for power generation, power transmission, power distribution and energy storage facilities. We further branched out into other businesses including O&M services for substations and PV power generation facilities in 2022, as well as investment in and operation of new energy power projects in 2023. Building on Mr. Ren’s extensive experience in the energy sector and our Company’s expertise in power projects, we have evolved into an integrated energy solution provider in the PRC focusing on new energy. Please see “Directors and Senior Management — Board of Directors” in this document for further details on Mr. Ren.

MILESTONES

The following table outlines the key business and corporate milestones of our Group since its establishment:

Year	Business development
2003	We commenced our operation in the PRC focusing on the provision of survey, design and consultancy services for power projects
2010	We commenced operation in the new energy market
2013	We commenced survey and design services for medium and low voltage distribution network projects
2016	Our Company was established through conversion of its predecessor, Zhuhai Huacheng, from a limited liability company into a joint stock limited company in April

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Business development
	Our shares were listed on the NEEQ (stock code: 839031) in August
2017	We commenced design services in respect of PV power generation
2020	We commenced operation of our EPC services to cover the entire design and implementation process of specific construction projects in respect of power generation, power transmission, power distribution and energy storage facilities
2022	We commenced O&M services in respect of substations and PV power generation facilities
2023	We expanded our business into investment in and operation of new energy power projects
2026	Our shares were delisted from the NEEQ by voluntary application in April

As at the Latest Practicable Date, our Group comprised our Company and five subsidiaries. During the Track Record Period and up to the Latest Practicable Date, the principal business of the Group were operated under our Company, and none of our subsidiaries had made material contribution to our results of operation during the Track Record Period.

MAJOR SHAREHOLDING CHANGES CONCERNING OUR COMPANY

1. Establishment of our Company and early shareholding changes of our Company before conversion into joint stock limited company

On 2 December 2003, the predecessor of our Company, Zhuhai Huacheng, was established as a limited liability company in the PRC. At the time of establishment, our Company’s registered capital amounted to RMB1 million which had been fully paid up and was owned as to 40% by Ms. Xu, the spouse of Mr. Ren and a Controlling Shareholder, and 60% by Ms. Ran Zhixia (冉芝霞), an Independent Third Party.

In October 2010, the registered capital of Zhuhai Huacheng was increased from RMB3 million to RMB10 million, by way of additional cash contribution of RMB7 million of which RMB5 million was contributed by Yineng Electrical Engineering Technology Consultation (Shanghai) Co., Ltd. (易能電力工程技術諮詢(上海)有限公司) (“**Yineng Electrical**”), RMB1.2 million by Ms. Ran Zhixia and RMB800,000 by Mr. Huang Hequn (黃和群), an Independent Third Party. The above capital increase was completed on 11 November 2010. Immediately upon completion of the capital increase, Zhuhai Huacheng was legally owned as to 50% by Yineng Electrical, 30% by Ms. Ran Zhixia, and 20% by Mr. Huang Hequn. Yineng Electrical held the 50% equity interests of Zhuhai Huacheng on behalf of Mr. Ren under a nominee shareholding arrangement. As such, Mr. Ren became our Controlling Shareholder on 11 November 2010.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

In December 2010, the registered capital of Zhuhai Huacheng was further increased from RMB10 million to RMB20 million, by way of additional cash contribution of RMB10 million by Yineng Electrical on behalf of Mr. Ren under a nominee shareholding arrangement. The above capital increase was completed on 23 December 2010. Upon completion of the capital increase, Zhuhai Huacheng was legally owned as to 75% by Yineng Electrical (which held such equity interest on behalf of Mr. Ren as aforesaid), 15% by Ms. Ran Zhixia, and 10% by Mr. Huang Hequn.

In June 2012, Yineng Electrical entered into an equity transfer agreement with Mr. Ren, pursuant to which Yineng Electrical as a nominee shareholder transferred its legal interests in Zhuhai Huacheng, being 75% equity interests in Zhuhai Huacheng, back to Mr. Ren for the purpose of terminating the nominee shareholding arrangement between them. The above equity transfer was completed on 4 July 2012. Given that the contribution for the registered capital held by Yineng Electrical was made by Mr. Ren under the nominee shareholding arrangement, the above equity transfer was effected at nil consideration. Upon completion of such equity transfer, Zhuhai Huacheng was legally and beneficially owned as to 75% by Mr. Ren, 15% by Ms. Ran Zhixia, and 10% by Mr. Huang Hequn. As confirmed by our PRC Legal Adviser, the termination of the nominee shareholding arrangement between Mr. Ren (as beneficial shareholder) and Yineng Electrical (as nominee shareholder), was legal and valid, and have been properly and legally completed pursuant to the applicable PRC laws, regulations and rules in all material respects.

Various equity transfers of Zhuhai Huacheng among the then shareholders thereof took place and completed in March 2015 and December 2015. Upon completion of the equity transfers in December 2015, Zhuhai Huacheng was legally and beneficially owned as to 65% by Mr. Ren, 15% by Zhuhai Zhichen, 15% by Zhuhai Jierong and 5% by Zhuhai Jiehua.

2. Conversion into a joint stock limited company

In preparation for the listing on the NEEQ, on 26 February 2016, our then Shareholders passed resolutions approving, among others, the conversion of the predecessor of our Company, Zhuhai Huacheng, from a limited liability company into a joint stock limited company. Upon completion of the conversion, our Company had a total share capital of RMB20 million divided into 20 million shares of RMB1 each. The conversion was completed on 6 April 2016.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Immediately upon completion of the conversion into a joint stock limited liability company, our Company was owned by the following Shareholders:

Name of shareholder	Number of shares held	Approximate percentage of shareholding
Mr. Ren	13,000,000	65%
Zhuhai Zhichen (<i>Note 1</i>)	3,000,000	15%
Zhuhai Jierong (<i>Note 2</i>)	3,000,000	15%
Zhuhai Jiehua (<i>Note 2</i>)	1,000,000	5%
Total:	20,000,000	100%

Notes:

1. A company owned as to 66.7% by Ms. Xu and 1.67% by Mr. Ren.
2. Each of Zhuhai Jierong and Zhuhai Jiehua is an employee shareholding platform which is controlled by Mr. Ren as its general partner.

3. Listing of our Shares on the NEEQ

Our then Shareholders resolved to apply for the listing of our Shares on the NEEQ in March 2016. On 15 August 2016, all issued shares of our Company were listed on the NEEQ under the stock code of 839031.

4. Increase in share capital

Pursuant to the 2021 dividend distribution plan (2021年年度權益分派方案) of our Company, our Company issued and allotted 20 million bonus shares of RMB1 each to the existing Shareholders as at 8 June 2022. Accordingly, the share capital of our Company increased from RMB20 million to RMB40 million.

5. The 2024 Share Allotment

On 16 September 2023, our then Shareholders resolved to, among others, issue and allot up to a total of 4,015,999 shares of RMB1 each in the share capital of our Company at the issue price of RMB8.75 per share (collectively, the “**2024 Share Allotment**”) for the implementation of the [REDACTED] exercise by way of the Pre-[REDACTED] Investments. Pursuant to the Pre-[REDACTED] Investments, (i) Zhuhai Ligao subscribed for 1,142,857 shares at a total consideration of approximately RMB10.0 million; (ii) Zhuhai Gangwan subscribed for 571,428 shares at a consideration of approximately RMB5.0 million; (iii) Guangdong Gaorui subscribed for 2,285,714 shares at a consideration of approximately RMB20.0 million; and (iv) Zhuhai Fukunyang subscribed for 16,000 shares at a consideration of RMB140,000, raising gross proceeds of approximately RMB35.1 million, for the purpose of replenishing our working capital. The consideration for the 2024 Share Allotment had been fully settled by Zhuhai Ligao, Zhuhai Gangwan, Guangdong Gaorui and Zhuhai Fukunyang in April 2024. Each of Zhuhai Ligao, Zhuhai Gangwan, Guangdong Gaorui and Zhuhai Fukunyang is an Independent Third Party. The proceeds from the 2024 Share Allotment had been fully utilised as at the

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Latest Practicable Date. Please refer to the paragraph headed “Pre-[REDACTED] Investments” in this section for further details on the investments in our Company by Zhuhai Ligao, Zhuhai Gangwan, Guangdong Gaorui and Zhuhai Fukunyang.

The 2024 Share Allotment was completed on 15 May 2024. Upon completion of the 2024 Share Allotment, the share capital of our Company increased from RMB40 million to RMB44,015,999. Immediately upon completion of the 2024 Share Allotment, our Company was owned by the following Shareholders:

Name of shareholder	Number of Shares held	Approximate percentage of shareholding
Mr. Ren	23,200,000	52.71%
Zhuhai Zhichen	6,000,000	13.63%
Zhuhai Jierong	6,000,000	13.63%
Zhuhai Jiehua	2,000,000	4.54%
Hengqin Jinshan	1,400,000	3.18%
Guangzhou Yingqi	1,400,000	3.18%
Zhuhai Ligao	1,142,857	2.60%
Zhuhai Gangwan	571,428	1.30%
Guangdong Gaorui	2,285,714	5.19%
Zhuhai Fukunyang	16,000	0.04%
Total:	44,015,999	100%

6. Voluntary application for de-list from NEEQ

Delisting from NEEQ

On 14 February 2026, our then Shareholders resolved to, among others, voluntarily delist our shares from the NEEQ. Our Company applied and subsequently received regulatory approval on 30 March 2026 for the delisting. Our shares ceased to be traded on NEEQ on 1 April 2026.

Compliance during listing on NEEQ

As advised by our PRC Legal Adviser, based on searches conducted on the official websites of the NEEQ and CSRC and the listing material and confirmation provided by our Company, from the date on which our Company was listed on the NEEQ to the date of delisting on NEEQ, our Company had complied in all material respects with all applicable PRC securities laws and regulations and the listing rules of NEEQ, and our Company had not been subject to any disciplinary action by any relevant law enforcement authority or regulator. As such, our Directors confirm to the best of their knowledge and belief that: (i) there is no matter that might materially and adversely affect our Company’s suitability for the [REDACTED] in relation to the previous listing of our shares on the NEEQ; and (ii) there has not been any matter that needs to be brought to the attention to the potential [REDACTED] or Shareholders or the Stock Exchange in respect of the previous listing of our shares on the NEEQ.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Considering the foregoing reasons and based on the independent due diligence work performed by the Sole Sponsor, nothing has come to the attention of the Sole Sponsor that would reasonably cause the Sole Sponsor to disagree with the views and conclusions of the Directors and the PRC Legal Adviser stated above in material aspects.

Reasons for the delisting from NEEQ and the [REDACTED] on the Stock Exchange

Our Directors believe that the delisting from the NEEQ and the [REDACTED] will be in the interest of our Group’s business development strategies, and would be beneficial to us and our Shareholders as a whole for the following reasons:

- (a) NEEQ is a market in the PRC open to qualified investors only;
- (b) NEEQ has a low trading volume and low liquidity level, making it difficult to identify and establish the fair value of our Company to reflect the underlying quality of our assets and management. Listing on NEEQ also inhibits our ability to publicly raise funds, in equity or debt, to sustain our business growth, and execute substantial on-market disposals by Shareholders to realise value;
- (c) in contrast, the Stock Exchange, as a leading player of the international financial markets, could offer us a direct access to the international [REDACTED], enhance our fund-raising capabilities and broaden our fund-raising channels and our Shareholders base, as well as strengthen our corporate governance;
- (d) the [REDACTED] would give us a better platform for our development in our business;
- (e) the [REDACTED] will further improve our reputation, business profile and thus, enhance our corporate image to attract new customers, business partners and strategic investors, as well as greater access to international [REDACTED] and global [REDACTED]; and
- (f) the [REDACTED] will raise our business profile and thus enhance our ability to recruit, motivate and retain key management personnel for our Group’s business.

7. Share Subdivision

On 27 April 2026, our then Shareholders resolved to, subdivide each of our Shares in issue of nominal value of RMB1.00 each into 10 Unlisted Shares of nominal value of RMB0.10 each, such that following such share subdivision, the registered share capital of our Company became RMB44,015,999 divided into 440,159,990 Shares of nominal value of RMB0.10 each, effective immediately from the date of passing of the relevant resolution at the Shareholders’ meeting.

As advised by our PRC Legal Adviser, save for (i) the late completion of the industrial and commerce change registration for the increase in share capital as set out in the paragraph headed “4. Increase in share capital” above, which was subsequently rectified in May 2024 and; (ii) the filings in relation to the share subdivision as set out in paragraph headed “7. Share Subdivision”, which is expected to be completed within May 2026, all the necessary regulatory approvals, registrations or filings in relation to the changes in the share capital and shareholding of our Company described above

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

have been made and obtained, and the aforesaid changes in the share capital and shareholding of our Company have been properly and legally completed pursuant to the applicable PRC laws, regulations and rules in all material respects.

PRE-[REDACTED] INVESTMENTS

The following table summarises the key terms of our Pre-[REDACTED] Investments:

	Zhuhai Ligao	Zhuhai Gangwan	Zhuhai Fukunyang	Guangdong Gaorui
Date of agreement		November 2022		August 2023
Subscription method		Subscription of shares		
Date of full settlement of consideration	2 April 2024	3 April 2024	7 April 2024	3 April 2024
Cost per Share (Note 1)		RMB0.875		
Number of Shares subscribed (Note 2)	11,428,570 Unlisted Shares	5,714,280 Unlisted Shares	160,000 Unlisted Shares	22,857,140 Unlisted Shares
Amount of consideration paid (RMB)	9,999,998.75	4,999,995	140,000	19,999,997.50
[REDACTED] to the [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Approximate shareholding in the total Share capital of our Company upon [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Basis of determination of the consideration	The consideration was determined after taking into account various factors, including the macroeconomic environment, the industry in which our Group operates, our growth potential, and the net asset value per Share			
Lock-up period	Pursuant to the applicable PRC laws, within the one year following the [REDACTED], all existing Shareholders (including the Pre-[REDACTED] Investors) of our Company could not dispose of any of the Shares held by them			

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

	Zhuhai Ligao	Zhuhai Gangwan	Zhuhai Fukunyang	Guangdong Gaorui
Strategic benefits to our Company	We are of the view that our Company can benefit from the investments by the Pre-[REDACTED] Investors as their investments demonstrated their confidence in our Group’s operations and served as an endorsement of our Group’s performance and strengths			
Use of proceeds	Replenishing our working capital			
Special rights	Zhuhai Ligao, Zhuhai Gangwan and Zhuhai Fukunyang have been granted certain special rights, including put options, anti-dilution rights and liquidation preferences under a shareholders’ agreement entered into among them with Mr. Ren, Zhuhai Zhichen, Zhuhai Jierong and Zhuhai Jiehua in November 2022.			Nil
	Pursuant to the termination agreement dated 27 April 2026, entered into between each of the above-mentioned Pre-[REDACTED] Investors, Mr. Ren, Zhuhai Zhichen, Zhuhai Jierong and Zhuhai Jiehua: (i) the put options granted by Mr. Ren were terminated with effect from the day immediately preceding the date on which our Company submitted its [REDACTED] to the Stock Exchange; and (ii) all other special rights of these Pre-[REDACTED] Investors will be terminated upon [REDACTED], provided that all such special rights will be automatically reinstated upon the occurrence of any of the following events: (a) our Company voluntarily withdraws its [REDACTED]; (b) the [REDACTED] is rejected or denied; (c) the [REDACTED] lapses and a new [REDACTED] is not resubmitted within six months after the lapse date (or within such longer period as may be agreed by the parties); or (d) within 36 months from the date of the termination agreement (or within such longer period as may be agreed by the parties) the [REDACTED] of our Company on the Stock Exchange has not taken place.			

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Zhuhai Ligao	Zhuhai Gangwan	Zhuhai Fukunyang	Guangdong Gaorui

Upon the occurrence of any of the foregoing circumstances in which the special rights are reinstated, our Company will, within three business days, give written notice to all Shareholders. If, pursuant to a resolution of the general meeting of our Company, a formal [REDACTED] is submitted again, the provisions relating to the reinstated special rights will be automatically terminated again in accordance with the terms of the termination agreement.

Notes:

1. This represents the total consideration paid by each Pre-[REDACTED] Investor as divided by the number of shares subscribed for (as further sub-divided pursuant to the share subdivision as referred to in the paragraph headed “7. Share Subdivision”) by such Pre-[REDACTED] Investor under the Pre-[REDACTED] Investments.
2. This represents the number of shares [REDACTED] for (as further sub-divided pursuant to the share subdivision as referred to in the paragraph headed “7. Share Subdivision”) by each Pre-[REDACTED] Investor under the Pre-[REDACTED] Investments.

Sole Sponsor’s confirmation

On the basis that (i) the consideration for the Pre-[REDACTED] Investments was fully settled by each of the Pre-[REDACTED] Investors more than 28 clear days before the date of first submission of the first [REDACTED] by our Company; (ii) no special rights were granted to Guangdong Gaorui in respect to its investment; (iii) the put options granted by Mr. Ren to Zhuhai Ligao, Zhuhai Gangwan and Zhuhai Fukunyang had been terminated before our Company’s first submission of its [REDACTED] to the Stock Exchange; and (iv) all other special rights granted to the Pre-[REDACTED] Investors will be terminated upon [REDACTED], the Sole Sponsor confirms that the Pre-[REDACTED] Investments are in compliance with the guidance in Chapter 4.2 of the Guide for New [REDACTED] Applicants.

Information about our Pre-[REDACTED] Investors

Set out below is a description of our Pre-[REDACTED] Investors as at the Latest Practicable Date.

Zhuhai Ligao and Zhuhai Gangwan

Each of Zhuhai Ligao and Zhuhai Gangwan is a limited partnership established in the PRC. Its respective principal business is equity investment, investment management and asset management activities as a private fund.

The general partner of each of Zhuhai Ligao and Zhuhai Gangwan is Zhuhai Gaoke Jintou Venture Capital Management Co., Ltd. (珠海高科金投創業投資管理有限公司) (“**Zhuhai VC**”), Zhuhai VC is ultimately controlled by State-owned Assets Supervision and Administration Office of Zhuhai High-Tech Industrial Development Zone (珠海高新技術產業開發區國有資產監督管理辦公室).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Zhuhai VC held approximately 0.20% of the partnership interest in Zhuhai Ligao. Save for Zhuhai Gree Venture Capital Co., Ltd. (珠海格力創業投資有限公司) (“**Zhuhai Gree**”), which held approximately 66.47% of the partnership interest in Zhuhai Ligao, none of the other limited partners held more than one-third of the partnership interest of Zhuhai Ligao. Zhuhai Gree is ultimately controlled by Zhuhai Municipal People’s Government State-owned Assets Supervision and Administration Commission (珠海市人民政府國有資產監督管理委員會).

Zhuhai VC held approximately 0.50% of the partnership interest in Zhuhai Gangwan. Zhuhai Gaoke Jintou Industrial Equity Investment Co., Ltd. (珠海高科金投產業股權投資有限公司) (“**Zhuhai Gaoke**”) held the remaining 99.50% of the partnership interest in Zhuhai Gangwan as limited partner. Zhuhai Gaoke is ultimately controlled by State-owned Assets Supervision and Administration Office of Zhuhai High-Tech Industrial Development Zone.

To the best of the Directors’ knowledge and belief, Zhuhai Ligao, Zhuhai Gangwan, their respective general partners and limited partners and their respective ultimate beneficial owners are Independent Third Parties.

Zhuhai Fukunyang

Zhuhai Fukunyang is a limited partnership established in the PRC. Its principal business is corporate management consulting. The general partner of Zhuhai Fukunyang is Gou Tongjun (苟彤軍) who also holds approximately 14.71% of its partnership interest. None of the limited partners held more than one-third of the partnership interest of Zhuhai Fukunyang. To the best of the Directors’ knowledge and belief, Zhuhai Fukunyang, its general partner, its limited partners and their respective ultimate beneficial owners are Independent Third Parties.

Guangdong Gaorui

Guangdong Gaorui was a limited partnership established in the PRC. Its principal business is equity investment, investment management and asset management activities as a private fund.

The general partner of Guangdong Gaorui is Guangdong Gaorui Private Equity Funds Management Co., Ltd. (廣東高瑞私募基金管理有限公司) (“**Gaorui PE**”) and held approximately 0.05% of its partnership interest. Gaorui PE is ultimately controlled by Ou Zhanying (歐湛穎). None of the limited partners held more than one-third of the partnership interest of Guangdong Gaorui. To the best of the Directors’ knowledge and belief, Guangdong Gaorui, its general partner, its limited partners and their respective ultimate beneficial owners are Independent Third Parties.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

We had not carried out any major acquisitions as required to be disclosed under Rule 4.05A of the Listing Rules, or any major disposals or mergers during the Track Record Period and up to the Latest Practicable Date.

LOCK-UP PERIOD

Pursuant to the applicable PRC law, all current Shareholders are subject to the relevant PRC statutory transfer restriction for a period of one year from the [REDACTED].

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Each of our Controlling Shareholders will be subject to the non-disposal restrictions under Rule 10.07 of the Listing Rules. Each of our Controlling Shareholders will, prior to the [REDACTED], provide a non-disposal undertaking pursuant to Note 3 to Rule 10.07 of the Listing Rules and the [REDACTED]. Please refer to the section headed “[REDACTED]” in this document for further details.

In accordance with the PRC Company Law, our Directors and members of the senior management (as defined under the Articles of Association) of our Company will declare their shareholdings in our Company and any changes in their shareholdings. Shares transferred by such Directors and members of the senior management each year during their term of office determined at the time of assuming office will not exceed 25% of their total respective shareholdings in our Company. The Shares that the above mentioned persons held in our Company cannot be transferred within one year from the date on which the Shares are [REDACTED], nor within half a year after they leave their positions in our Company.

[REDACTED] FLOAT

Satisfaction of the [REDACTED] Float Requirement

Rule 19A.13A(1) of the Listing Rules provides that there must be an open market in the securities for which [REDACTED] is sought. Where a new applicant is a PRC issuer with no other listed shares at the time of [REDACTED], this will normally mean that, at least a minimum prescribed percentage of shares in the class to which H shares belong must be H shares held by the [REDACTED] at the time of [REDACTED]. Based on the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] per [REDACTED], the expected [REDACTED] value of the H Shares to be [REDACTED] at the time of [REDACTED] (assuming [REDACTED] is not exercised) will be approximately HK\$[REDACTED] million. Since the expected [REDACTED] value of the class of shares to which H shares belong at the time of [REDACTED] does not exceed HK\$[REDACTED] billion, the minimum number of H shares held by the [REDACTED] at the time of [REDACTED] as a percentage of the total number of shares in the class to which H shares belong is [REDACTED]

Our Unlisted Shares are not counted towards our [REDACTED] float for the purpose of Rule 19A.13A of the Listing Rules. H Shares to be [REDACTED] pursuant to the [REDACTED] (assuming [REDACTED] is not exercised), being [REDACTED] of the total issued Shares issued upon [REDACTED], will be counted towards the [REDACTED] float of our Company, thereby satisfying the [REDACTED] float requirement under Rule 19A.13A(1) of the Listing Rules.

Satisfaction of the Free Float Requirement

Rule 19A.13C(1) of the Listing Rules provides that there must be sufficient shares for which [REDACTED] is sought by a new applicant that are held by the [REDACTED] and available for [REDACTED] upon [REDACTED]. Where a new applicant is a PRC issuer with no other listed shares at the time of [REDACTED], this will normally mean that the portion of H shares for which [REDACTED] is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of [REDACTED], must: (a) represent at least [REDACTED] of the total number of issued shares in the class to which H shares belong at the time of [REDACTED] (excluding treasury shares), with an expected market value at the time of [REDACTED] of not less than HK\$[REDACTED]; or (b) have an expected market value at the time of [REDACTED] of not less than HK\$[REDACTED].

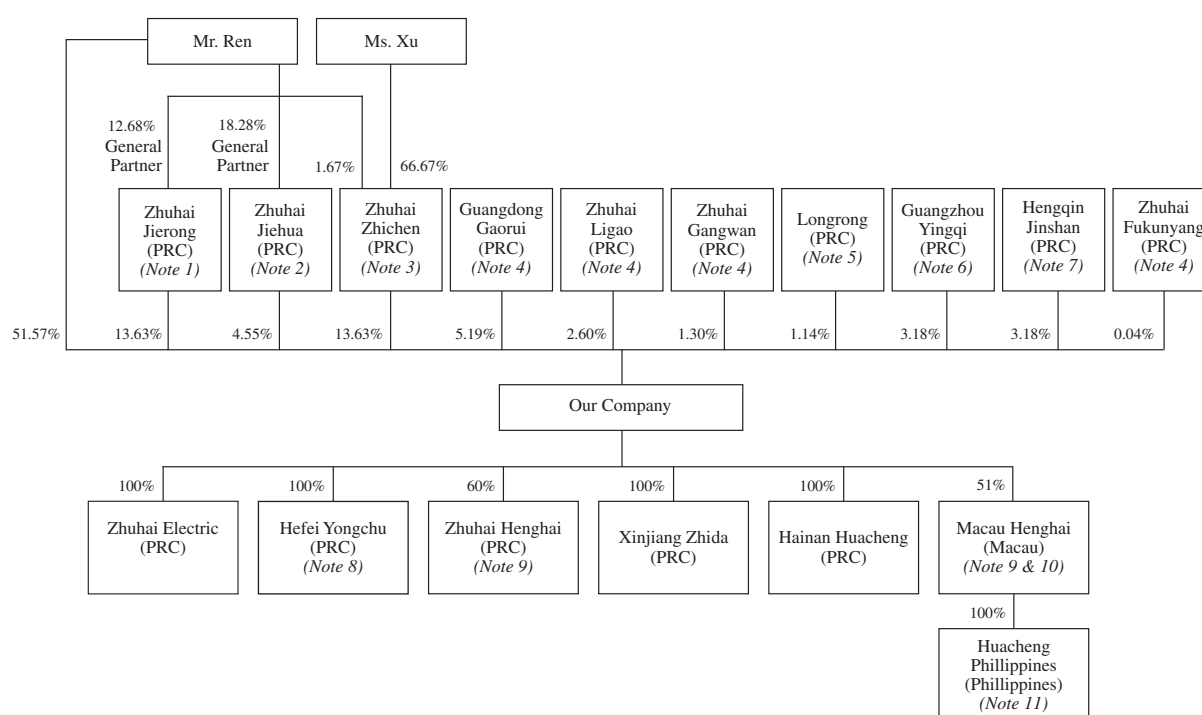
HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

H Shares to be [REDACTED] pursuant to the [REDACTED] (assuming [REDACTED] is not exercised), being [REDACTED] of the total issued Shares [REDACTED] upon [REDACTED] will be held by the [REDACTED] and not subject to any disposal restrictions. Based on the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] per [REDACTED], the expected [REDACTED] of the H Shares to be issued at the time of [REDACTED] will be not less than HK\$[REDACTED]. We will satisfy the free float requirement under Rule 19A.13C(1) of the Listing Rules.

CORPORATE STRUCTURE

Corporate structure immediately prior to the [REDACTED]

The following chart sets out the shareholding and corporate structure of our Group immediately prior to the [REDACTED]:



Notes:

1. Zhuhai Jierong is a limited partnership established in the PRC. It is an employee shareholding platform and Mr. Ren is the general partner who holds approximately 12.68% of its partnership interest. Zhuhai Jierong has 39 limited partners, being Mr. Duan Xiaohui (our executive Director and senior management), Mr. He Yongan (our executive Director and senior management), Ms. Li Xia (our executive Director and senior management) and certain other existing and former employees of our Group. None of the limited partners of Zhuhai Jierong holds more than one-third of the partnership interest of Zhuhai Jierong.
2. Zhuhai Jiehua is a limited partnership established in the PRC. It is an employee shareholding platform and Mr. Ren is the general partner who holds approximately 18.28% of its partnership interest. Zhuhai Jiehua has 12 limited partners, being Mr. He Yongan (our executive Director and senior management), Ms. Li Xia (our executive Director and senior management) and certain existing and former employees of our Group. None of the limited partners of Zhuhai Jiehua holds more than one-third of the partnership interest of Zhuhai Jiehua.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

3. Zhuhai Zhichen is a limited liability company established under the laws of the PRC and is owned as to approximately 1.67% by Mr. Ren and approximately 66.67% by Ms. Xu (spouse of Mr. Ren and a Controlling Shareholder). The remaining approximately 31.66% of the entire registered capital in Zhuhai Zhichen is owned by the following shareholders:

Name of shareholders		Approximate percentage of equity interest in Zhuhai Zhichen	Relationship with our Group
1.	Wu Jialin (吳嘉琳)	13.33%	Each of these shareholders is an Independent Third Party
2.	Yan Na (閻娜)	6.67%	
3.	Zhu Lixiang (朱麗香)	3.33%	
4.	Jin Li (金力)	3.33%	
5.	Zhang Dunsheng (張敦勝)	2.17%	
6.	Li Shuping (李淑萍)	1.67%	
7.	Zhang Xumei (張旭梅)	1.16%	
Total:		31.66%	

4. Please see “History, Development and Corporate Structure — Pre-[REDACTED] Investments — Information about our Pre-[REDACTED] Investors” in this section for background of these Pre-[REDACTED] Investors.
5. Longrong is a limited liability company established in the PRC. Longrong is owned as to 49% by Mr. Shi Huawei (施華威), 31% by Zhang Senhua (張森華) and 20% by Zhang Senfa (張森發). Mr. Shi Huawei and Mr. Zhang Senhua are substantial shareholders of Macau Henghai (a non-wholly owned subsidiary of our Company) and are not regarded as a connected person of our Company by virtue of Rule 14A.09 of the Listing Rules. As such, Longrong and its ultimate beneficial owners are Independent Third Parties.
6. Guangzhou Yingqi is a limited partnership established in the PRC. The general partner of Guangzhou Yingqi is Ou Zhanying (歐湛穎) who holds approximately 71.43% of its partnership interest. Mr. Leong Ka Hou (梁嘉豪) holds the remaining approximately 28.57% of the partnership interest in Guangzhou Yingqi as a limited partner. To the best of the Directors’ knowledge and belief, Guangzhou Yingqi, its general partner, its limited partner and their respective ultimate beneficial owners are Independent Third Parties.
7. Hengqin Jinshan is a limited partnership established in the PRC. The general partner of Hengqin Jinshan is Mr. Wei Canxuan (韋燦炫) who holds 2.85% of its partnership interest. None of the limited partners holds more than one-third of the partnership interest of Hengqin Jinshan. Mr. Wei is a director of each of Hefei Yongchu, Zhuhai Henghai and Xinjiang Zhida (each a subsidiary of our Company). Mr. Wei is not regarded as a connected person of our Company by virtue of Rule 14A.09 of the Listing Rules. Hengqin Jinshan, its general partner, its limited partners and their respective ultimate beneficial owners are Independent Third Parties.
8. Hefei Yongchu is in the process of deregistration as at the Latest Practicable Date.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

9. The table below sets out the identity of the other shareholders which hold the remaining shareholding interests of such non-wholly owned subsidiaries:

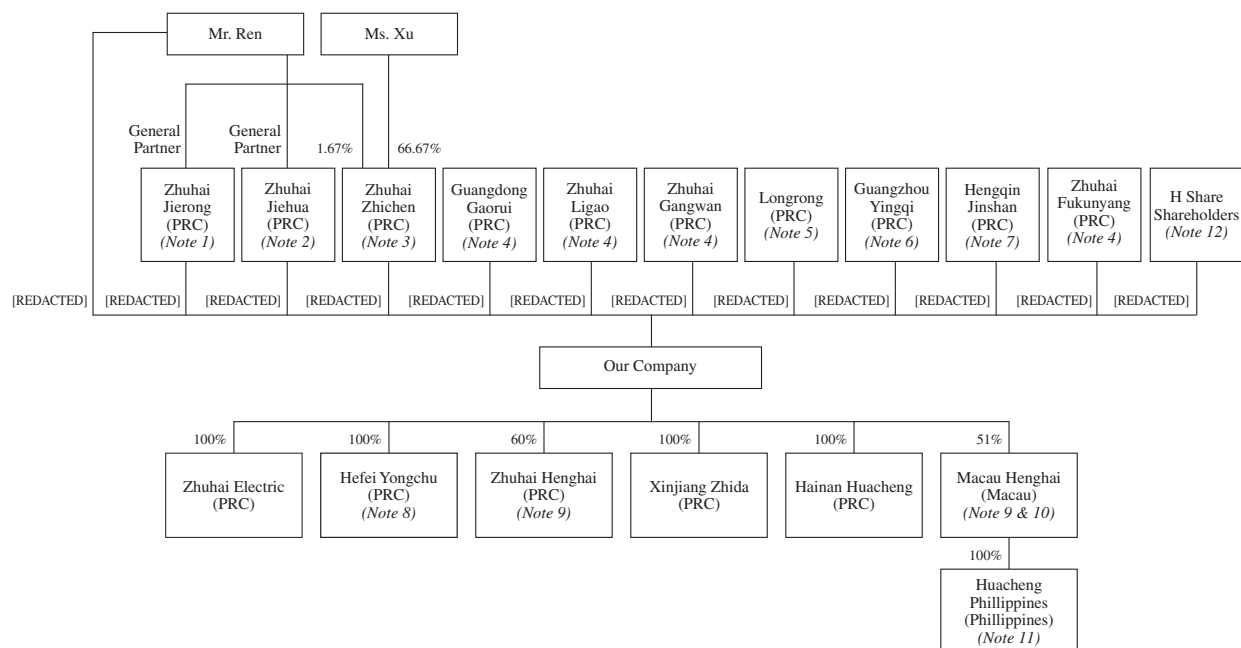
Name of our non-wholly owned subsidiary	Name of the other shareholder (percentage of equity interests)	Relationship with our Group
Zhuhai Henghai	Mr. Leong Ka Hou (梁嘉豪) (40%)	He is a substantial shareholder of Zhuhai Henghai and Macau Henghai. He is also a director of Macau Henghai, and a limited partner of Guangzhou Yingqi holding approximately 28.57% of its partnership interest. Guangzhou Yingqi is a minority shareholder of our Company. He is not regarded as a connected person of our Company by virtue of Rule 14A.09 of the Listing Rules.
Macau Henghai (<i>Note 10</i>)	Mr. Shi Huawei (施華威) (23%)	Mr. Zhang is a director and substantial shareholder of Macau Henghai. Mr. Shi is a substantial shareholder of Macau Henghai. Furthermore, each of Mr. Shi and Mr. Zhang is a controlling shareholder of Longrong. Longrong is a minority shareholder of our Company.
	Mr. Leong Ka Hou (梁嘉豪) (13%)	Please refer to Zhuhai Henghai above for the relationship of Mr. Leong and our Group.
	Mr. Zhang Senhua (張森華) (13%)	Each of Mr. Shi, Mr. Zhang and Mr. Leong is not regarded as a connected person of our Company by virtue of Rule 14A.09 of the Listing Rules.

10. On 2 December 2025, our Company entered into a share transfer agreement pursuant to which our Company agreed to acquire the 51% equity interest in Macau Henghai. As at the Latest Practicable Date, such acquisition had not yet been completed. We expect this acquisition to be legally completed prior to [REDACTED].
11. Each of Ms. Zhao Yangyang and Mr. Liu Yang holds one share of Huacheng Philippines, representing in aggregate approximately 0.002% of the total issued shares of Huacheng Philippines, as nominees for and on behalf of Macau Henghai.
12. Certain percentages shown in this chart are approximate figures.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Corporate structure immediately after the [REDACTED]

The following chart sets out the shareholding and corporate structure of our Group immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised):



Notes:

(1)–(11). See the respective notes to the corporate structure chart immediately prior to the completion of the [REDACTED] as set out above.

12. These H Shares will count towards the [REDACTED] float upon [REDACTED].

13. Certain of the percentages shown in the chart are approximate figures.

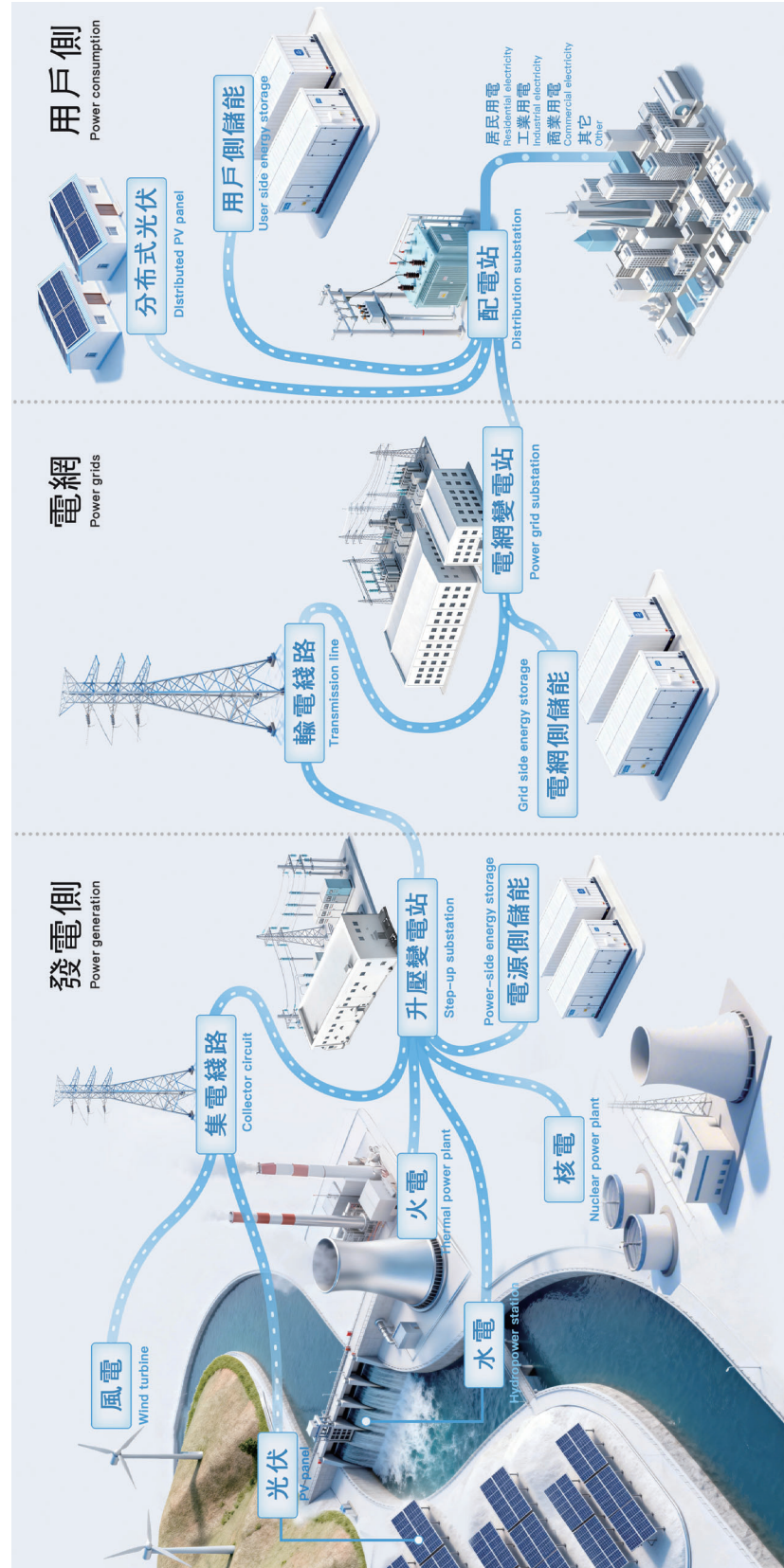
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OVERVIEW OF THE POWER INDUSTRY

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:



BUSINESS

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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BUSINESS OVERVIEW

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.

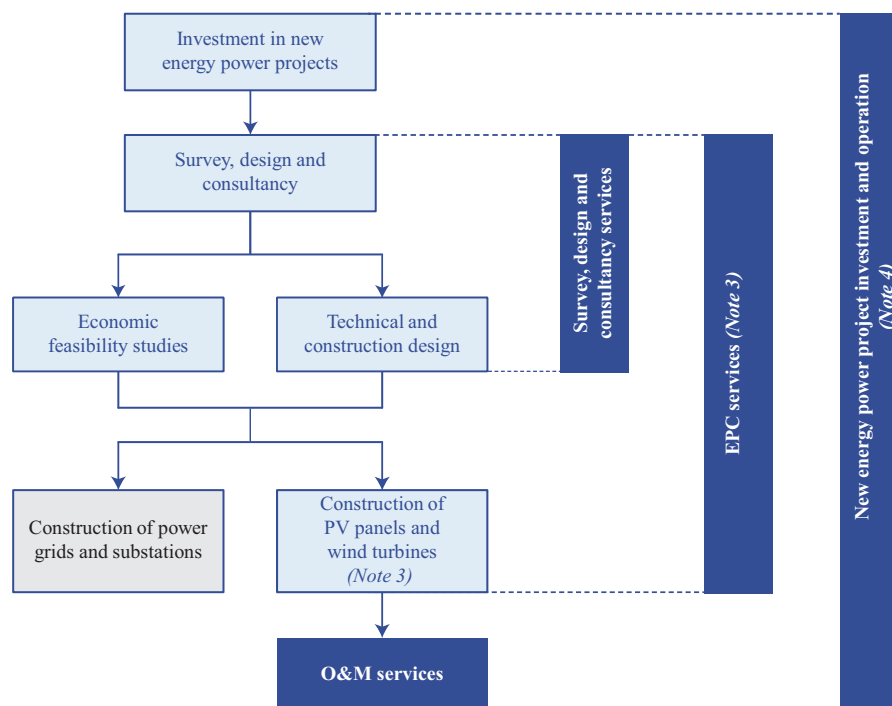
Our solution offerings have been expanded to cater for the design, construction and operation of the power generation, power grids, power consumption and energy storage sectors, with new energy at the core of our operations. The table below summarises our integrated energy solutions:

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.

BUSINESS STRATEGIES

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.

BUSINESS

- 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.

BUSINESS

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).

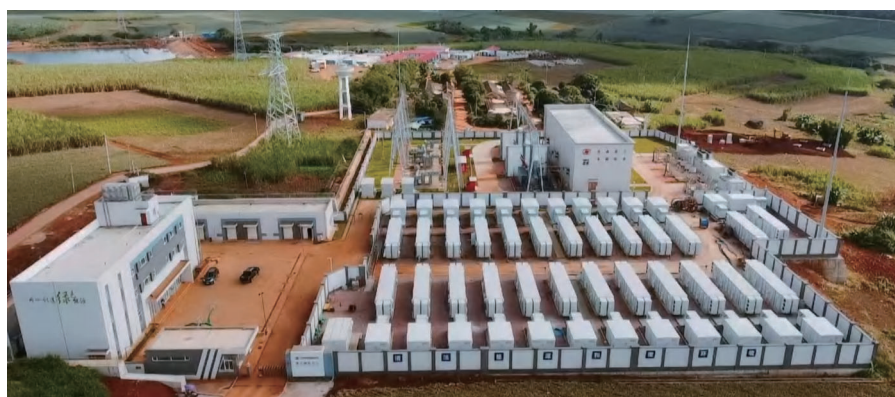
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Phase	Major scope of work	Major deliverables
Design	● Measurement and positioning of, among other things, step-up substations, distribution substations, collector circuits, wiring among PV modules, and connection from PV modules to step-up substations ● 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

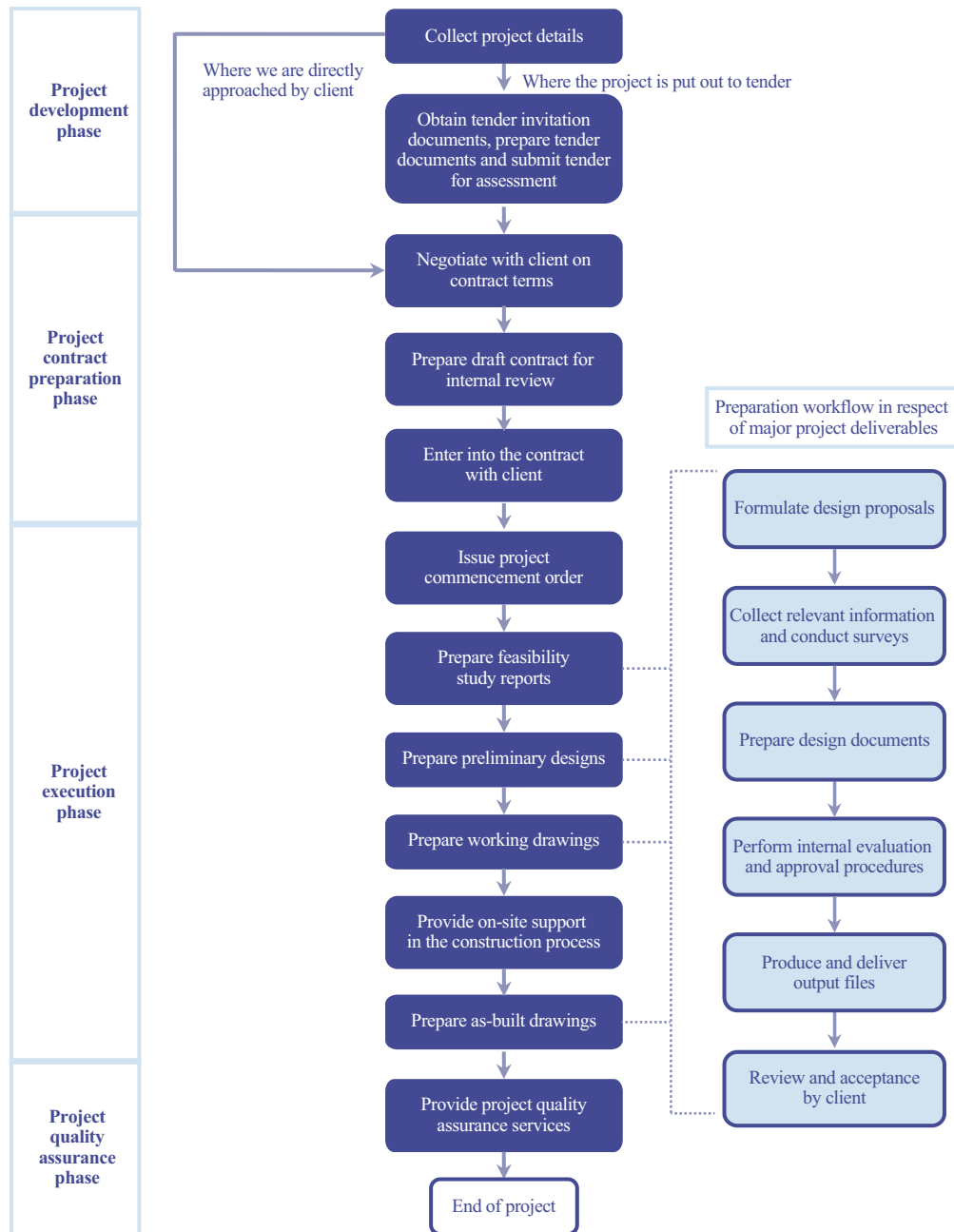
We enter into two main types of contracts with our customers, depending on whether we are acting as a contractor or a technical support provider. The role we are to assume is determined by customers according to their needs. During the Track Record Period, we had been engaged by SOEs, power facility 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:

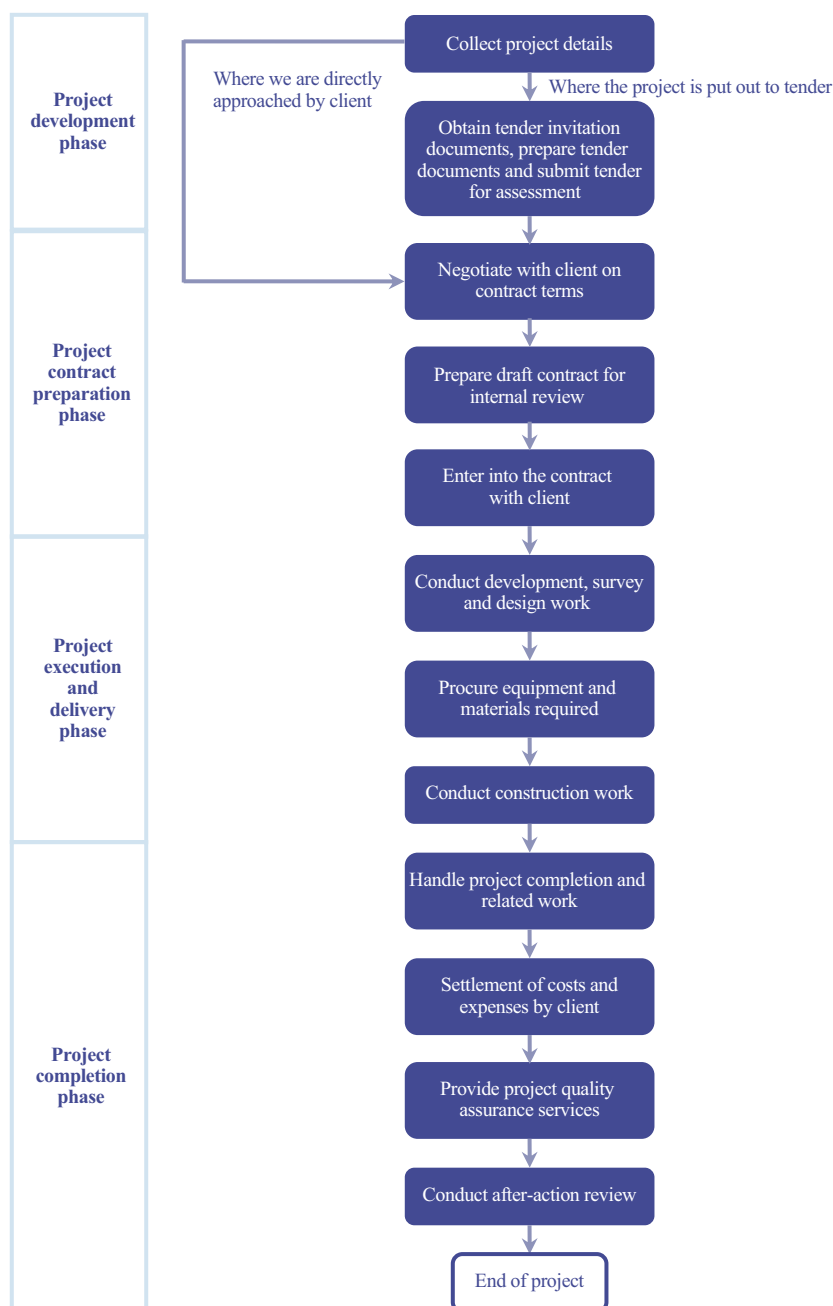
Our role	Main Contractor	Sub-contractor
Contracting arrangements	● We enter into EPC contracts with customers, being usually the project owners. ● We are responsible to the project owners for administering the entire EPC process in respect of the projects. ● Our core responsibilities include, among other 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 (RMB'000)	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.

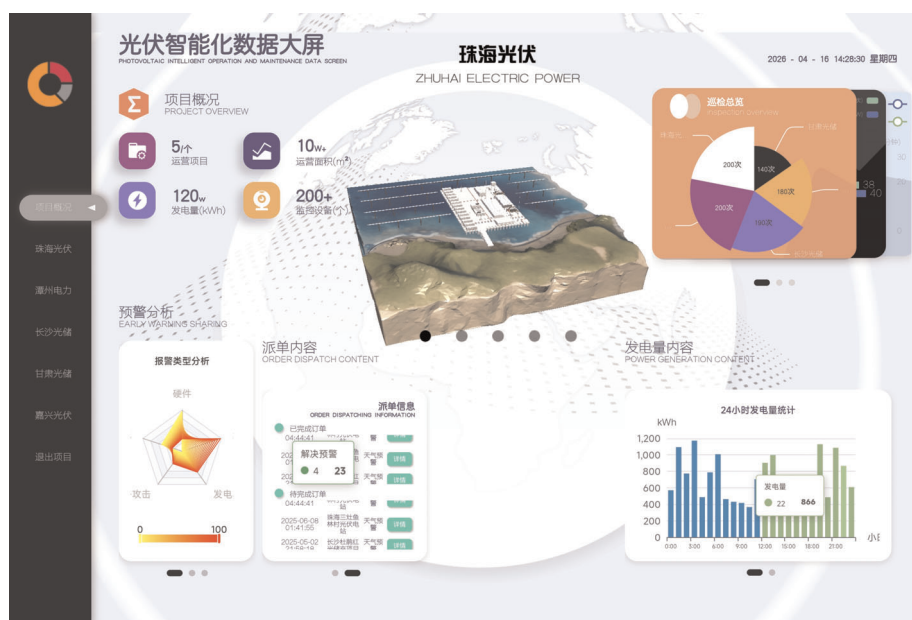
In addition, we have developed an AI-powered O&M system for PV power generation facilities. The hardware components (such as sensors) of the system are procured from external suppliers, while the development process (such as circuit design, and development of the circuit board and its corresponding application 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>		

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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:			<u>147,455.8</u>	<u>52.7%</u>		

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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

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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.

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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>		

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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>		

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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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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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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,

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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 CSOEs. 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 CSOE 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.

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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.

BUSINESS

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.

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board is responsible and has general powers for the management and conduct of our business. Our Board consists of eight Directors, including five executive Directors and three independent non-executive Directors. Our Directors are appointed for a term of three years from the date of approval by the Shareholders at the general meeting of our Company, and are eligible for re-election upon expiry of their term of office. The information of the current members of our Board is set out as follows:

Name	Age	Position	Date of joining our Group	Date of appointment as a Director	Roles and responsibilities	Relationship with other Directors and/or senior management
Executive Directors						
Mr. Ren Xuefeng (任學鋒)	65	Executive Director and chairman of our Board	1 August 2007	18 June 2012	Overall business strategies and development of our Group	Father of Mr. Ren Shuning
Mr. Ren Shuning (任舒寧)	35	Executive Director and general manager	24 April 2020	18 May 2020	Strategy execution and overall operations of our Group	Son of Mr. Ren Xuefeng
Mr. Duan Xiaohui (段曉輝)	47	Executive Director and deputy general manager	20 April 2007	25 March 2016	Management of power grid operations of our Group	N/A
Mr. He Yongan (何永安)	43	Executive Director and deputy general manager	19 September 2007	22 August 2022	Overseeing and managing the new energy department of our Group	N/A
Ms. Li Xia (李俠)	48	Executive Director	7 May 2007	20 January 2021	Overall management of the technical economics of our Group	N/A
Independent non-executive Directors						
Mr. Miao Fan (苗帆)	44	Independent non-executive Director	27 April 2026	27 April 2026	Providing independent opinion and judgment to our Board	N/A

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position	Date of joining our Group	Date of appointment as a Director	Roles and responsibilities	Relationship with other Directors and/or senior management
Mr. Lee Chi Ho (李智豪)	44	Independent non-executive Director	27 April 2026	27 April 2026	Providing independent opinion and judgment to our Board	N/A
Mr. Shi Shaoying (石少英)	42	Independent non-executive Director	27 April 2026	27 April 2026	Providing independent opinion and judgment to our Board	N/A

Executive Directors

Mr. Ren Xuefeng (任學鋒), aged 65, an executive Director and the chairman of our Company who is responsible for the overall business strategies and development of our Group. Mr. Ren was appointed as executive Director and the legal representative of our Company on 18 June 2012, and has served as chairman of our Board since 25 March 2016. Mr. Ren has also served as our general manager from August 2007 to April 2020. Pursuant to the resolutions of the Shareholders passed on 27 April 2026, Mr. Ren will be redesignated as an executive Director with effect from the [REDACTED].

Mr. Ren has extensive experience in the power design and engineering industry. Prior to joining our Group, from October 1982 to November 1994, he worked at Shanxi Electric Power Surveying and Design Institute (山西省電力勘測設計院) (currently known as China Energy Engineering Group Shanxi Electric Power Engineering Co., Ltd (中國能源建設集團山西省電力勘測設計院有限公司)), a company principally engaged in electrical design, where he was responsible for technical implementation of projects and external technical liaison, with his last position as engineer and head of technology department. Mr. Ren subsequently acted as the director of the Zhuhai Branch of Shanxi Electric Power Surveying and Design Institute (山西省電力勘測設計院珠海分院), from December 1994 to June 2007, where he was responsible for overseeing the management and day-to-day operation of the branch institute.

Mr. Ren graduated from Taiyuan Normal University (太原師範學院) in the PRC with a diploma in Chinese Language and Literature (漢語言文學) in July 1981.

Mr. Ren was awarded as a Pioneer Party Member (先鋒黨員) by the Working Committee for New Economic Organisations of the Communist Party of Zhuhai High-tech Zone (Tangjiawan Town) of the PRC (中共珠海高新區(唐家灣鎮)新經濟組織工作委員會) in July 2021. He was also accredited as the Outstanding Private Entrepreneur of Zhuhai City (珠海市優秀民營企業家) by the Zhuhai Municipal Committee of the Communist Party of China (中國共產黨珠海市委員會), the Zhuhai Municipal People’s Government (珠海市人民政府) in November 2023.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Ren held position(s) in the companies below which were dissolved. The relevant details are as follows:

Name of company	Place of incorporation	Nature of business before dissolution	Means of dissolution	Date of dissolution
Zhuhai Gaoxin Huichen Enterprise Management Co., Ltd. (珠海市高新慧辰企業管理有限公司) (Note 1)	The PRC	Research and development of emerging energy technologies and high efficiency energy saving technologies for electric powering industry	Dissolved by deregistration	23 May 2022
Zhuhai Jiesheng Enterprise Management Partnership (Limited Partnership) (珠海市捷盛企業管理合夥企業(有限合伙)) (Note 2)	The PRC	Business management, business management consulting and information consulting services	Dissolved by deregistration	17 May 2022

Note 1: Mr. Ren was a director and a manager of this Company.

Note 2: Mr. Ren was an executive partner of such limited partnership.

Mr. Ren has confirmed that each of the above companies was solvent at the time of its dissolution and there was no wrongful act on his part leading to such dissolution. His involvements in the above companies were part and parcel of his services as a director and/or manager of the above companies and, so far as he is aware, the dissolutions of such companies have not resulted in any liability or obligation being imposed against him.

Mr. Ren Shuning (任舒寧), aged 35, is an executive Director and the general manager of our Company who is responsible for the strategy execution and overall operations of our Group. Mr. Ren Shuning was appointed as a Director on 18 May 2020. Pursuant to the resolutions of the Shareholders passed on 27 April 2026, he will be redesignated as an executive Director with effect from the [REDACTED]. He joined our Group in 24 April 2020 and served as the general manager of our Company. He is also an executive director and manager of Zhuhai Electric, a subsidiary of our Company.

Mr. Ren Shuning is experienced in management. He has been serving as the executive director, legal representative and manager of Zhuhai Azurest Technology Co., Ltd (珠海奧釋科技有限公司), a company principally engages in the production of sports equipment and provision of technological services, since December 2014 and is responsible for internal management. He has also been the supervisor of Shanghai Jimeng Network Technology Co., Ltd. (上海極盟網絡科技有限公司), a company principally engaged in information transmission, software and information technology services, since March 2016.

Mr. Ren Shuning obtained a Bachelor’s degree in Electrical Engineering and Automation (電氣工程及其自動化) from Shanghai Electric Power Institute (上海電力學院) (currently known as Shanghai University of Electric Power (上海電力大學)) and obtained a Bachelor of Engineering in Electronic and Electrical Engineering from the University of Strathclyde in Glasgow, Scotland in July 2013. Mr. Ren Shuning then obtained a Master of Science in Engineering with Management from King’s College

DIRECTORS AND SENIOR MANAGEMENT

London in December 2014. In September 2025, he was accredited as an Intermediate Engineer (中級工程師) specialised in electric power management (電力管理) by the Department of Human Resources and Social Security in Zhuhai City (珠海市人力資源和社會保障局). He was also appointed as a member of the Guangdong Private Entrepreneurs Think Tank (廣東民營企業家智庫成員) with a service period of three years commencing on 3 September 2024.

Mr. Ren Shuning was a director and/or a manager of the companies below which were dissolved. The relevant details are as follows:

Name of company	Place of incorporation	Nature of business before dissolution	Means of dissolution	Date of dissolution
Zhuhai Dinglan Technology Co., Ltd. (珠海鼎藍科技有限公司)	The PRC	Information transmission, software and information technology services	Dissolved by deregistration	19 January 2022
Zhuhai Huacheng New Energy Development Co., Ltd. (珠海華成新能源開發有限公司)	The PRC	Provision of engineering design services and property management services; sales of mechanical and electrical equipment	Dissolved by deregistration	23 November 2023
Zhuhai Hi-tech Zon Branch of Zhuhai Azurest Technology Co., Ltd (珠海奧釋科技有限公司) (Note)	The PRC	Scientific research and technical services	Dissolved by deregistration	14 May 2021

Note: Mr. Ren Shuning was the person-in-charge of such branch company.

Mr. Ren Shuning has confirmed that each of the above companies was solvent at the time of its dissolution and there was no wrongful act on his part leading to such dissolutions. His involvements in each of the above companies were part and parcel of his services as a director and/or manager of the above companies and, so far as he is aware, the dissolutions of these companies have not resulted in any liability or obligation being imposed against him.

Mr. Duan Xiaohui (段曉輝), aged 47, is an executive Director and the deputy general manager of our Company who is responsible for the management of power grid operations of our Group. He was appointed as a Director and deputy general manager of our Company on 25 March 2016. Pursuant to the resolutions of the Shareholders passed on 27 April 2026, he will be redesignated as an executive Director, with effect from the [REDACTED].

Mr. Duan joined our Group in April 2007, successively serving as the head engineer of circuit structure, the deputy director of the design quality management department, the chief of the design division, deputy chief engineer and the chief engineer of our Company. Mr. Duan served as a supervisor of our Company from March 2015 to December 2015.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Duan has extensive experience in the engineering industry. Prior to joining our Group, from January 2005 to April 2007, Mr. Duan served as the head engineer of circuit structure in the Zhuhai Branch of Shanxi Electric Power Surveying and Design Institute (山西省電力勘测設計院珠海分院), a company principally engaged in electrical design, where he was responsible for the design of power transmission circuit structure.

Mr. Duan obtained a diploma in High-voltage Transmission Construction (高壓輸電工程) from Beijing Vocational College of Electric Power (北京電力高等專科學校) (currently merged with Beijing Jiaotong University (北京交通大學)) in July 1999. He subsequently completed an undergraduate programme (through online courses) in Electrical Engineering and Automation (電子工程及其自動化) from Beijing Jiaotong University (北京交通大學) in January 2008. He was accredited as a senior engineer specialised in civil engineering for electrical power projects (電力工程土建高級工程師) by the Department of Human Resources and Social Security of Guangdong Province (廣東省人力資源和社會保障廳) in March 2015.

Mr. Duan is highly recognised in the power industry. He was selected by the Zhuhai Human resource Leading Group Office as an Industrial Young Talent in “Cultivation Programme for Industrial Talent in Zhuhai City” in October 2019. He also participated in numerous award-winning construction projects including photo-voltaic, power-supply and power-transmission projects.

Mr. He Yongan (何永安), aged 43, is an executive Director and the deputy general manager who is responsible for overseeing and managing the new energy department of our Group. He was appointed as a Director on 22 August 2022. Pursuant to the resolutions of the Shareholders passed on 27 April 2026, he will be redesignated as an executive Director with effect from the [REDACTED].

Mr. He is dedicated in the electric power industry. Prior to joining our Group, from January 2007 to September 2007, he worked at Qingyuan Electric Power Design Co., Ltd (清遠電力設計有限公司), where he was responsible for power engineering design. He subsequently joined our Group in September 2007 and served successively as a secondary electrical design engineer (變電電氣二次設計員), the team leader of electrical team (電氣組組長) and the head of the power transformation department (變電部主任). Since January 2017, Mr. He has been serving as the head of our new energy department. He has also been serving as the deputy general manager of our Company since July 2022.

Mr. He graduated from University of South China (南華大學) in the PRC with a bachelor’s degree in Electrical Engineering and Automation (電氣工程及其自動化) in July 2005. He has been a Registered Electrical Engineer specialised in power generation, transmission and transformation (發輸變電) in the PRC since March 2012, a Registered Electrical Engineer specialised in electrical supply and distribution (供配電) in the PRC since May 2015, a qualified Consulting Engineer (諮詢工程師) in the PRC since August 2016, and a senior engineer specialised in electrical engineering (電力工程電氣高級工程師) in the PRC since January 2017.

DIRECTORS AND SENIOR MANAGEMENT

Mr. He was a supervisor of the company below which was dissolved. The relevant details are as follows:

Name of company	Place of incorporation	Nature of business before dissolution	Means of dissolution	Date of dissolution
Nanjing Yaqu Landscape Greening Engineering Co., Ltd. (南京雅趣園林綠化工 程有限公司)	The PRC	Landscaping projects and building decoration projects	Dissolved by deregistration	4 January 2023

Mr. He has confirmed that the above company was solvent at the time of its dissolution and there was no wrongful act on his part leading to such dissolution. His involvement in the above company was part and parcel of his services as a supervisor of the above company and, so far as he is aware, the dissolution of this company has not resulted in any liability or obligation being imposed against him.

Ms. Li Xia (李俠), aged 48, is an executive Director who is responsible for the overall management of the technical economics of our Group. She was appointed as a Director on 20 January 2021. Pursuant to the resolutions of the Shareholders passed on 27 April 2026, she will be redesignated as an executive Director with effect from the [REDACTED]. Ms. Li joined our Group in May 2007, she successively served as the principal designer of the technical economics division (技經主設人), team leader and chief engineer of technical economics (技經專業主任工程師), director of general affairs and the head of technical economics surveying centre (技經勘測中心主任).

Ms. Li completed an undergraduate programme in Electrical Engineering (電氣技術) from North China Electric Power University (華北電力大學) in July 1999. She is a registered Class 1 Cost Engineer of the PRC for the period from 4 February 2024 to 3 February 2028.

Independent non-executive Directors

Mr. Miao Fan (苗帆), aged 44, is an independent non-executive Director. He was appointed as an independent Director on 27 April 2026. Pursuant to the resolutions of the Shareholders passed on 27 April 2026, he will be redesignated as an independent non-executive Director with effect from the [REDACTED].

Mr. Miao has more than 10 years of experience in finance and investment. From May 2014 to January 2019, Mr. Miao served in CCB International Securities Limited, with his last position being an executive director of research division, responsible for research. Mr. Miao then served as the manager of investment research in Guangdong LVBAIDUO Biological Development Co., Ltd. (廣東綠百多生物開發有限公司), from September 2019 to June 2023, where he was responsible for investment research. From September 2023 to December 2025, Mr. Miao served as the corporate finance manager in TPIZ Resources Limited.

Mr. Miao graduated from McMaster University with a Bachelor of Commerce degree in June 2005 and obtained a degree of Master of Science from the London School of Economics and Political Science to the University of London in July 2006. He is also qualified as a Chartered Financial Analyst (CFA) in 2012, and a certified Environmental, Social and Governance Analyst CESGA of The European Federation of Financial Analysts Societies in 2023.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Lee Chi Ho (李智豪), aged 44, is an independent non-executive Director. He was appointed as an independent Director on 27 April 2026. Pursuant to the resolutions of the Shareholders passed on 27 April 2026, he will be redesignated as an independent non-executive Director with effect from the [REDACTED].

Mr. Lee has over 20 years of experience in the finance, auditing and accounting sectors. From August 2004 to December 2013, Mr. Lee was employed at Deloitte Touche Tohmatsu in Hong Kong and its affiliates operating in Shenzhen and Shanghai, with his last position as audit manager. He then served as an audit vice president (審計副總) of Zhejiang Chengze Jinkai Investment Management Co., Ltd. (浙江誠澤金開投資管理有限公司) from June 2014 to August 2015, and subsequently acted as the chief financial officer of (i) Huajin International Holdings Limited, a company listed on the Main Board of the Stock Exchange principally engaged in cold-rolled steel processing (stock code: 2738) from July 2015 to June 2017; and (ii) Mastermind Manufacture Limited, from January 2018 to August 2019. From August 2019 to April 2023, Mr. Lee worked for Zhongshan Pacific Lighting Co., Ltd. (中山市太平洋燈飾有限公司), as a general manager. He had also served as the chief financial officer and the joint company secretary of Fullwealth International Group Holdings Limited, a company previously listed on the Main Board of the Stock Exchange (stock code: 1034), from May 2023 to May 2024 and from March 2024 to May 2024, respectively. From April 2023 to July 2025, Mr. Lee served as the chief financial officer in TOMO Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 6928).

Mr. Lee has been serving as the chief financial officer in Carry Wealth Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 643), since November 2023. In addition, Mr. Lee has been appointed as (i) an independent non-executive director of China Environmental Resources Group Limited (stock Code: 1130) since December 2023; and (ii) an executive director of Carry Wealth Holdings Limited (stock code: 643) since June 2025. Both companies are listed on the Main Board of the Stock Exchange. He is also the director of Global To Wealth Company Limited (a subsidiary of Carry Wealth Holdings Limited (stock code: 643)) since November 2025.

Mr. Lee was admitted as a fellow of the Association of Chartered Certified Accountants in 2013. He obtained his Bachelor of Arts in Accountancy from The Hong Kong Polytechnic University in 2004.

Mr. Shi Shaoying (石少英), aged 42, is an independent non-executive Director. He was appointed as an independent Director on 27 April 2026. Pursuant to the resolutions of the Shareholders passed on 27 April 2026, he will be redesignated as an independent non-executive Director with effect from the [REDACTED].

Mr. Shi has experience and knowledge in corporate governance and management. Since May 2023, he has been the deputy general manager of Qin’ao Maiya (Zhuhai) Technology Co., Ltd. (琴澳麥芽(珠海)科技有限公司), a company established in the PRC with scope of business including software development and application of artificial intelligence.

Mr. Shi graduated from The University of International Business and Economics (對外經濟貿易大學) with a Bachelor’s degree in Economics in July 2006.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Shi is/was a director, manager and/or supervisor of the below companies which were dissolved or had their business licences revoked, with details as follows:

Name of company	Place of incorporation	Nature of business before dissolution/ revocation of business licence	Means of dissolution/ revocation of business licence	Date of dissolution/ revocation of business licence
Sixiang Weiye (Beijing) Performing Arts and Culture Co., Ltd. (四象偉業(北京)演藝文化有限公司)	The PRC	Cultural and art business	Dissolved by deregistration	5 June 2017
Beijing Xingqi Digital Technology Company Limited (北京星旗數碼科技有限公司)	The PRC	Provision of technology promotion services, animation design, agency and publication of advertisements	Revocation of business licence	Business licence revoked on 28 April 2018 (Note 1&2)
Beijing Wanqi Technology Company Limited (北京萬啟科技有限公司)	The PRC	Provision of science and technology extension and application services	Dissolved by deregistration	Business licence revoked on 20 May 2019 (Note 1)
				Deregistration on 3 February 2021
Beijing Jiangshao Catering Management Company Limited (北京匠燒餐飲管理有限公司)	The PRC	Catering management business	Dissolved by deregistration	Business licence revoked on 25 January 2019 (Note 1)
				Deregistration on 3 February 2021
Beijing Maideke Medical Equipment Company Limited (北京邁德科醫療設備有限責任公司)	The PRC	Sale of medical devices, medical supplies, daily necessities, and leasing of medical devices and equipment	Dissolved by deregistration	19 October 2022
Hejun Chuangzhi (Beijing) Consulting Co., Ltd. (合君創智(北京)諮詢有限公司)	The PRC	Provision of business services	Dissolved by deregistration	5 February 2021

DIRECTORS AND SENIOR MANAGEMENT

Notes:

1. The business licence was revoked due to long-time suspension of business.
2. Mr. Shi has been a supervisor of such company since December 2013. As at the Latest Practicable Date, such company had not been deregistered.

Mr. Shi has confirmed (i) the above companies were solvent immediately prior to their dissolutions or revocation of business licence; and (ii) there was no wrongful act on his part leading to the dissolutions or revocation of business licence of the above companies and was not aware of any actual or potential liability or obligation that had been or would be imposed against him as a result of the dissolutions or revocation of business licence.

SENIOR MANAGEMENT

All our executive Directors are also regarded as senior management of our Company. The following table sets out certain information of our senior management:

Name	Age	Position	Date of joining our Group	Date of appointment as senior management	Roles and responsibilities	Relationship with other Directors and/or senior management
Mr. Ren Xuefeng (任學鋒)	65	Executive Director and chairman of our Board	1 August 2007	18 June 2012	Overall business strategies and development of our Group	Father of Mr. Ren Shuning
Mr. Ren Shuning (任舒寧)	35	Executive Director and general manager	24 April 2020	18 May 2020	Strategy execution and overall operations of our Group	Son of Mr. Ren Xuefeng
Mr. Duan Xiaohui (段曉輝)	47	Executive Director and deputy general manager	20 April 2007	25 March 2016	Management of power grid operations of our Group	N/A
Mr. He Yongan (何永安)	43	Executive Director and deputy general manager	19 September 2007	22 August 2022	Overseeing and managing the new energy department of our Group	N/A
Ms. Li Xia (李俠)	48	Executive Director	7 May 2007	20 January 2021	Overall management of the technical economics of our Group	N/A

For the biographies of Mr. Ren, Mr. Ren Shuning, Mr. Duan Xiaohui, Mr. He Yongan and Ms. Li Xia, please see “Board of Directors — Executive Directors” in this section for further details.

DIRECTORS AND SENIOR MANAGEMENT

General

Save as disclosed above and/or other section in this document as mentioned below, each of our Directors and senior management members confirms with respect to himself or herself that, as at the Latest Practicable Date:

- (1) he or she had no relationship with any Director, members of the senior management or substantial Shareholder;
- (2) he or she did not hold any other directorships in the three years prior to the Latest Practicable Date in any public companies the securities of which are listed on any securities market in Hong Kong and/or overseas, and other major appointments and professional qualifications;
- (3) except as disclosed herein or please see “Appendix VII — Statutory and General Information — 4. Disclosure of interests” in this document, none of our Directors or members of the senior management had any interest in the Shares within the meaning of Part XV of the SFO;
- (4) he/she did not complete his/her respective education programmes as disclosed in this section by way of attendance of long distance learning or online courses;
- (5) to the best knowledge, information and belief of our Directors having made all reasonable inquiries, there are no other matters and information concerning the appointment of our Directors or members of the senior management that need to be brought to the attention of our Shareholders or shall be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

JOINT COMPANY SECRETARIES

Dr. Zeng Weiwei (曾偉偉), is one of the joint company secretaries of our Company. Dr. Zeng joined our Group in December 2025 as an assistant to the chairman of the Board and was appointed as the joint company secretary of our Company on 10 April 2026, which will come into effect from the [REDACTED]. He is responsible for the corporate governance, information disclosure, investor relations and investment and financing management of our Company.

Dr. Zeng possesses over 20 years of experience in financial management, capital operations and corporate governance. From March 2018 to January 2020, he served as the assistant to president of Xiamen Comfort Science and Technology Group Co., Ltd. (奧佳華智能健康科技集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002614), and successively held concurrent senior management positions including the head of investment risk management and new retail integrated management (投資風控和新零售綜合管理總監) and the head of new retail business division (新零售事業部總監) of such company, as well as the person-in-charge and the head of overseas manufacturing investment development department (海外製造投資發展部總監) of its subsidiary, Moxiang Time Health Technology (Xiamen) Co., Ltd. (摩享時光健康科技(廈門)有限公司). From February 2020 to April 2023, Dr. Zeng served as a project partner of Zhongshan Langze Financial Consulting Limited (中山朗澤財務諮詢有限公司), a company specialised in financial and business management consultancy. He also served as the financial controller and board secretary of Shenzhen Changen Intelligent Holdings Co., Ltd. (深圳昌恩智能股份有限公司), a company listed on the NEEQ (stock code: 837544), from May 2023 to July 2024. From July 2024 to June 2025, he was the chief

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financial officer, deputy general manager and board secretary of Foshan Simike Home Environment Technology Ltd. (佛山市司米克家居環境科技有限公司), a company supplying domestic kitchen appliances; and from July 2025 to December 2025, he served as an executive director and the general manager of Cai Dong Lian (Foshan) Technology Co., Ltd. (財董聯(佛山)科技有限公司), a company specialised in technology promotion and application services.

Dr. Zeng obtained a Bachelor’s degree in Economics (International Accounting) from Hunan University in June 1999. He then obtained an Executive Master of Business Administration from Sun Yat-sen University in June 2016, and a Doctorate degree in Business Administration from European City University in August 2025.

Dr. Zeng is a Board Secretary recognised by the Shenzhen Stock Exchange in September 2016. He has been admitted as an international certified public accountant by the International Association of Accounting Professionals in November 2020, and an associate member and a fellow member by the Association of International Accountants in January 2021 and March 2026, respectively. Since October 2025, Dr. Zeng has been appointed as an expert of the Shunde District Accounting Association in Foshan. He has been appointed as a visiting professor at Guangdong University of Finance and Economics since December 2025.

Mr. Lo Chung Yeung Matthew (盧仲暘), is one of our joint company secretaries. Mr. Lo was appointed as a joint company secretary of our Company on 10 April 2026, which will come into effect from the [REDACTED]. He is responsible for overseeing our Group’s financial and company secretarial functions. He has over 15 years of experience in finance, accounting and auditing. Prior to joining our Group, Mr. Lo served as Senior 1 and Manager, successively, in the Audit and Assurance Department of Forvis Mazars CPA Limited from December 2012 to October 2024. Between October 2009 and November 2012, he served in various positions at BDO Limited, including Associate and Senior Associate.

Mr. Lo obtained his Bachelor of Science in Accounting and Finance from University of East Anglia (Norwich Business School) in July 2009 from Norwich Business School at University of East Anglia, United Kingdom. He is also a member of the Hong Kong Institute of Certified Public Accountants.

BOARD DIVERSITY AND POLICY

We have adopted a board diversity policy (the “**Board Diversity Policy**”) which sets out the objective and approach to achieve and maintain diversity of our Board in order to enhance the effectiveness of our Board. The Board Diversity Policy provides that our Company should endeavour to ensure that our Board members have the appropriate skills, expertise and diversity of perspectives that are required to support the execution of our business strategy. Pursuant to the Board Diversity Policy, selection of candidates for Directors will be based on a range of diversity perspectives, including but not limited to skills, professional experience, educational background, knowledge, expertise, culture, independence, age and gender. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board and the business needs of our Company from time to time. Our Board believes that such merit-based appointments will best enable our Company to serve the Shareholders and other stakeholders going forward.

DIRECTORS AND SENIOR MANAGEMENT

Our Board comprises eight members, including five executive Directors and three independent non-executive Directors. Our Board currently has one female Director. Our Directors have a balanced mix of gender and experiences, including management and strategic development, finance and accounting experiences in addition to power design and engineering. Furthermore, our Board has a good mix of new and experienced Directors, who have valuable knowledge and insights of our Group’s business over the years, while the new Directors are expected to bring in fresh ideas and new perspective to our Group.

Our nomination committee is responsible for reviewing the diversity of our Board. After [REDACTED], our nomination committee will (i) report annually, in the corporate governance report contained in our annual report, on our Board’s composition under diversified perspectives, and monitor the implementation of the Board Diversity Policy; and (ii) review the Board Diversity Policy, as appropriate, to ensure the effectiveness of the Board Diversity Policy and discuss any revisions that may be required, and recommend any such revisions to our Board for consideration and approval.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management receive compensation in the form of salaries, benefits in kind, performance related bonuses and/or retirement benefits. We also reimburse them for expenses which are necessarily and reasonably incurred for executing their functions in relation to our operations. We regularly review and determine the remuneration and compensation packages of our Directors and senior management taking into account factors such as salaries paid by comparable companies, level of responsibilities, employment elsewhere in our Group, the performance of our Group and desirability of performance-based remuneration. As required by the relevant PRC laws and regulations, we also participate in various defined contribution plans organised by relevant provincial and municipal government authorities and welfare schemes for our employees, including medical insurance, injury insurance, unemployment insurance, pension insurance, maternity insurance and housing provident fund.

The aggregate amounts of remuneration (including salaries, allowances, benefits in kind, performance related bonuses and/or retirement benefits) of our Directors for FY2023, FY2024 and FY2025 were approximately RMB2.0 million, RMB2.8 million and RMB2.3 million, respectively.

The aggregate amount of remuneration (including salaries, allowances, benefits in kind, performance related bonuses and/or retirement benefits) paid to the five highest paid individuals, excluding Directors and chief executive, for FY2023, FY2024 and FY2025 were approximately RMB1.0 million, RMB1.1 million and RMB1.6 million, respectively.

It is estimated that remuneration equivalent to approximately RMB2.9 million in aggregate will be paid to our Directors for the year ending 31 December 2026, based on the arrangements in force as at the Latest Practicable Date.

No remuneration was paid by our Company to our Directors or the five highest paid individuals as inducement to join or upon joining our Company or as a compensation for loss of office during the Track Record Period. Furthermore, none of our Directors had waived or agreed to waive any remuneration during the Track Record Period.

DIRECTORS AND SENIOR MANAGEMENT

For additional information on Directors’ and the five highest paid individuals’ remuneration during the Track Record Period, please refer to Note 14 to the Accountants’ Report in Appendix I to this document.

BOARD COMMITTEES

We have established three committees under our Board, namely the audit committee, the remuneration and appraisal committee and the nomination committee in accordance with relevant laws and regulations of the PRC, the Articles of Association of the Company and the Listing Rules. The membership of such committee are as follows:

	Audit Committee	Remuneration and Appraisal Committee	Nomination Committee
Executive Directors			
Mr. Ren Xuefeng	—	—	—
Mr. Ren Shuning	—	—	—
Mr. Duan Xiaohui	—	—	—
Mr. He Yongan	—	Member	—
Ms. Li Xia	—	—	Member
Independent non-executive Directors			
Mr. Shi Shaoying	Chairman	Chairman	Chairman
Mr. Lee Chi Ho	Member	Member	Member
Mr. Miao Fan	Member	—	—

Each of the above committees has written terms of reference. The functions of the above three committees are summarised as follows:

Audit committee

Our Company has established an audit committee with written terms of reference in compliance with the relevant PRC laws and regulations, and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The primary duties of our audit committee include making recommendations to our Board on the appointment and removal of the external auditor, reviewing and overseeing the financial reporting procedure, risk management and internal control system of our Group. Our audit committee comprises Mr. Shi Shaoying, Mr. Lee Chi Ho and Mr. Miao Fan, all being independent non-executive Directors. Mr. Shi Shaoying, is the chairman of our audit committee. Mr. Lee Chi Ho has the appropriate professional qualifications or accounting or related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Remuneration and appraisal committee

Our Company has established a remuneration and appraisal committee with written terms of reference in compliance with the relevant PRC laws and regulations and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The primary duties of our remuneration and appraisal committee include making recommendations to the Board on the remuneration packages of individual

DIRECTORS AND SENIOR MANAGEMENT

executive Directors and senior management, reviewing and approving the management’s remuneration proposals with reference to the Board’s corporate goals and objectives and reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules. Our remuneration and appraisal committee comprises Mr. He Yongan, being an executive Director, and Mr. Shi Shaoying and Mr. Lee Chi Ho, being independent non-executive Directors. Mr. Shi Shaoying is the chairman of our remuneration and appraisal committee.

Nomination committee

Our Company has established a nomination committee with written terms of reference in compliance with the relevant PRC laws and regulations and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The primary duties of our nomination committee are (i) to review the structure, size and composition (including the skills, knowledge and experiences) of the Board at least annually, assist the Board in maintaining a board skills matrix, and to make recommendations to the Board on any proposed changes to the Board composition to complement the Group’s corporate strategy; (ii) to assess the independence of independent non-executive Directors; (iii) to identify individuals suitably qualified as potential Board members and to select or make recommendation to the Board regarding candidates to fill vacancies on our Board; (iv) to make recommendations to the Board on the appointment and re-appointment of Directors and succession planning of the Directors; and (v) to support the Group’s regular evaluation of the Board’s performance. Our nomination committee comprises Ms. Li Xia, being an executive Director, and Mr. Shi Shaoying and Mr. Lee Chi Ho, being independent non-executive Directors. Mr. Shi Shaoying is the chairman of the nomination committee.

COMPLIANCE ADVISER

We have appointed Lego Corporate Finance Limited as our compliance adviser pursuant to rule 3A.19 of the Listing Rules. Pursuant to rule 3A.23 of the Listing Rules, the compliance adviser will advise us, among others, at the following circumstances:

- (1) before the publication of any regulatory announcement, circular or financial report;
- (2) where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues, sales or transfers of treasury shares and share repurchases;
- (3) where our Company proposes to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate, or other information in this document; and
- (4) where the Stock Exchange makes an inquiry of us regarding unusual movements in the [REDACTED] or [REDACTED] of our H Shares or any other matters in accordance with Rule 13.10 of the Listing Rules.

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

DIRECTORS AND SENIOR MANAGEMENT

The term of appointment our compliance adviser shall commence on the [REDACTED] and end on the date of despatch of our annual report in respect of our financial results for the first full financial year commencing after the [REDACTED] and such appointment shall be subject to extension by mutual agreement.

CONFIRMATION FROM OUR DIRECTORS

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (1) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 9 May 2026; and (2) understands his or her obligations as a director of a [REDACTED] issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors confirms (1) his independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; (2) that he has no past or present financial or other interest in the business of our Company or our subsidiaries or any connection with any core connected person of our Company under the Listing Rules as at the Latest Practicable Date; and (3) that there are no other factors that may affect his independence at the time of his appointment.

Rule 8.10 of the Listing Rules

Please see “Relationship with our Controlling Shareholders — Rule 8.10 of the Listing Rules” in this document for further details.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

Immediately following completion of the [REDACTED], and taking no account of any Shares which may be [REDACTED] and [REDACTED] pursuant to the exercise of the [REDACTED], we will be owned as to approximately [REDACTED] by Mr. Ren, [REDACTED] by Zhuhai Jierong, [REDACTED] by Zhuhai Zhichen and [REDACTED] by Zhuhai Jiehua. Zhuhai Jierong and Zhuhai Jiehua are employee shareholding platforms, and Mr. Ren is the general partner of each of Zhuhai Jierong and Zhuhai Jiehua. Zhuhai Zhichen is owned as to 66.67% by Ms. Xu (the spouse of Mr. Ren) and as to 1.67% by Mr. Ren. Accordingly, Mr. Ren, Ms. Xu, Zhuhai Jierong, Zhuhai Jiehua and Zhuhai Zhichen will hold in aggregate approximately [REDACTED] of the issued share capital of our Company and will be our Controlling Shareholders upon the [REDACTED]. Please see “History, Development and Corporate Structure” in this document for the direct or indirect shareholding in our Company of Mr. Ren, Ms. Xu, Zhuhai Jierong, Zhuhai Jiehua and Zhuhai Zhichen.

For the purpose of the Listing Rules, as Mr. Ren, Ms. Xu, Zhuhai Jierong, Zhuhai Jiehua and Zhuhai Zhichen are, directly or indirectly, individually or together with the others, entitled to exercise or control the exercise of 30% or more of the voting power at our general meetings, each of them is regarded as our Controlling Shareholder under the Listing Rules.

Mr. Ren is our executive Director and chairman of the Board. Ms. Xu is one of our founders and the spouse of Mr. Ren. Ms. Xu is the executive director and manager of Zhuhai Zhichen. Please see the section headed “Directors and Senior Management” in this document for further information on Mr. Ren’s work experiences.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that our Group is capable of carrying on our business independently of our Controlling Shareholders and their respective associates (other than our Group) based on the following reasons:

Operational Independence

Our Company has full rights to make all decisions on, and to carry out, our own business operations independently. We have our own independent departments focusing on the respective areas of our current business. We do not rely on referral of business opportunities from our Controlling Shareholders. Our management team has been and will be able to seek business opportunities for us. We have independent access to our suppliers and customers, as well as an independent management team (including our Directors and staff) to handle our daily operational work. We have registered the intellectual property rights relating to relevant technologies of our business. We hold the licences and qualifications necessary to carry on our current business, and have sufficient capital, facilities, technology and employees to operate the business independently from our Controlling Shareholders and their respective close associates (other than members of our Group).

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Financial Independence

During the Track Record Period and up to the Latest Practicable Date, we had independent financial and accounting and internal control systems and make financial decisions according to our own business needs. We have our independent financial department with a team of financial staff responsible for financial control, accounting and reporting function. Our Directors believe that our Group is capable of obtaining financing from external sources without reliance on our Controlling Shareholders.

During the Track Record Period, we financed our operations principally through a combination of cash generated from our operations and bank borrowings. Please see the section headed “Financial Information — Indebtedness — Bank borrowings” and Note 31 of the Accountants’ Report in Appendix I to this document for details.

As at 31 December 2025, our Group had bank borrowings in the amount of RMB141.4 million which were guaranteed by Mr. Ren, Ms. Xu (spouse of Mr. Ren) and/or Mr. Ren Shuning (son of Mr. Ren) and/or secured by parts of our trade receivables and our building (as the case may be).

The relevant banks have given their in principle consent to release guarantees given by Mr. Ren, Ms. Xu (spouse of Mr. Ren) and Mr. Ren Shuning in respect of such bank borrowings which were still outstanding as at the Latest Practicable Date, upon [REDACTED].

Save as disclosed above, as at the Latest Practicable Date, we had not provided any loans to, nor given any guarantee, security or pledge for, our Controlling Shareholders, our Directors or their respective associates, and none of our Directors or any of their respective associates had provided any personal guarantee, security or pledge for any of our banking facilities and other borrowings.

Based on the above, our Directors are of the view that our Group is financially independent from and does not rely on our Controlling Shareholders and/or their respective close associates for any financial assistance after the [REDACTED]. With the release of personal guarantees of the bank borrowings as mentioned above, as well as the enhanced borrowing power derived from the [REDACTED] status, our Directors believe that our Group has sufficient capital to operate our business independently upon [REDACTED], and have adequate internal resources to support our daily operations.

Management Independence

Our Board comprises five executive Directors and three independent non-executive Directors. For further details, please refer to the section headed “Directors and Senior Management” in this document.

Each of our Directors is aware of his/her fiduciary duties as a Director which require, among other things, that he/she acts in the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interest. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

us and our Directors or their respective close associates, the interested Director(s) shall abstain from voting at the relevant board meetings of our Company in respect of such transactions and shall not be counted in the quorum of the relevant board meetings.

The day-to-day management and operations of our Group are carried out by our executive Directors and other staff, most of whom are independent of our Controlling Shareholders and/or their respective close associates and have substantial experience in the industry in which our Group is engaged, and will therefore be able to make business decisions that are in the best interest of our Group.

We have appointed three independent non-executive Directors, comprising more than one-third of the total members of our Board, who have sufficient knowledge, extensive experience in different professions, and competence to bring independent judgement to the decision-making process of the Board, and to ensure that the decisions of our Board are made only after due consideration of independent and impartial opinions, to promote the interests of our Company and the Shareholders as a whole. Our Directors believe that the different backgrounds of our independent non-executive Directors provide a balance of views and opinions to the Board.

Based on the above, our Directors are of the view that our Board and our staff as a whole are able to perform the managerial role in our Group independently, and our Directors are of the view that we are capable of managing our business independently from our Controlling Shareholders and their close associates after the [REDACTED].

RULE 8.10 OF THE LISTING RULES

None of our Controlling Shareholders and our Directors has any interest in a business apart from our business which competes or is likely to compete, directly or indirectly, with our business, and would require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance.

Our Directors recognise the importance of good corporate governance in protection of our Shareholders’ interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

- (i) where a Shareholders’ meeting is to be held for considering proposed transaction in which the Controlling Shareholders or any of their respective associates has a material interest, the Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;
- (ii) pursuant to our Articles of Association, where a Board meeting is held for the matters in which any Director or his/her associates have a material interest, such Director(s) shall abstain from voting on the relevant resolutions and shall not be counted in the quorum in the voting;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (iii) our Company has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if our Company enters into connected transactions with a Controlling Shareholder or any of his/her/its associates, our Company will comply with the applicable Listing Rules;
- (iv) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between the Group and the Controlling Shareholders (the “**Annual Review**”) and provide impartial and professional advice to protect the interests of our minority Shareholders;
- (v) the Controlling Shareholders will provide all information necessary including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the Annual Review;
- (vi) our Company will disclose decisions (with basis) on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements;
- (vii) where our Directors reasonably request the advice of independent professionals such as financial advisers, the appointment of such independent professionals will be made at our Company’s expenses; and
- (viii) we have appointed Lego Corporate Finance Limited as our compliance adviser to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Our Directors consider that the above corporate governance measures are sufficient to manage any potential conflict of interests between our Controlling Shareholders and their respective associates and our Group and to protect the interests of our Shareholders, in particular, the minority Shareholders.

PERSONS HAVING NOTIFIABLE INTERESTS UNDER THE SFO

So far as our Directors are aware, the following persons will, immediately following completion of the [REDACTED], and taking no account of any Shares which may be [REDACTED] and [REDACTED] pursuant to the exercise of the [REDACTED], have interests and/or short positions in the Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of interest	Description of Shares	As at the Latest Practicable Date		Immediately following completion of the [REDACTED]		
			Number of Shares held/interested (Note 1)	Approximate percentage of shareholding in the total share capital of our Company (Note 2)	Number of Shares held/interested (Note 1)	Approximate percentage of shareholding in the relevant class (Note 2)	Approximate percentage of shareholding in the total share capital of our Company (Note 3)
Mr. Ren	Beneficial owner	Unlisted Shares	226,996,000	51.57%	[REDACTED]	[REDACTED]	[REDACTED]
	Interest in a controlled corporation (Note 4)	Unlisted Shares	80,000,000	18.18%	[REDACTED]	[REDACTED]	[REDACTED]
	Interest of spouse (Note 6)	Unlisted Shares	60,000,000	13.63%	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Xu	Interest in a controlled corporation (Note 5)	Unlisted Shares	60,000,000	13.63%	[REDACTED]	[REDACTED]	[REDACTED]
	Interest of spouse (Note 6)	Unlisted Shares	306,996,000	69.75%	[REDACTED]	[REDACTED]	[REDACTED]
Zhuhai Jierong (Note 4)	Beneficial owner	Unlisted Shares	60,000,000	13.63%	[REDACTED]	[REDACTED]	[REDACTED]
Zhuhai Zhichen (Note 5)	Beneficial owner	Unlisted Shares	60,000,000	13.63%	[REDACTED]	[REDACTED]	[REDACTED]
Ou Zhanying (歐湛穎)	Interest in a controlled corporation (Note 7)	Unlisted Shares	36,857,140	8.37%	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

- (1) All interests stated are long positions in the Shares.
- (2) The calculation is based on the total number of 440,159,990 Unlisted Shares in issue as at the Latest Practicable Date.

PERSONS HAVING NOTIFIABLE INTERESTS UNDER THE SFO

- (3) The calculation is based on the total number of (i) 440,159,990 Unlisted Shares in issue; and (ii) [REDACTED] H Shares in issue immediately following completion of the [REDACTED] and assuming that the [REDACTED] is not exercised at all.
- (4) These Unlisted Shares are held as to 60,000,000 Unlisted Shares by Zhuhai Jierong and 20,000,000 Unlisted Shares by Zhuhai Jiehua.

Zhuhai Jierong is a limited partnership established in the PRC. The general partner of Zhuhai Jierong is Mr. Ren who holds approximately 12.68% of its partnership interest, and none of the limited partners of Zhuhai Jierong holds more than one-third of the partnership interest of Zhuhai Jierong.

Zhuhai Jiehua is limited partnership established in the PRC. The general partner of Zhuhai Jiehua is Mr. Ren who holds approximately 18.28% of its partnership interest, and none of the limited partners of Zhuhai Jiehua holds more than one-third of the partnership interest of Zhuhai Jiehua.

By virtue of the SFO, Mr. Ren is deemed to be interested in the Unlisted Shares held by each of Zhuhai Jierong and Zhuhai Jiehua.

- (5) These Unlisted Shares are held by Zhuhai Zhichen. Zhuhai Zhichen is owned as to approximately 1.67% by Mr. Ren and 66.67% by Ms. Xu, the spouse of Mr. Ren. None of the other shareholders of Zhuhai Zhichen holds more than 30% equity interest in Zhuhai Zhichen. By virtue of the SFO, Ms. Xu is deemed to be interested in the Unlisted Shares held by Zhuhai Zhichen. Furthermore, Mr. Ren is deemed to be interested in the same number of Unlisted Shares in which Ms. Xu is interested.
- (6) Ms. Xu is the spouse of Mr. Ren. Under the SFO, each of them is deemed to be interested in the same number of Shares in which his/her spouse is interested.
- (7) These Unlisted Shares are held as to 22,857,140 by Guangdong Gaorui and 14,000,000 by Guangzhou Yingqi.

Guangdong Gaorui is a limited partnership established in the PRC. The general partner of Guangdong Gaorui is Guangdong Gaorui Private Equity Funds Management Co., Ltd. (廣東高瑞私募基金管理有限公司) (“**Gaorui PE**”) which holds approximately 0.05% of its partnership interest. Gaorui PE is ultimately controlled by Ou Zhanying (歐湛穎). None of the other limited partners holds more than one-third of the partnership interest of Guangdong Gaorui. To the best knowledge and belief of our Directors, Guangdong Gaorui, its general partner, its limited partners and their respective ultimate beneficial owners are Independent Third Parties.

Guangzhou Yingqi is a limited partnership established in the PRC. The general partner of Guangzhou Yingqi is Ou Zhanying (歐湛穎) who holds approximately 71.43% of its partnership interest. Mr. Leong Ka Hou (梁嘉豪) holds the remaining approximately 28.57% of the partnership interest in Guangzhou Yingqi as a limited partner. To the best knowledge and belief of our Directors, Guangzhou Yingqi, its general partner, its limited partner and their respective ultimate beneficial owners are Independent Third Parties.

By virtue of the SFO, Ou Zhanying is deemed to be interested in the Unlisted Shares held by each of Guangdong Gaorui and Guangzhou Yingqi.

Save as disclosed in this section, our Directors are not aware of any other persons who will, immediately following completion of the [REDACTED], and taking no account of any Shares which may be [REDACTED] and [REDACTED] pursuant to the exercise of the [REDACTED], have interests or short positions in the Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

SHARE CAPITAL

This section presents certain information regarding our share capital before and upon the completion of the [REDACTED].

BEFORE THE COMPLETION OF THE [REDACTED]

As at the Latest Practicable Date, the registered share capital of our Company was RMB44,015,999, comprising 440,159,990 Unlisted Shares in issue of nominal value RMB0.10 each.

UPON THE COMPLETION OF THE [REDACTED]

Assuming the [REDACTED] is not exercised, and taking no account of any Shares which may be [REDACTED] and [REDACTED] pursuant to the exercise of the [REDACTED], the registered and issued share capital of our Company immediately after completion of the [REDACTED] will be as follows:

Description of shares	Number of Shares	Approximate percentage to total share capital of our Company
Unlisted Shares in issue	440,159,990	[REDACTED]
H Shares to be [REDACTED] under the [REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]</u>
Total	<u><u>[REDACTED]</u></u>	<u><u>100.0%</u></u>

Assuming the [REDACTED] is exercised in full, the registered and issued share capital of our Company immediately after completion of the [REDACTED] will be as follows:

Description of shares	Number of Shares	Approximate percentage to total share capital of our Company
Unlisted Shares in issue	440,159,990	[REDACTED]
H Shares to be [REDACTED] under the [REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]</u>
Total	<u><u>[REDACTED]</u></u>	<u><u>100.0%</u></u>

SHARE CAPITAL

OUR SHARES

Upon completion of the [REDACTED], our Shares will consist of Unlisted Shares and H Shares. Both Unlisted Shares and H Shares are ordinary shares in the share capital of our Company.

Our H Shares may only be [REDACTED] and [REDACTED] in Hong Kong dollars. Our Unlisted Shares, on the other hand, may only be [REDACTED] and [REDACTED] in RMB. However, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be [REDACTED] by or [REDACTED] between legal or natural persons of the PRC.

RANKING

Unlisted Shares and H Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends in respect of the H Shares are to be paid by our Company in Hong Kong dollars or in the form of H Shares.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

All our Unlisted Shares are not [REDACTED] or [REDACTED] on any stock exchange. The holders of our Unlisted Shares may convert their Shares into H Shares provided such conversion shall have gone through any requisite internal approval process and complied with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the overseas stock exchange(s) and have been approved by the securities regulatory authorities of the State Council, including the CSRC. The [REDACTED] of such converted H Shares on the Stock Exchange will also require the approval of the Stock Exchange.

Based on the procedures for the conversion of our Unlisted Shares into H Shares as disclosed in this section, we can apply for the [REDACTED] of all or any portion of our Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As any [REDACTED] of additional Shares after our [REDACTED] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it will not require such prior application for [REDACTED] at the time of our [REDACTED] in Hong Kong.

No class Shareholder voting is required for the [REDACTED] and [REDACTED] of the converted Shares on the Stock Exchange. Any application for [REDACTED] of the converted Shares on the Stock Exchange after our [REDACTED] is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed conversion.

SHARE CAPITAL

After all the requisite approvals have been obtained, the following procedure will need to be completed in order to effect the conversion: the relevant Unlisted Shares will be withdrawn from the Unlisted Share register and we will re-register such Shares on our H Share register maintained in Hong Kong and instruct the [REDACTED] to issue H Share certificates. Registration on our H Share register will be conditional on (a) our [REDACTED] lodging with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register of members and the due dispatch of H Share certificates; and (b) the admission of the H Shares to [REDACTED] on the Stock Exchange in compliance with the Listing Rules, the General Rules of [REDACTED] and the [REDACTED] Operational Procedures in force from time to time. Until the converted shares are re-registered on our H Share register, such Shares would not be [REDACTED] as H Shares.

RESTRICTION ON TRANSFER OF SHARES ISSUED PRIOR TO [REDACTED]

Pursuant to the PRC Company Law, our Shares issued prior to the [REDACTED] shall not be transferred within one year from the [REDACTED].

REGISTRATION OF SHARES NOT [REDACTED] ON THE OVERSEAS STOCK EXCHANGE

The Overseas Listing Trial Measures stipulates that domestic unlisted shares shall be centrally registered and custodied by domestic securities depository and settlement institutions. The registration and settlement arrangements for overseas — listed shares shall comply with the regulations of the overseas listing place. The “Detailed Rules for the Registration and Custody of Non-Overseas-Listed Shares of Overseas Listed Companies by China Securities Depository and Clearing Corporation Limited” (China Settlement Announcement No. 36 of 2025) specifies that listed companies shall promptly apply to China Securities Depository and Clearing Corporation Limited for initial registration of non-overseas-listed shares in accordance with the relevant regulations of the CSRC. Initial registration, reduction of existing shares, share transfer registration, pledge registration, and distribution of entitlements services shall all be handled by applying to China Securities Depository and Clearing Corporation Limited.

SHAREHOLDERS’ APPROVAL FOR THE [REDACTED]

Approval from holders of the Shares is required for the Company to [REDACTED] H Shares and seek the [REDACTED] of H Shares on the Stock Exchange. The Company has obtained such approval at the Shareholders’ general meeting held on 27 April 2026. For details of the Shareholders’ approval, please see “Appendix VII — Statutory and General Information — D. Resolutions passed by Our Shareholders at General Meeting of Our Company in relation to the [REDACTED]” in this document for further details.

SHAREHOLDERS’ GENERAL MEETING

For details of circumstances under which our Shareholders’ general meeting are required, please see “Appendix VI — Summary of Articles of Association — Shareholders and Shareholders’ Meeting” in this document for further details.

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our audited consolidated financial statements and related notes thereto set forth in the Accountants’ Report, as set out in Appendix I to this document. Our consolidated financial statements have been prepared in accordance with IFRS, which may differ in material aspects from generally accepted accounting principles in other jurisdictions. You should read the entire Accountants’ Report and not merely rely on the information contained under this section of the document.

The following discussion and analysis contain certain forward-looking statements that reflect our current views with respect to future events and our financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and interpretation of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, many of which we cannot control or foresee. Please see the sections headed “Risk Factors” and “Forward-looking Statements” in this document for discussions of those risks and uncertainties. In evaluating our business, you should carefully consider all of the information provided in this document, including “Risk Factors” and “Business”.

OVERVIEW

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 for 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 allow us to undertake these projects on every scale.

For the FY2023, FY2024 and FY2025, we derived our revenue mainly from our EPC services, which accounted for approximately 86.4%, 81.3% and 84.5% of our revenue, respectively. Please see “Description of Selected Components of Consolidated Statements of Profit or Loss — Revenue” in this section for further details of the breakdown of our revenue by segment. We derived all of our revenue from the PRC during the Track Record Period.

BASIS OF PREPARATION

The historical financial information of our Group has been prepared in accordance with IFRS Accounting Standards issued by the IASB. All applicable new and revised IFRS Accounting Standards have been adopted for the Track Record Period, except for any new standards or interpretations that are not yet effective. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Periods are set out in note 3 to the Accountants’ Report as set out in Appendix I to this document.

Further details of the material accounting policy information are set out in note 4 to the Accountants’ Report as set out in Appendix I to this document. The historical financial information also complies with the relevant disclosure requirements of the Listing Rules. The accounting policies set out in the Accountants’ Report have been applied consistently throughout the years presented. No adjustments have been made in preparing the historical financial information.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations and financial conditions have been and will continue to be affected by a number of factors that will affect our industry, including macroeconomic trends, industry dynamics, technology innovations, competitive landscape and government regulations and policies. Any negative

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change in these conditions may adversely impact our industry and our results of operations. Besides the above mentioned general factors, our business and results of operations are also affected by factors that are specific to us.

End markets that we serve and fluctuation in customer demand

During the Track Record Period, our downstream end markets are mainly different end users, such as 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. The demands from the downstream end markets for our survey, design and consultancy services and EPC services were the major drivers for our growth during the Track Record Period and are expected to continue to drive our growth in the future.

Factors such as carbon emission reduction regime, promoting the replacement of fossil fuels by new energy such as solar energy and wind energy, PRC government’s new energy policies supports, development and application of AI technologies in our various business segments are critical to continuous growth of customer demand in our downstream end markets. According to the F&S Report, energy solutions market in the PRC is propelled by aggressive renewable energy expansion; surging electricity consumption underpins robust growth in energy solutions; and market for one-stop energy solutions in the PRC is experiencing sustained growth, driven by the need for comprehensive services that span advisory consulting, survey and design, EPC and O&M. We expect these market drivers and trends to continue in the future, potentially driving demand for our services.

Changes as well as evolving trends in market demands from relevant industries set significant impact on our business results, and is anticipated to continue influencing our performance in the future. A stronger demand for our services could provide us with stronger bargaining power and help us to become profitable. According to the F&S Report, (i) the energy solutions market in the PRC has exhibited rapid growth between 2020 and 2024 which was driven by the dual carbon goals and the promotion of new-type power system; and (ii) the total annual investment completed in electricity projects demonstrated robust momentum between 2020 and 2024, underpinned by, among others, the 14th Five Year Plan. The markets for our services is expected to continue to expand and have great potential for increase in the future. To capture the opportunities brought by such markets, we will continue to advance business workflow and solution offerings with AI, develop and launch AI-powered O&M services for new energy power projects, increase investments in new energy power projects, and further develop EPC business.

Please see “Industry Overview” and “Business — Business Strategies” in this document for further details.

Prudently Manage Costs

Our profitability depends on our proficiency in managing costs and improving operational efficiency. Our cost of sales amounted to RMB279.2 million, RMB229.3 million and RMB299.3 million, for the FY2023, FY2024 and FY2025, respectively, representing 81.8%, 71.2% and 73.5% of our revenue for the same years, respectively. Materials and components costs and sub-contracting costs constitute significant components of our cost of sales.

During the Track Record Period, our materials and components costs and sub-contracting costs were the largest components of our cost of sales. For the FY2023, FY2024 and FY2025, our materials and components costs was approximately RMB154.1 million, RMB75.4 million and RMB174.7 million, respectively. Materials and components principally consist of parts and equipment for our EPC services, including PV components, energy storage equipment, cables and electric equipment and other raw

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materials. The availability and prices of these parts and equipment fluctuate depending on market conditions. For the FY2023, FY2024 and FY2025, our sub-contracting costs was approximately RMB90.9 million, RMB121.1 million and RMB86.2 million, respectively.

We adjust our selling prices in response to, among other things, fluctuations in parts and equipment prices and sub-contracting costs, which thus affect our revenue. To the extent we cannot manage fluctuations in costs or fail to pass along such fluctuations to customers, our profit margin would be affected.

MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. Our material accounting policies, judgments and estimates that are important for you to understand our financial condition and results of operations, are set out in detail in notes 4 and 5 to the Accountants’ Report as set out in Appendix I to this document respectively.

We set out below some of the accounting policies and estimates that we believe are of critical importance to us or involve the most significant estimates used in the preparation of our consolidated financial statements.

Material Accounting Policies

Revenue recognition

Survey, design and consultancy services

Revenue from survey, design and consultancy services is recognised at point in time. Our Group entered into power engineering survey, design and consulting contracts with customers, which is divided into different performance stage with different performance obligations. Revenue is recognised in accordance with the consideration for each performance stage in the contract when the corresponding performance stage was completed and upon confirmed by the customers.

EPC services

Our Group provides EPC services to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls the asset that is created or enhanced. Revenue is recognised for these EPC services based on the value of EPC services work using output method.

Leases

Our Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

Short-term leases and leases of low-value assets

Our Group applies the short-term lease recognition exemption to leases of machinery and equipment, motor vehicles and buildings that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses. Right-of-use assets are depreciated on a straight-line basis over the lease term. Our Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

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Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Significant Accounting Estimates

Revenue recognition of EPC services

Our Group recognises revenue of EPC services on the basis of direct measurement of the value of EPC services work transferred to the customer to date. Management estimates the contract sum and budgeted costs at the commencement of the EPC service contracts and regularly assesses the progress of EPC services works as well as the financial impact of scope changes, claims, disputes and liquidation damages. Our management’s estimate of the revenue requires significant judgement and has a significant impact on the amount of the revenue recognised.

Recognition of deferred tax assets

Deferred tax assets in respect of deductible temporary differences are recognised and measured based on the expected manner of realisation of the carrying amount of the relevant assets, using tax rates enacted or substantively enacted at the end of each reporting period. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves several assumptions relating to the operating environment of our Group and require a significant level of judgement exercised by the Directors. Any change in such assumptions and judgement would affect the carrying amounts of deferred tax assets to be recognised and hence the net profit in future years.

Estimated impairment of trade receivables and contract assets

Our Group assess expected credit loss (“ECL”) for trade receivables using provision matrix. The provision rates are based on aging for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating). The provision matrix is based on our Group’s historical observed default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At the end of each reporting period, the historical observed default rates are reassessed and changes in the forward-looking information are considered. Our Group assesses contract assets arising from contracts with customers individually by reference to external credit ratings, taking into consideration of customer type and specific industries of those customers. The above credit loss rates being adjusted to reflect forward-looking information that is reasonable and supportable and available without undue costs or effort. The provision of ECL is sensitive to changes in estimates.

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SUMMARY OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary of our consolidated statements of profit or loss from the financial statement during the Track Record Period, details of which are set out in the Accountants’ Report in Appendix I to this document:

	FY2023 <i>RMB’000</i>	FY2024 <i>RMB’000</i>	FY2025 <i>RMB’000</i>
Revenue	341,093	322,218	407,442
Cost of sales	<u>(279,150)</u>	<u>(229,291)</u>	<u>(299,327)</u>
Gross profit	61,943	92,927	108,115
Other income	2,145	1,435	255
Impairment losses under expected credit loss (“ECL”) model, net of reversal	(2,142)	(9,139)	(20,686)
Other gains and losses	(181)	26	189
Research and development expenses	(16,100)	(17,451)	(15,451)
Selling expenses	(8,028)	(7,652)	(5,047)
Administrative expenses	(15,165)	(20,121)	(18,879)
Finance costs	(3,812)	(2,737)	(3,633)
Share of results of a joint venture	—	(15)	(4)
[REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>
Profit before tax	18,660	37,273	40,960
Income tax expense	<u>(1,124)</u>	<u>(3,236)</u>	<u>(4,041)</u>
Profit and total comprehensive income for the year	<u>17,536</u>	<u>34,037</u>	<u>36,919</u>
Profit (loss) and total comprehensive income (expense) for the year attributable to:			
Owners of the Company	19,372	34,234	37,229
Non-controlling interests	<u>(1,836)</u>	<u>(197)</u>	<u>(310)</u>
	<u>17,536</u>	<u>34,037</u>	<u>36,919</u>

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DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Revenue

We derive our revenue primarily from survey, design and consultancy services and EPC services. Please see “Business — Business Model” in this document for further details. We also generated revenue from other services, which primarily represented revenue from the provision of (i) O&M services for substations, transmission lines and PV power generation facilities; and (ii) investment in and operation of new energy power projects, with elements of power trading, whose revenue sources included sales of power to landlords or power grid companies.

Our mix of survey, design and consultancy services, EPC services and other services rendered may vary from time to time, which in turn affects our financial results due to the different operation model for each business stream.

Revenue by segments

The table below sets forth the breakdown of our revenue by business segments during the Track Record Period:

	FY2023		FY2024		FY2025	
	RMB'000	%	RMB'000	%	RMB'000	%
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 ^(Note)	3,005	0.9	14,519	4.5	8,816	2.2
Total	341,093	100.0	322,218	100.0	407,442	100.0

Note: Others primarily represented revenue from the provision of (i) O&M services for substations, transmission lines and PV power generation facilities; and (ii) investment in and operation of new energy power projects, with elements of power trading, whose revenue sources included sales of power to landlords or power grid companies.

During the Track Record Period, we generated most of our revenue from EPC services, which accounted for approximately 86.4%, 81.3% and 84.5% of our revenue for each of the FY2023, FY2024 and FY2025, respectively.

We also generate a portion of our revenue from our survey, design and consultancy services, which accounted for approximately 12.7%, 14.2% and 13.3% of our revenue for each of the FY2023, FY2024 and FY2025, respectively.

We derived all of our revenue from the PRC during the Track Record Period.

Cost of sales

Cost of sales by nature

Our cost of sales consisted of materials and components costs, direct labour costs, sub-contracting costs and other indirect costs. Our cost of sales were approximately RMB279.2 million, RMB229.3 million and RMB299.3 million for the FY2023, FY2024 and FY2025, respectively.

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The table below sets forth the principal components of our cost of sales during the Track Record Period:

	FY2023		FY2024		FY2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Materials and components costs	154,086	55.2	75,395	32.9	174,657	58.3
Direct labour costs	14,241	5.1	18,430	8.0	20,265	6.8
Sub-contracting costs	90,855	32.5	121,057	52.8	86,197	28.8
Other indirect costs	19,968	7.2	14,409	6.3	18,208	6.1
Total	279,150	100.0	229,291	100.0	299,327	100.0

Materials and components costs and sub-contracting costs accounted for the largest portion of our cost of sales, represented in aggregate approximately 87.7%, 85.7% and 87.1% of our cost of sales for FY2023, FY2024 and FY2025, respectively. The movement in our materials and components costs and sub-contracting costs during the Track Record Period generally aligned with the corresponding increase or decrease in our revenue.

Cost of sales by business segments

The table below sets forth a breakdown of cost of sales by business segments during the Track Record Period:

	FY2023		FY2024		FY2025	
	RMB'000	Percentage of cost of sales (%)	RMB'000	Percentage of cost of sales (%)	RMB'000	Percentage of cost of sales (%)
Survey, design and consultancy services	15,348	5.5	16,442	7.2	19,253	6.4
EPC services	262,072	93.9	204,606	89.2	274,158	91.6
Others	1,730	0.6	8,243	3.6	5,916	2.0
Total	279,150	100.0	229,291	100.0	299,327	100.0

During the Track Record Period, the movement in the cost of sales for each business segment generally aligned with the corresponding increase or decrease in revenue in that business segment.

Gross profit and gross profit margin

Our overall gross profit was approximately RMB61.9 million, RMB92.9 million and RMB108.1 million for the FY2023, FY2024 and FY2025, respectively. Our overall gross profit margin was approximately 18.2%, 28.8% and 26.5% for the FY2023, FY2024 and FY2025, respectively.

The following table sets forth a breakdown of our gross profit and gross profit margin by business segments during the Track Record Period:

	FY2023		FY2024		FY2025	
	Gross Profit RMB'000	Gross profit margin %	Gross Profit RMB'000	Gross profit margin %	Gross Profit RMB'000	Gross profit margin %
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
	61,943	18.2	92,927	28.8	108,115	26.5

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Other income

The following table sets forth a breakdown of our other income during the Track Record Period:

	FY2023 RMB'000	FY2024 RMB'000	FY2025 RMB'000
Bank interest income	163	138	28
Rental income	268	284	71
Management service income	82	92	57
Government grants (<i>Note</i>)	384	921	99
Additional deduction on value-added tax	1,248	—	—
	<u>2,145</u>	<u>1,435</u>	<u>255</u>

Note: These amounts mainly represent subsidies granted by local government authorities to support the operating activities of our Group, in which no future related cost is expected to be incurred. These government grants with no unfulfilled conditions were recognised when payments were received.

During the Track Record Period, our other income mainly represents (i) government grants from local governments to encourage business operation in the PRC; (ii) rental income for the lease of the 3rd floor of the building in which our headquarters are situated to third party lessee. Such lease ceased in April 2025; and (iii) bank interest income.

Impairment losses under ECL model, net of reversal

Our impairment losses under ECL model, net of reversal represented the expected credit losses or reversal of the expected credit loss on our trade receivables, contract assets and other receivables. Please refer to note 10 to the Accountants' Report as set out in Appendix I to this document for further details. Our impairment losses under ECL model, net of reversal amounted to approximately RMB2.1 million, RMB9.1 million and RMB20.7 million for the FY2023, FY2024 and FY2025, respectively.

Other gains and losses

The following table sets forth a breakdown of our other gains and losses during the Track Record Period:

	FY2023 RMB'000	FY2024 RMB'000	FY2025 RMB'000
Loss on disposal of property, plant and equipment	(1)	(17)	—
Fair value change on financial assets at FVTPL	21	1	—
Others	(201)	42	189
	<u>(181)</u>	<u>26</u>	<u>189</u>

Our other gains and losses mainly comprised of office maintenance fees, insurance compensation for company assets and proceeds from disposal of property, plant and equipment.

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R&D expenses

The following table sets forth a breakdown of our R&D expenses during the Track Record Period:

	FY2023		FY2024		FY2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Staff costs	10,526	65.4	13,611	78.0	13,298	86.1
Professional service fees	—	—	430	2.5	1,162	7.5
Material costs	4,992	31.0	2,724	15.6	—	—
Depreciation and amortisation	252	1.6	375	2.1	472	3.0
Others	330	2.0	311	1.8	519	3.4
Total:	16,100	100.0	17,451	100.0	15,451	100.0

Our R&D expenses consisted of (i) staff costs, primarily representing salaries and benefits for our R&D employees; (ii) professional service fees, mainly representing costs associated with outsourced software development services; (iii) material costs, mainly representing raw materials and products consumed during the R&D process; (iv) depreciation and amortisation of property, plant and equipment held by our R&D department and intangible assets; and (v) other miscellaneous R&D expenses.

For the FY2023, FY2024 and FY2025, our R&D expenses represented approximately 4.7%, 5.4% and 3.8% of our revenue, respectively.

Selling expenses

The following table sets forth a breakdown of our selling expenses during the Track Record Period:

	FY2023		FY2024		FY2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Staff costs	2,512	31.3	2,915	38.1	2,786	55.2
Entertainment expenses	2,590	32.3	2,173	28.4	669	13.3
Office and utility expenses	151	1.9	163	2.1	462	9.2
Office expenses	1,787	22.3	1,059	13.8	360	7.1
Travelling expenses	759	9.5	696	9.1	569	11.3
Depreciation and amortisation	89	1.1	83	1.1	75	1.5
Others	140	1.6	563	7.4	126	2.4
Total:	8,028	100.0	7,652	100.0	5,047	100.0

Our selling expenses consisted of (i) staff costs, primarily representing salaries and benefits for our sales personnel; (ii) entertainment expenses, primarily representing costs related to activities aimed at growing and expanding our business, including client meetings; (iii) office and utility expenses, primarily representing costs related to utilities, insurance and equipment maintenance; (iv) office expenses primarily representing costs related to our day-to-day operations, including office supplies, costs related to marketing activities such as advertisement placements, membership fees and tender fees; (v) travelling expenses, mainly representing meals, accommodations and other transportation costs incurred by our sales staff; (vi) depreciation and amortisation; and (vii) other miscellaneous selling expenses.

For the FY2023, FY2024 and FY2025, our selling expenses represented approximately 2.4%, 2.4% and 1.2% of our revenue, respectively.

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Administrative expenses

The following table sets forth a breakdown of our administrative expenses during the Track Record Period:

	FY2023		FY2024		FY2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Staff costs	8,457	55.8	10,952	54.4	11,051	58.5
Professional service fees	1,600	10.6	4,791	23.8	2,028	10.7
Rental and utility expenses	166	1.1	444	2.2	498	2.7
Office expenses	1,448	9.5	1,234	6.1	1,330	7.0
Travelling expenses	743	4.9	1,216	6.0	1,272	6.7
Depreciation and amortisation	888	5.9	1,022	5.1	990	5.2
Others	1,863	12.2	462	2.4	1,710	9.2
Total:	15,165	100.0	20,121	100.0	18,879	100.0

Our administrative expenses consisted of (i) staff costs, primarily representing salaries and benefits for our administrative staffs; (ii) professional service fees, mainly representing costs for services provided by external experts, including legal, auditing and advisory services; (iii) rental and utility expenses, incurred in relation to staff quarters rental, utilities, and renovation and maintenance; (iv) office expenses, mainly representing costs associated with our day-to-day operations, including office supplies, communication services and membership fees; (v) travelling expenses, mainly representing costs incurred by our administrative staff, including meals, accommodations, and transportation costs; (vi) depreciation and amortisation; and (vii) other miscellaneous administrative expenses, primarily relating to bank charges and other taxes.

For the FY2023, FY2024 and FY2025, our administrative expenses represented approximately 4.4%, 6.2% and 4.6% of our revenue, respectively.

Finance costs

Finance costs represented interest expenses on bank borrowings. For the FY2023, FY2024 and FY2025, our finance costs amounted to approximately RMB3.8 million, RMB2.7 million and RMB3.6 million, respectively.

Share of results of a joint venture

Share of results of a joint venture represented our proportionate share of the net loss of Shanxi Cellular, which was owned as to 50% by our Group. Share of profit/(loss) of a joint venture amounted to nil, approximately (RMB15,000) and (RMB4,000) for the FY2023, FY2024 and FY2025, respectively.

[REDACTED]

[REDACTED] represented expenses incurred in connection with the [REDACTED]. Our [REDACTED] amounted to [REDACTED], [REDACTED] and approximately [REDACTED] for the FY2023, FY2024 and FY2025, respectively.

Income tax expense

For the FY2023, FY2024 and FY2025, the income tax expenses incurred by us amounted to approximately RMB1.1 million, RMB3.2 million and RMB4.0 million, respectively. This represents an effective tax rate of approximately 6.0%, 8.7% and 9.9%, respectively, for the corresponding years.

We and our subsidiaries established in the PRC are generally subject to statutory income tax at a rate of 25% in accordance with the relevant PRC income tax laws, subject to preferential tax treatments available to certain qualified enterprises. Our Company has obtained high-tech enterprise certification and, accordingly, enjoy a preferential income tax rate of 15% during the Track Record Period. Certain of

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our subsidiaries in the PRC have been granted enterprise income tax concessions for small and low-profit enterprises by tax authorities in the PRC whereby enterprise income tax for such subsidiaries is paid at the tax rate of 20% during the Track Record Period.

Our effective tax rate is therefore dependent upon the incidence of items affecting assessable profits, including but not limited to, non-deductible expenses, statutory tax preferences and utilisation of tax losses not previously recognised. Please refer to note 11 to the Accountants’ Report as set out in Appendix I to this document for further details.

Our effective tax rate increased from approximately 6.0% for FY2023 to approximately 8.7% for FY2024, and further increased to approximately 9.9% for FY2025. The increase in effective tax rate during the Track Record Period was primarily due to the decrease in the proportion of tax deductible allowance for our R&D expenses associated with our R&D activities as compared against our profit before tax.

Non-IFRS Measure

To supplement our consolidated financial statements which are presented in accordance with the IFRS, we also use certain non-IFRS measure, namely, adjusted net profit (non-IFRS measure), as an additional financial metric. We define adjusted net profit (non-IFRS measure) as profit and total comprehensive income for the year with elimination of the deductions made on account of [REDACTED]. This non-IFRS measure is not required by or presented in accordance with IFRS. We believe that it facilitates comparison of our operating performance by eliminating potential impacts of [REDACTED], which are non-recurring and non-operating in nature, and presents our management and our Shareholders and [REDACTED] alike with useful information for understanding and evaluating our consolidated results of operations. However, this non-IFRS measure does not have a standardised meaning prescribed under the accounting standards and may therefore not be comparable to similar measures presented by other companies. The use of this non-IFRS measure has inherent limitations as an analytical tool and should not be considered in isolation from, or as a substitute for analysis of, our results of operations or financial position as reported under the IFRS.

The following table reconciles our adjusted net profit (non-IFRS measure) for the financial year stated with our profit and total comprehensive income for that financial year as presented in accordance with the IFRS:

	FY2025 <i>RMB’000</i>
Profit and total comprehensive income for the year	36,919
Add: [REDACTED]	<u>[REDACTED]</u>
Adjusted net profit (non-IFRS measure)	<u><u>[REDACTED]</u></u>

DISCUSSION OF RESULTS OF OPERATIONS

Year to year comparison of results of operations

FY2025 compared to FY2024

Revenue

Revenue increased by approximately 26.4% from approximately RMB322.2 million for FY2024 to approximately RMB407.4 million for FY2025, primarily due to an increase in revenue derived from our EPC services.

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Survey, design and consultancy services

Revenue generated from our survey, design and consultancy services increased by approximately 18.4% from approximately RMB45.8 million for FY2024 to approximately RMB54.3 million for FY2025. The increase was primarily due to increase in revenue recognised from survey, design and consultancy services given completion of projects.

EPC services

Revenue generated from our EPC services increased by approximately 31.5% from approximately RMB261.9 million for FY2024 to approximately RMB344.4 million for FY2025. The increase was primarily due to an increase in revenue recognised from new EPC service projects commenced during FY2025, which outweighed the revenue decline resulting from completion of certain projects during the same year.

Cost of sales

Our cost of sales increased by approximately 30.5% from approximately RMB229.3 million for FY2024 to approximately RMB299.3 million for FY2025. The increase was primarily due to an increase in our materials and components costs, which were in line with the increase of our revenue.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by approximately 16.3% from approximately RMB92.9 million for FY2024 to approximately RMB108.1 million for FY2025. Our gross profit margin decreased from approximately 28.8% for FY2024 to 26.5% for FY2025. The decrease in gross profit margin was primarily due to the increase in segment profit from EPC services which yielded a lower gross profit margin.

Gross profit margin of our survey, design and consultancy services remains relatively stable at approximately 64.1% and 64.5% for the FY2024 and FY2025, respectively.

Gross profit margin of our EPC services remains relatively stable at approximately 21.9% and 20.4% for the FY2024 and FY2025, respectively.

Other income

Our other income decreased by 82.2% from approximately RMB1.4 million for FY2024 to RMB0.3 million for FY2025. The decrease was primarily due to (i) a decrease in bank interest income resulting from the decrease in our cash and cash equivalents; (ii) a decrease in rental income, as the lease for the 3rd floor of the building in which our headquarters are situated to third party lessee ceased in April 2025; and (iii) a decrease in government grants.

Impairment losses under ECL model, net of reversal

Our impairment losses under ECL model, net of reversal increased by 126.3% from approximately RMB9.1 million for FY2024 to approximately RMB20.7 million for FY2025. The increase was primarily driven by an increase in our trade receivables and contract assets. The increase was generally in line with the increase in our average trade and bills receivable and contract assets (excluding retention receivables) turnover days in FY2025.

Other gains and losses

Our other gains and losses increased from RMB26,000 for FY2024 to RMB0.2 million for FY2025. The increase was primarily due to insurance compensation received for company assets.

R&D expenses

Our R&D expenses decreased by approximately 11.5% from approximately RMB17.5 million for FY2024 to approximately RMB15.5 million for FY2025. The decrease was primarily due to a decrease in material cost as we utilised AI technology for our R&D projects in FY2025.

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Selling expenses

Our selling expenses decreased by approximately 34.0% from approximately RMB7.7 million for FY2024 to approximately RMB5.0 million for FY2025. The decrease was primarily due to (i) a decrease in our staff costs resulting from a decrease in number of sales personnel; (ii) a decrease in our entertainment expenses; (iii) a decrease in our office expenses mainly due to decrease in tender fee, as we did not appoint external agent for preparation of tender documents in FY2025; and (iv) a decrease in our other miscellaneous selling expenses.

Administrative expenses

Our administrative expenses decreased by approximately 6.2% from approximately RMB20.1 million for FY2024 to approximately RMB18.9 million for FY2025. The decrease was primarily due to a decrease in professional service fees in relation to advisory services.

Finance costs

Our finance costs increased by approximately 32.7% from approximately RMB2.7 million for FY2024 to approximately RMB3.6 million for FY2025. The increase was primarily due to an increase in interest expense on bank borrowings associated with our net increase in interest-bearing bank borrowings.

Share of results of a joint venture

Our share of losses of a joint venture decreased from RMB15,000 for FY2024 to RMB4,000 for FY2025 due to the decrease in net loss of Shanxi Cellular, which was owned as to 50% by our Group.

[REDACTED]

We incurred **[REDACTED]** of approximately **[REDACTED]** for FY2025 in connection with the **[REDACTED]**.

Income tax expense

Our income tax expenses increased by approximately 24.9% from approximately RMB3.2 million for FY2024 to approximately RMB4.0 million for FY2025, primarily due to an increase in our profit before tax mainly attributable to the factors discussed in the foregoing, partially offset by the increase in deferred tax. Our effective tax rate increased from approximately 8.7% for FY2024 to approximately 9.9% for FY2025.

Profit and total comprehensive income for the year

As a result of the foregoing, our profit and total comprehensive income for the year increased by approximately 8.5% from approximately RMB34.0 million for FY2024 to approximately RMB36.9 million for FY2025.

FY2024 compared to FY2023

Revenue

Revenue decreased by approximately 5.5% from approximately RMB341.1 million for FY2023 to approximately RMB322.2 million for FY2024, primarily due to the decrease in revenue derived from our EPC services.

Survey, design and consultancy services

Revenue generated from our survey, design and consultancy services increased by approximately 5.6% from approximately RMB43.4 million for FY2023 to approximately RMB45.8 million for FY2024. The increase was primarily due to an increase in the number of survey, design and consultancy services projects.

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EPC services

Revenue generated from our EPC services decreased by approximately 11.1% from approximately RMB294.7 million for FY2023 to approximately RMB261.9 million for FY2024. The decrease was primarily due to a decrease in revenue resulting from completion of a significant project during FY2024, which outweighed the increase in revenue recognised from new EPC service projects commenced during the same year.

Cost of sales

Our cost of sales decreased by approximately 17.9% from approximately RMB279.2 million for FY2023 to approximately RMB229.3 million for FY2024. The decrease was primarily due to a decrease in our materials and components costs, which were in line with the decrease of our revenue.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by approximately 50.0% from approximately RMB61.9 million for FY2023 to approximately RMB92.9 million for FY2024 which was mainly due to the increase in segment gross profit of our EPC services of approximately RMB24.7 million. Our gross profit margin increased from approximately 18.2% for FY2023 to 28.8% for FY2024. The increase in gross profit margin was primarily due to an increase in our gross profit margin of our EPC services.

Gross profit margin of our survey, design and consultancy services remains relatively stable at 64.6% and 64.1% for the FY2023 and FY2024, respectively.

Gross profit margin of our EPC services increased from 11.1% for FY2023 to 21.9% for FY2024. In FY2023, we devoted substantial time and resources in an EPC project involving construction of PV panels for fish ponds, with a view to developing our experience in this type of EPC project, recording a relatively lower gross profit margin during the year. Our gross profit margin rebounded in FY2024 as we had not undertaken similar EPC projects during the year.

Other income

Our other income decreased by 33.1% from approximately RMB2.1 million for FY2023 to approximately RMB1.4 million for FY2024. The decrease was primarily due to the absence of additional deduction on VAT recorded in the corresponding year in FY2023. Our Company was entitled to a VAT reduction which was announced by the relevant tax authority in FY2023.

Impairment losses under ECL model, net of reversal

Our impairment losses under ECL model, net of reversal increased by 326.7% from approximately RMB2.1 million for FY2023 to approximately RMB9.1 million for FY2024. The increase was primarily driven by an increase in our trade receivables and contract assets. The increase was generally in line with the increase in our average trade and bills receivable and contract assets (excluding retention receivables) turnover days in FY2024.

Other gains and losses

Our other gains and losses increased from other losses of RMB0.2 million for FY2023 to other gains of RMB26,000 for FY2024. The increase was primarily due to the non-recurrence of one-off office maintenance fees that were recorded in the corresponding year in 2023.

R&D expenses

Our R&D expenses increased by approximately 8.4% from approximately RMB16.1 million for FY2023 to approximately RMB17.5 million for FY2024. The increase was primarily due to an increase in our staff costs resulting from an increase in the number of R&D staff and benefits for our R&D staff during FY2024.

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Selling expenses

Our selling expenses decreased by approximately 4.7% from approximately RMB8.0 million for FY2023 to approximately RMB7.7 million for FY2024. The decrease was primarily due to a decrease in our office expenses mainly due to decrease in advertisement placements in FY2024.

Administrative expenses

Our administrative expenses increased by approximately 32.7% from approximately RMB15.2 million for FY2023 to approximately RMB20.1 million for FY2024. The increase was primarily due to an increase in our staff costs resulting from an increase in the number of administrative staff and benefits for our administrative staff in FY2024.

Finance costs

Our finance costs decreased by approximately 28.2% from approximately RMB3.8 million for FY2023 to approximately RMB2.7 million for FY2024. The decrease was primarily due to a decrease in interest expense on bank borrowings associated with our decrease in interest-bearing bank borrowings.

Share of results of a joint venture

We did not recognise any share of results of a joint venture for FY2023 as Shanxi Cellular was only established in November 2023 and did not have any operation in FY2023. We recognised a share of losses of a joint venture of approximately RMB15,000 for FY2024 due to the net loss of Shanxi Cellular, which was owned as to 50% by our Group.

[REDACTED]

We did not incur any **[REDACTED]** for each of FY2023 and FY2024.

Income tax expense

Our income tax expenses increased by approximately 187.9% from approximately RMB1.1 million for FY2023 to approximately RMB3.2 million for FY2024, primarily due to an increase in our profit before tax mainly attributable to the factors discussed in the foregoing, partially offset by the increase in deferred tax. Our effective tax rate increased from approximately 6.0% for FY2023 to approximately 8.7% for FY2024.

Profit and total comprehensive income for the year

As a result of the foregoing, our profit and total comprehensive income for the year increased by approximately 94.1% from approximately RMB17.5 million for FY2023 to approximately RMB34.0 million for FY2024.

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DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets forth selected information from our consolidated statements of financial position as at the dates indicated, which has been extracted from the Accountant’s Report included in Appendix I:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	19,678	19,373	17,989
Intangible assets	1,051	1,370	1,032
Right-of-use assets	2,503	2,436	2,369
Investment in a joint venture	—	485	481
Restricted bank balances	195	1,405	1,455
Deferred tax assets	983	2,354	5,457
	<u>24,410</u>	<u>27,423</u>	<u>28,783</u>
CURRENT ASSETS			
Inventories	20,752	—	492
Contract costs	25,572	32,575	35,728
Trade and bills receivables	87,502	73,701	133,375
Other receivables and prepayments	11,419	9,142	29,573
Contract assets	37,269	247,427	384,532
Amount due from a joint venture	—	834	—
Financial assets at fair value through profit or loss (“FVTPL”)	507	402	—
Restricted bank balances	875	464	3,454
Cash and cash equivalents	40,498	21,394	14,585
	<u>224,394</u>	<u>385,939</u>	<u>601,739</u>
CURRENT LIABILITIES			
Trade and other payables	44,658	147,801	255,317
Provisions	—	368	69
Amount due to a joint venture	—	—	1,756
Contract liabilities	7,728	7,650	13,394
Bank borrowings	91,077	80,100	128,894
Tax payable	1,619	4,232	8,452
	<u>145,082</u>	<u>240,151</u>	<u>407,882</u>
NET CURRENT ASSETS	<u>79,312</u>	<u>145,788</u>	<u>193,857</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>103,722</u>	<u>173,211</u>	<u>222,640</u>
NON-CURRENT LIABILITY			
Bank borrowings	—	—	12,510
NET ASSETS	<u>103,722</u>	<u>173,211</u>	<u>210,130</u>

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Property, plant and equipment

Property, plant and equipment mainly comprised of buildings, electronic and other equipment and motor vehicles.

Our property, plant and equipment slightly decreased by approximately RMB0.3 million, from approximately RMB19.7 million as at 31 December 2023 to approximately RMB19.4 million as at 31 December 2024. The decrease was primarily due to the depreciation of property, plant and equipment during daily operation.

Our property, plant and equipment decreased by approximately RMB1.4 million, from approximately RMB19.4 million as at 31 December 2024 to approximately RMB18.0 million as at 31 December 2025. The decrease was primarily due to the depreciation of property, plant and equipment during daily operation.

Intangible Assets

Our intangible assets consisted of purchased software. Our intangible assets increased by approximately RMB0.3 million, from approximately RMB1.1 million as at 31 December 2023 to approximately RMB1.4 million as at 31 December 2024. The increase was primarily due to our acquisition of various specialised design software to enhance our operational capabilities. Our intangible assets decreased by approximately RMB0.3 million, from RMB1.4 million as at 31 December 2024 to RMB1.0 million as at 31 December 2025. The decrease was primarily due to amortisation.

Right-of-Use Assets

Our right-of-use assets primarily represented our lease contracts for land used in our operations.

Our right-of-use assets remained relatively stable at approximately RMB2.5 million, RMB2.4 million and RMB2.4 million as at 31 December 2023, 2024, 2025, respectively. The slight decrease in right-of-use assets as at 31 December 2023 and 2024 was primarily due to depreciation on a straight-line basis over lease terms at 2% per annum.

Investment in a joint venture

Investment in a joint venture represented our investment in 50% equity interest in Shanxi Cellular, which is the project company for our EPC project, the Wind Power Project under the Rural Revitalization Initiative in Loufan County, Taiyuan City, Shanxi Province. We recorded investment in a joint venture of nil, approximately RMB0.5 million and RMB0.5 million as at 31 December 2023, 2024 and 2025, respectively. Our investment in a joint venture remained relatively stable as at 31 December 2024 and 2025.

Contract Assets

Our contract assets represented our (i) unbilled revenue of EPC contracts, this represents our Group’s right to receive consideration for work completed but not yet billed because the rights are conditioned on the Group’s future performance in achieving specified milestones or the value of EPC work has to be agreed with our customers; and (ii) retention receivables of service contracts, this represents our Group’s right to receive consideration for work performed and our rights to receive consideration for work completed are conditional upon completion of the completion acceptance procedures for the relevant EPC projects, while the rights to receive the retention receivables are conditional on the satisfaction of the quality of the work completed by our customers over a certain period as stipulated in the contracts.

As at 31 December 2023, 2024 and 2025 we recorded contract assets of approximately RMB37.3 million, RMB247.4 million, RMB384.5 million, respectively. The increase in contract assets during the Track Record Period was mainly due to the increase in unbilled revenue of EPC contracts, which was generally in line with the expansion of our business scale.

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Our unbilled revenue of EPC contracts increased from approximately RMB36.3 million as at 31 December 2023 to approximately RMB229.4 million as at 31 December 2024, mainly attributable to the unbilled revenue for an EPC project with a major customer, a SOE, of approximately RMB126.3 million with construction work completed in FY2024 which was still pending completion of the completion acceptance procedures thereof as at 31 December 2024. SOE typically takes longer time to complete the completion acceptance procedures. As at 31 December 2025, our unbilled revenue of EPC contracts further increased to approximately RMB367.1 million. Such increase was mainly attributable to the unbilled revenue for an EPC project with a major customer of approximately RMB157.4 million with construction work completed in FY2025 pending completion of the completion acceptance procedures thereof, while some of our work completed in the prior year with a few customers was still pending for completion of the completion acceptance procedures thereof as at 31 December 2025.

Our retention receivables of service contracts increased from approximately RMB1.0 million as at 31 December 2023 to approximately RMB18.0 million as at 31 December 2024, mainly attributable to the increase in retention money for an EPC project with a major customer during FY2023. As at 31 December 2025, our retention receivables of service contracts amounted to approximately RMB17.4 million, which remained relatively stable.

The table below sets forth our contract assets as at the dates indicated:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Analysed as current:			
Unbilled revenue of EPC contracts	36,292	229,379	367,108
Retention receivables of service contracts	<u>977</u>	<u>18,048</u>	<u>17,424</u>
	<u><u>37,269</u></u>	<u><u>247,427</u></u>	<u><u>384,532</u></u>

The table below sets forth an ageing analysis of our retention receivables of services contracts based on the expected date of release:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Retention receivables of service contracts			
Due within one year	592	17,525	197
Due more than one year	<u>385</u>	<u>523</u>	<u>17,227</u>
	<u><u>977</u></u>	<u><u>18,048</u></u>	<u><u>17,424</u></u>

The following table sets forth our average trade and bills receivable and contract assets (excluding retention receivables) turnover days as at the dates as indicated:

	FY2023	FY2024	FY2025
	<i>days</i>	<i>days</i>	<i>days</i>
Average trade and bills receivable and contract assets (excluding retention receivables) turnover days (<i>Note</i>)	118	254	383

Note: Average trade and bills receivable and contract assets (excluding retention receivables) turnover days is calculated as the average of the beginning and ending trade and bills receivable and contract assets (excluding retention receivables) balances for the year, divided by revenue for that year, multiplied by 365 days.

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Our trade and bills receivable and contract assets (excluding retention receivables) turnover days were approximately 118 days, 254 days and 383 days for FY2023, FY2024 and FY2025, respectively. The increasing trade and bills receivable and contract assets (excluding retention receivables) turnover days for FY2024 and FY2025 was mainly attributable to the relatively higher amount of unbilled revenue as at 31 December 2024 and 31 December 2025 and the longer time to complete the completion acceptance procedures by SOE as explained above, respectively.

As at the Latest Practicable Date, (i) approximately RMB110.8 million (or approximately 28.9%) of our unbilled revenue of EPC contracts as at 31 December 2025 had been billed as trade receivables; and (ii) the respective warranty period to which RMB6,000 (or approximately 0.04%) of our retention receivables of service contracts as at 31 December 2025 relate had expired and such retention receivables had been billed as trade receivables.

Inventories

Our inventories comprised of unutilised construction materials. We generally maintain a low level of inventories as we generally require the delivery of construction materials procured by us to be delivered directly to the construction site for utilisation according to the project needs, but might have a small amount of unused inventories after completion of the EPC project which may be kept for future use. The carrying amount of our inventories as at 31 December 2023, 2024 and 2025 was approximately RMB20.8 million, nil and RMB0.5 million. Our inventories decreased from approximately RMB20.8 million as at 31 December 2023 to nil as at 31 December 2024 primarily because we had unutilised construction materials from prior EPC project as at 31 December 2023. Our inventories as at 31 December 2024 and 31 December 2025 remained low which was consistent with our inventory management and delivery arrangements in general.

Trade and bills receivables

Our trade and bills receivables primarily consisted of (i) trade receivables, representing the amount of money owed by our customers for billed services sold on credit terms; and (ii) bills receivables, representing bank acceptance bills that have been received from our customers.

The following table sets forth a breakdown of our trade and bills receivables as at the dates indicated:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables — contracts with customers	93,293	86,362	153,080
Less: allowance for credit losses	<u>(6,356)</u>	<u>(12,661)</u>	<u>(30,157)</u>
	86,937	73,701	122,923
Bills receivables	<u>565</u>	<u>—</u>	<u>10,452</u>
Total trade and bills receivables	<u><u>87,502</u></u>	<u><u>73,701</u></u>	<u><u>133,375</u></u>

Our trade and bills receivables decreased from approximately RMB87.5 million as at 31 December 2023 to approximately RMB73.7 million as at 31 December 2024, then increased to RMB133.4 million as at 31 December 2025. The fluctuation was consistent with the fluctuations in our revenue during the Track Record Period.

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The following table sets forth an ageing analysis of our trade and bills receivables, net of allowance for credit losses, based on dates of rendering of services recognised as at the dates indicated:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	62,664	52,177	102,443
1 year to 2 years	15,981	10,056	23,373
2 years to 3 years	5,174	8,113	2,619
More than 3 years	<u>3,683</u>	<u>3,355</u>	<u>4,940</u>
	<u>87,502</u>	<u>73,701</u>	<u>133,375</u>

The following table sets forth the past due analysis of the carrying amount of trade and bills receivables as at the dates as indicated:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Not yet past due	43,469	8,362	25,495
Past due less than 30 days	6,758	7,120	14,982
Past due more than 30 days but less than 365 days	13,739	37,739	61,972
Past due more than 365 days	<u>23,536</u>	<u>20,480</u>	<u>30,926</u>
	<u>87,502</u>	<u>73,701</u>	<u>133,375</u>

Trade and bills receivables that were past due more than 30 days accounted for approximately 42.6%, 79.0%, and 69.7% of our trade and bills receivables as at 31 December 2023, 2024 and 2025, respectively. The past due trade and bills receivables are not considered as in default because these trade receivables relate to a number of independent customers for whom there was no recent history of default and they have a good track record with our Group.

The following table sets forth our average trade and bills receivable turnover days as at the dates as indicated:

	FY2023	FY2024	FY2025
	<i>days</i>	<i>days</i>	<i>days</i>
Average trade and bills receivable turnover days (Note)	89	102	112

Note: Average trade and bills receivable turnover days is calculated as the average of the beginning and ending trade and bills receivable balances for the year, divided by revenue for that year, multiplied by 365 days.

We generally grant a credit period of nil to 60 days from the date of invoice to our customers during the Track Record Period. Our average trade and bills receivable turnover days for the FY2023, FY2024 and FY2025 were approximately 89 days, 102 days and 112 days, respectively. Our trade and bills receivables turnover days increased to approximately 102 days for FY2024, and further increased to 112 days for FY2025, which was primarily due to the delay in settlement of our trade receivables by a major customer, a SOE, in both FY2023 and FY2024, as reflected by the increase in our past due trade and bills receivables as at 31 December 2024 and 2025 respectively. During FY2023 and FY2024, a considerable amount of our work done completed the completion acceptance procedures during the year,

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entitling us to issue our invoices during the year. As SOEs typically involve relatively longer internal approval and settlement processes, the payment period for such receivables is generally longer than our average credit period.

During the Track Record Period, we have not experienced material recoverability issues for our trade and bills receivables. We sought to maintain strict control over our outstanding receivables and have a credit control system to minimise credit risk. Overdue balances were reviewed regularly by senior management and when appropriate, provides for impairment of these trade and bills receivables.

As at the Latest Practicable Date, approximately RMB38.0 million (or approximately 28.6%) of our trade and bills receivables outstanding as at 31 December 2025, had been subsequently settled.

Other receivables and prepayments

Our other receivables and prepayments primarily consisted of (i) deposits, mainly representing tender deposits, rental deposits and utility deposits; (ii) prepayments, mainly representing our prepayment made to our suppliers for purchase orders and consultancy services where payment has been made but the corresponding material or services have not yet been delivered; and (iii) other receivable from a third party.

The following table sets forth our other receivables and prepayments as at the dates as indicated:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deposit	913	908	1,351
Prepayments	9,455	6,953	15,375
Deferred issue cost	—	—	1,300
Other receivable from a third party	—	—	10,009
Others	<u>1,091</u>	<u>1,345</u>	<u>1,641</u>
	11,459	9,206	29,676
Less: allowance for credit losses	<u>(40)</u>	<u>(64)</u>	<u>(103)</u>
	<u><u>11,419</u></u>	<u><u>9,142</u></u>	<u><u>29,573</u></u>

Our other receivables and prepayments substantially decreased from approximately RMB11.4 million as at 31 December 2023 to approximately RMB9.1 million as at 31 December 2024. The decrease was primarily due to decrease in our prepayments, as a result of increase in inventories delivered to the construction site of our EPC projects.

Our other receivables and prepayments substantially increased from approximately RMB9.1 million as at 31 December 2024 to approximately RMB29.6 million as at 31 December 2025. The increase was primarily due to (i) increase in our prepayments of, among others, RMB5.0 million for certain work done of a potential EPC project; and (ii) increase in our other receivables from a third party (i.e. Party B as referred to below) which is in relation to a payable to a main contractor of our Group (“**Party A**”) arising from an EPC project (the “**Project**”) that is currently subject to dispute. During the year ended 31 December 2025, our Group was informed by a subcontractor for another project (“**Party B**”) that it acted as representative of a group of sub-contractors of Party A for the Project, requesting payment from us in respect of costs incurred for the Project. We made a payment to Party B of approximately RMB10.0 million during the FY2025. Our Directors consider that the payment to Party B was made on behalf of Party A and should be offset against the amount payable to Party A upon settlement of the dispute. As at 31 December 2025, the payment made to Party B has been recorded as other receivables. Under the Deed of Indemnity provided by Mr. Ren (one of our Controlling Shareholder), Mr. Ren has undertaken to fully indemnify our Group against, among others, any losses arising from this dispute.

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Cash and cash equivalents

Our cash and cash equivalents, being cash at bank for the purpose of meeting our short term cash commitment, amounted to approximately RMB40.5 million, RMB21.4 million and RMB14.6 million as at 31 December 2023, 2024 and 2025, respectively. Our Directors confirm that our bank and cash balances were maintained at a prudent level for the purpose of satisfying the requirements for our daily business operations.

As at 31 December 2023, 2024 and 2025, cash at banks earned effective interest rate at the range of 0.2%–1.35%, 0.1%–1.35% and 0.05%–1.35%, respectively.

Financial Assets at fair value through profit or loss (“FVTPL”)

Our financial assets at FVTPL during the Track Record Period mainly represented low risk financial products issued by banks in the PRC there were mainly for the purpose of short-term fund management, which can be withdrawn on demand. We had financial assets at FVTPL of approximately RMB0.5 million, RMB0.4 million and nil as at 31 December 2023, 2024 and 2025, respectively.

Trade and other payables

Our trade and other payables primarily consisted of (i) trade payables and accrued construction costs; (ii) salaries and wages payables to our employees; and (iii) other tax payables.

The following table sets forth the breakdown of our trade and other payables as at the dates as indicated:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables and accrued construction costs	38,256	119,842	215,768
Salaries and wages payables	4,227	5,292	5,453
Other tax payables (<i>Note</i>)	1,591	21,893	30,848
Advance receipt of rental payment	—	91	—
[REDACTED] payables	[REDACTED]	[REDACTED]	[REDACTED]
Accrued issue costs	—	—	517
Other payables	584	683	1,181
	<u>44,658</u>	<u>147,801</u>	<u>255,317</u>

Note: Our other tax payables mainly include various government levies and taxes such as real estate tax (房產稅), education surtax (教育附加稅), urban construction tax (城市建設維護稅), tenure tax (土地使用稅) and stamp duty (印花稅).

The increase in trade and other payables during the Track Record Period was generally in line with our business expansion and the corresponding rise in our purchase amounts during the Track Record Period, which mainly consisted of raw material purchases and sub-contracting services, as reflected by the increase in our contract assets during the Track Record Period. The increase in our other tax payables was generally in line with our corresponding rise in our billed revenue during the Track Record Period.

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The following table sets forth an ageing analysis of our trade payables based on the invoice date as at the dates as indicated:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Less than 1 year	36,296	108,913	117,247
More than 1 year and less than 2 years	1,160	10,483	91,289
More than 2 years and less than 3 years	265	100	6,856
More than 3 years	535	346	376
	<u>38,256</u>	<u>119,842</u>	<u>215,768</u>

The table below sets forth our average trade payable turnover days as at the dates as indicated:

	FY2023	FY2024	FY2025
	days	days	days
Average trade payable turnover days (<i>Note</i>)	31	126	205

Note: Average trade payable turnover days is calculated as the average of the beginning and ending trade payable balances for the year, divided by the cost of sales for that year, multiplied by 365 days.

Our average trade payable turnover days increased from approximately 31 days for FY2023 to approximately 126 days for FY2024, and further increased to 205 days for FY2025. The increase was primarily due to commercial negotiations with our suppliers and sub-contractors to align our payment schedules with the progress of our projects and the timing of our cash inflows from customers.

As at the Latest Practicable Date, approximately RMB33.0 million (or approximately 15.1%) of our trade payables outstanding as at 31 December 2025, had been subsequently settled.

Our Directors confirm that our Group did not have any material default in payment of trade payables during the Track Record Period.

Contract Liabilities

Our contract liabilities primarily represented advance received from customers for our services that had yet to be performed.

Our contract liabilities remained relatively stable at approximately RMB7.7 million and RMB7.7 million as at 31 December 2023 and 2024. Our contract liabilities increased to approximately RMB13.4 million as at 31 December 2025. The increase was primarily due to advance payments received from Customer Group D and another customer.

As at the Latest Practicable Date, approximately RMB6.5 million (or approximately 48.5%) of our contract liabilities outstanding as at 31 December 2025, had been recognised as revenue.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our principal cash requirement is for our working capital needs as well as other recurring expenses. During the Track Record Period, we principally financed our working capital and other liquidity requirements through a combination of cash generated from operations and bank borrowings. In the future, we expect to continue relying on cash flows from operation, the [REDACTED] from the [REDACTED] and other debt and equity financing to fund our working capital needs and finance part of our business expansion.

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Our capital structure represents equity attributable to Shareholders, comprising issued share capital and reserves including retained earnings. Our Directors shall review our capital structure regularly in order to balance our overall capital structure through new share issues and fund raising through new bank borrowings with reference to the capital costs and the associated risks.

Cash flows

The following table sets forth our consolidated statements of cash flows during the Track Record Period:

	FY2023 RMB'000	FY2024 RMB'000	FY2025 RMB'000
NET CASH USED IN OPERATING ACTIVITIES	(31,549)	(37,518)	(60,488)
NET CASH USED IN INVESTING ACTIVITIES	(2,348)	(3,324)	(3,209)
NET CASH FROM FINANCING ACTIVITIES	51,541	21,738	56,888
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	17,644	(19,104)	(6,809)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	22,854	40,498	21,394
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	40,498	21,394	14,585

Net cash used in operating activities

Cash flows from operating activities reflects profit before taxation for the year adjusted for (i) bank interest income, finance costs, fair value change on financial assets at FVTPL, share of results of a joint venture, depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of intangible assets, loss on disposal of property, plant and equipment and recognition of impairment losses under ECL model, net of reversal, which lead to the operating cash flow before movements in working capital; (ii) effects of cash flows arising from changes in working capital, includes increase or decrease in inventories, trade and bills receivables, contract assets, amount from/due to a joint venture, other receivables and prepayments, contract costs, trade and other payables, provisions and contract liabilities, which result in cash used in operations.

For FY2023, our net cash used in operating activities was approximately RMB31.5 million, while our profit before tax was approximately RMB18.7 million. The difference primarily represented upward adjustments for (i) finance costs of approximately RMB3.8 million; (ii) non-cash depreciation and amortisation of approximately RMB1.3 million in connection with our property, plant and equipment, right-of-use assets and intangible assets; and (iii) recognition of impairment loss under ECL model, net of reversal of approximately RMB2.1 million.

The amount was further adjusted by changes in itemised balances of working capital that had a negative effect on cashflow, including (i) an increase in inventories of approximately RMB20.8 million; (ii) an increase in trade and bills receivables of approximately RMB21.7 million; (iii) an increase in contract assets of approximately RMB19.1 million; (iv) an increase in contract costs of approximately RMB11.8 million; and (v) a decrease in contract liabilities of approximately RMB10.1 million, as well as changes in itemised balances of working capital that had a positive effect on cashflow, including an increase in trade and other payables of approximately RMB23.6 million.

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For FY2024, our net cash used in operating activities was approximately RMB37.5 million, while our profit before tax was approximately RMB37.3 million. The difference primarily represented upward adjustments for (i) finance costs of approximately RMB2.7 million; (ii) non-cash depreciation and amortisation of approximately RMB1.7 million in connection with our property, plant and equipment, right-of-use assets and intangible assets; and (iii) recognition of impairment loss under ECL model, net of reversal of approximately RMB9.1 million.

The amount was further adjusted by changes in itemised balances of working capital that had a negative effect on cashflow, including (i) an increase in contract assets of approximately RMB213.0 million; (ii) an increase in amount from a joint venture of approximately RMB0.8 million; and (iii) an increase in contract costs of approximately RMB6.5 million, as well as changes in itemised balances of working capital that had a positive effect on cashflow, including (i) a decrease in inventories of approximately RMB20.8 million; (ii) a decrease in trade and bills receivables of approximately RMB7.5 million; (iii) a decrease in other receivables and prepayments of approximately RMB5.4 million; and (iv) an increase in trade and other payables of approximately RMB100.0 million. Please see “Discussion of Certain Selected Items From the Consolidated Statements of Financial Position” in this section for further details on the changes in these items.

For FY2025, our net cash used in operating activities was approximately RMB60.5 million, while our profit before tax was approximately RMB41.0 million. The difference primarily represented upward adjustments for (i) finance costs of approximately RMB3.6 million; (ii) non-cash depreciation and amortisation of approximately RMB1.8 million in connection with our property, plant and equipment, right-of-use assets and intangible assets; and (iii) recognition of impairment loss under ECL model, net of reversal of approximately RMB20.7 million.

The amount was further adjusted by changes in itemised balances of working capital that had a negative effect on cashflow, including (i) an increase in inventories of approximately RMB0.5 million; (ii) an increase in trade and bills receivables of approximately RMB77.2 million; (iii) an increase in contract assets of approximately RMB140.3 million; (iv) an increase in other receivables and prepayments of approximately RMB19.2 million; and (v) an increase in contract costs of approximately RMB2.6 million, as well as changes in itemised balances of working capital that had a positive effect on cashflow, including (i) an increase in trade and other payables of approximately RMB107.0 million; and (ii) an increase in contract liabilities of approximately RMB5.7 million. Please see “Discussion of Certain Selected Items From the Consolidated Statements of Financial Position” in this section for further details on the changes in these items.

In light of our net operating cash outflows during the Track Record Period, we expect to improve our cash position primarily through (i) continuously increasing revenue through expansion of our survey, design and consultancy services and EPC services by maintaining amicable business relationships with existing customers; (ii) implementing cost control measures aimed at improving cost efficiency; (iii) enhancing our management of trade receivables by implementing a structured collection process with clear timelines and escalation procedures for overdue payments; (iv) implementing stricter control over non-essential operating expenses such as travel and office expenses, and defer non-urgent capital expenditures based on careful evaluation.

Net cash used in investing activities

Cash flows used in investing activities mainly relate to payments for purchase of property, plant and equipment and intangible assets, and placement of restricted bank balances.

For FY2023, our net cash flows used in investing activities was approximately RMB2.3 million, which was mainly due to (i) our purchase of property, plant and equipment and intangible assets of approximately RMB4.3 million; and (ii) our placement of restricted bank balances of approximately RMB1.3 million, partially offset by (i) our proceeds from disposal of property, plant and equipment of approximately RMB0.2 million; and (ii) our withdrawal of restricted bank balances of approximately RMB2.9 million.

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For FY2024, our net cash flows used in investing activities was approximately RMB3.3 million, which was mainly due to (i) our capital injection into a joint venture, Shanxi Cellular, of approximately RMB0.5 million; (ii) our purchase of property, plant and equipment and intangible assets of approximately RMB2.4 million; (iii) our purchase of financial assets of FVTPL of approximately RMB0.9 million; and (iv) our placement of restricted bank balances of approximately RMB1.7 million, partially offset by (i) our proceeds from maturity of financial assets at FVTPL of approximately RMB1.0 million; (ii) our proceeds from disposal of property, plant and equipment of approximately RMB0.3 million; and (iii) our withdrawal of restricted bank balances of approximately RMB0.9 million.

For FY2025, our net cash flows used in investing activities was approximately RMB3.2 million, which was mainly due to (i) our purchase of property, plant and equipment and intangible assets of approximately RMB0.6 million; and (ii) our placement of restricted bank balances of approximately RMB3.5 million, partially offset by (i) our proceeds from maturity of financial assets at FVTPL of approximately RMB0.4 million; and (ii) our withdrawal of restricted bank balances of approximately RMB0.5 million.

Net cash from financing activities

Cash flows generated from financing activities mainly relate to new bank borrowings raised.

For FY2023, our net cash flows from financing activities was approximately RMB51.5 million, which was mainly due to new bank borrowings of approximately RMB125.8 million, partially offset by (i) interest paid of approximately RMB3.8 million; (ii) repayment of bank borrowings of approximately RMB68.9 million; and (iii) repayment of borrowings from Mr. Ren of approximately RMB1.9 million.

For FY2024, our net cash flows from financing activities was approximately RMB21.7 million, which was mainly due to (i) new bank borrowings of approximately RMB80.0 million; and (ii) funds raised from issue of Shares of approximately RMB35.1 million, partially offset by (i) interest paid of approximately RMB2.8 million; and (ii) repayment of bank borrowings of approximately RMB91.0 million.

For FY2025, our net cash flows from financing activities was approximately RMB56.9 million, which was mainly due to (i) new bank borrowings of approximately RMB160.9 million, partially offset by (i) interest paid of approximately RMB3.5 million; and (ii) repayment of bank borrowings of approximately RMB99.8 million.

WORKING CAPITAL SUFFICIENCY

Taking into account the estimated [REDACTED] from the [REDACTED], cash and cash equivalents on hand, available banking facilities and cash flows from our operations, our Directors believe that our Group has sufficient working capital for our present requirements and for the next 12 months from the date of this document.

Save as disclosed in the section headed “Risk Factors” and note 37 of the Accountants’ Report contained in Appendix I to this document, our Directors are not aware of any other factors that would have a material impact on our liquidity. Details of the funds necessary to meet our existing operations and to fund our future plans are set out in the section headed “Future Plans and Use of [REDACTED]”.

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NET CURRENT ASSETS

The following table sets forth our current assets and current liabilities of our consolidated statements of financial position as at the dates indicated:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
CURRENT ASSETS				
Inventories	20,752	—	492	—
Contract costs	25,572	32,575	35,728	120,848
Trade and bills receivables	87,502	73,701	133,375	160,999
Other receivables and prepayments	11,419	9,142	29,573	21,852
Contract assets	37,269	247,427	384,532	221,734
Amount due from a joint venture	—	834	—	—
Financial assets at fair value through profit or loss (“FVTPL”)	507	402	—	—
Restricted bank balances	875	464	3,454	3,623
Cash and cash equivalents	40,498	21,394	14,585	18,284
Total current assets	<u>224,394</u>	<u>385,939</u>	<u>601,739</u>	<u>547,340</u>
CURRENT LIABILITIES				
Trade and other payables	44,658	147,801	255,317	178,985
Provisions	—	368	69	69
Amount due to a joint venture	—	—	1,756	1,756
Contract liabilities	7,728	7,650	13,394	244
Bank borrowings	91,077	80,100	128,894	152,928
Tax payable	1,619	4,232	8,452	26,185
Total current liabilities	<u>145,082</u>	<u>240,151</u>	<u>407,882</u>	<u>360,167</u>
NET CURRENT ASSETS	<u>79,312</u>	<u>145,788</u>	<u>193,857</u>	<u>187,173</u>

Our net current assets increased from approximately RMB79.3 million as at 31 December 2023 to approximately RMB145.8 million as at 31 December 2024, which was primarily due to (i) an increase in our contract assets of approximately RMB210.2 million, as partially offset by (i) a decrease in trade and bills receivables of approximately RMB13.8 million; (ii) a decrease in our cash and cash equivalents of approximately RMB19.1 million; (iii) an increase in our trade and other payables of approximately RMB103.1 million; and (iv) a decrease in bank borrowings of approximately RMB11.0 million.

Our net current assets increased from approximately RMB145.8 million as at 31 December 2024 to approximately RMB193.9 million as at 31 December 2025, which was primarily due to (i) an increase in our trade and bills receivables of approximately RMB59.7 million; (ii) an increase in our contract assets of approximately RMB137.1 million; and (iii) an increase in other receivables and prepayments of approximately RMB20.4 million, as partially offset by (i) an increase in our trade and bills payables of approximately RMB107.5 million; and (ii) an increase in our bank borrowings of approximately RMB48.8 million.

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Our net current assets decreased from approximately RMB193.9 million as at 31 December 2025 to approximately RMB187.1 million as at 31 March 2026, which was primarily due to (i) an increase in contact costs of approximately RMB85.1 million; (ii) an increase in trade and bills receivables of approximately RMB27.6 million; (iii) an increase in cash and cash equivalents of approximately RMB3.7 million; (iv) a decrease in trade and other payables of approximately RMB76.3 million; and (v) a decrease in contract liabilities of approximately RMB13.2 million, as partially offset by (i) a decrease in contact assets of approximately RMB162.8 million; (ii) an increase in bank borrowings of approximately RMB24.0 million; and (iii) an increase in tax payable of approximately RMB17.7 million.

INDEBTEDNESS

The table below sets forth our total indebtedness as at 31 December 2023, 2024 and 2025 and 31 March 2026, respectively:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
Current				
Bank borrowings	91,077	80,100	128,894	152,928
Non-current				
Bank borrowings	—	—	12,510	3,176
Total	<u>91,077</u>	<u>80,100</u>	<u>141,404</u>	<u>156,104</u>

Note: Our bank borrowings as at the respective year end/period end date were guaranteed by Mr. Ren, Ms. Xu (spouse of Mr. Ren) and/or Mr. Ren Shuning (son of Mr. Ren) and/or secured by parts of our trade receivables and our building (as the case may be).

Bank borrowings

We had bank borrowings with a carrying value of approximately RMB91.1 million, RMB80.1 million, RMB141.4 million and RMB156.1 million, respectively as at 31 December 2023, 2024 and 2025 and 31 March 2026, respectively. These bank borrowings were guaranteed by Mr. Ren, Ms. Xu (spouse of Mr. Ren) and/or Mr. Ren Shuning (son of Mr. Ren) and/or secured by parts of our trade receivables and our building (as the case may be). The relevant banks have given their in principle consent to release guarantees given by Mr. Ren, Ms. Xu and Mr. Ren Shuning in respect of such borrowing which were still outstanding as at the Latest Practicable Date, upon [REDACTED].

Our bank borrowings with a carrying value of approximately RMB91.1 million, RMB80.1 million and RMB128.9 million as at 31 December 2023, 2024 and 2025 were repayable within one year. Our bank borrowings with a carrying value of nil, nil and approximately RMB12.5 million were repayable within a period of more than one year but not exceeding two years.

Our bank borrowings as at 31 December 2023, 2024 and 2025 were with fixed interest rate and the effective interest rates in respect of such bank borrowings ranged from 3.3%–5.3%, 3.3%–4.55% and 2.4%–4.2%, respectively.

Loan agreements in respect of our bank borrowings during the Track Record Period contained standard covenants that restricted us on, among others, the use of borrowed funds and we are required to notify and/or obtain prior written consent from the banks upon, among others, changes in controlling shareholders or de facto controller of our Company, occurrence of merger, consolidation, acquisition, split-up, share transfer, material increase in bank borrowings, investment in a joint venture, change of business scope, sale or dispose of material assets, corporate reorganisation, significant external investments, undertaking of additional debt financing, material litigation or winding-up or bankruptcy or change in registered capital.

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Any breach of, or adverse changes to, these key terms could lead to the acceleration of our repayment obligations or loss of access to financing, which could materially and adversely impact our liquidity, financial condition, and overall financial viability.

Our Directors confirm that we had no material defaults in bank borrowings, nor did we breach any covenants (that were not waived) during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that during the Track Record Period and up to the Latest Practicable Date, we did not experience any difficulties in obtaining bank borrowings.

We maintain facilities with a number of commercial banks in support of our operations. As at 31 March 2026, being the latest practicable date for the purpose of the indebtedness statement, we had banking facilities of approximately RMB185.0 million, of which approximately RMB72.9 million was unutilised.

Contingent liability

As at 31 December 2023, 2024 and 2025, 31 March 2026 (being the latest practicable date for the purpose of the indebtedness statement) and up to the Latest Practicable Date, we did not have any material contingent liabilities.

Save as aforesaid or as otherwise disclosed herein and apart from intra-group liabilities, our Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, debentures, mortgages, charges, finance lease or hire purchases commitments, guarantees, material covenants, or other material contingent liabilities.

COMMITMENTS

As at 31 December 2023, 2024 and 2025, we did not have any capital commitments.

CAPITAL EXPENDITURE

During the Track Record Period, we incurred capital expenditures for the purchases of property, plant and equipment and intangible assets to support our growth of operations. Such capital expenditures were primarily funded by our internal financial resources including cash generated from operations and bank borrowings. For the FY2023, FY2024 and FY2025, we incurred capital expenditure of approximately RMB4.3 million, RMB2.4 million and RMB0.6 million, respectively.

We will continue to make capital expenditures to support the expected growth of our business and expansion plans. We expect to finance our capital expenditures through cash flow from operating activities, unutilised bank borrowing and the estimated [REDACTED] from the [REDACTED]. Please see “Future Plans and Use of [REDACTED]” in this document for further details. Our current capital expenditure plans for any future period are subject to change, and we may adjust our capital expenditure according to future cash flows, results of operations, financial conditions, market conditions and various other factors.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we did not have any material off-balance sheet commitments or arrangements.

PROPERTY INTERESTS AND VALUATION OF PROPERTY

Vincorn Consulting and Appraisal Limited, an independent property valuer, has valued our property interests as at 28 February 2026. The full text of the letter, summary of valuation and valuation certificate with respect to such property interests are set out in Appendix III to this document.

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The table below sets forth the reconciliation between the net book value of the relevant property interests as at 31 December 2025 and the valuation as at 28 February 2026 as set out in Appendix III to this document:

	<i>RMB'000</i>
Net book value of our property interests as at 31 December 2025 — Buildings	14,933
Adjustments for the two months ended 28 February 2026	
— Depreciation	(106)
Net book value of our property interests as at 28 February 2026	14,827
Net valuation surplus	23,873
Valuation of our property interests as at 28 February 2026 as set out in the property valuation report in Appendix III to this document	38,700

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios for the years indicated and should be read in conjunction with the Accountants’ Report included as Appendix I to this document:

	FY2023	FY2024	FY2025
Profit Indicators			
Return on equity ⁽¹⁾	16.9%	19.7%	17.6%
Return on total assets ⁽²⁾	7.0%	8.2%	5.9%
Gross profit margin ⁽³⁾	18.2%	28.8%	26.5%
Net profit margin ⁽⁴⁾	5.1%	10.6%	9.1%
Liquidity			
Current ratio (<i>times</i>) ⁽⁵⁾	1.55	1.61	1.48
Quick ratio (<i>times</i>) ⁽⁶⁾	1.40	1.61	1.47
Gearing ratio ⁽⁷⁾	87.8%	46.2%	67.3%

Notes:

1. Return on equity is calculated based on our profit and total comprehensive income for each reporting year divided by the total equity as at the end of each reporting year and multiplied by 100%.
2. Return on total assets is calculated based on our profit and total comprehensive income for each reporting year divided by the total assets as at the end of each reporting year and multiplied by 100%.
3. Gross profit margin is calculated based on the gross profit for each reporting year divided by total revenue for each reporting year and multiplied by 100%.
4. Net profit margin is calculated based on the net profit for each reporting year divided by the total revenue for each reporting year and multiplied by 100%.
5. Current ratio is calculated based on the total current assets divided by the total current liabilities as at the end of each reporting year.
6. Quick ratio is calculated based on our total current assets excluding inventories divided by the total current liabilities as at the end of each reporting year.
7. Gearing ratio is calculated based on our debt (total bank borrowings) divided by our total equity as at the end of each reporting year and multiplied by 100%.

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Return on equity

Our return on equity increased from 16.9% as at 31 December 2023 to 19.7% as at 31 December 2024, primarily due to the increase in our profit and total comprehensive income for the year as a result of the reasons discussed in the paragraph headed “Discussion of Results of Operations — Year to Year Comparison of Results of Operations” in this section. Our return on equity decreased to 17.6% as at 31 December 2025, which was mainly due to the lower rate of increase in our profit and total comprehensive income for the year at approximately 8.5%, as a result of the reasons discussed in the paragraph headed “Discussion of Results of Operations — Year to Year Comparison of Results of Operations” in this section, versus the approximately 21.3% increase in total equity as at 31 December 2025, mainly driven by the approximately 25.6% growth in our reserves which was mainly attributable to the net profit for FY2025.

Return on total assets

Our return on total assets increased from approximately 7.0% as at 31 December 2023 to approximately 8.2% as at 31 December 2024, which was mainly due to increase in our profit and total comprehensive income for the year as a result of the reasons discussed in the paragraph headed “Discussion of Results of Operations — Year to Year Comparison of Results of Operations” in this section. Our return on total assets decreased to approximately 5.9% as at 31 December 2025, which was mainly due to an increase in our total assets attributable to the expansion of our business.

Gross profit margin

Please see “Discussion of Results of Operations — Year to Year Comparison of Results of Operations” in this section for further details on the changes in our gross profit margin during the Track Record Period.

Net profit margin

Our net profit margin increased from approximately 5.1% as at 31 December 2023 to approximately 10.6% as of 31 December 2024, which was mainly due to increase in our profit and total comprehensive income for the year as a result of the reasons discussed in the paragraph headed “Discussion of Results of Operations — Year to Year Comparison of Results of Operations” in this section. Our net profit margin decreased to approximately 9.1% as at 31 December 2025, which was mainly due to the lower rate of increase in our profit and total comprehensive income for the year as a result of the reasons discussed in the paragraph headed “Discussion of Results of Operations — Year to Year Comparison of Results of Operations” in this section.

Current ratio

Our current ratio remained relatively stable at approximately 1.55 times, 1.61 times and 1.48 times as at 31 December 2023, 2024 and 2025, respectively.

Quick ratio

Our quick ratio remained relatively stable at approximately 1.40 times, 1.61 times and 1.47 times as at 31 December 2023, 2024 and 2025, respectively.

Gearing ratio

Our gearing ratio decreased from approximately 87.8% as at 31 December 2023 to approximately 46.2% as at 31 December 2024 and increased to approximately 67.3% as at 31 December 2025, which was primarily due to the fluctuation in our bank borrowings to support our business operation.

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RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. During the Track Record Period, our related party transactions involved amount due from a joint venture, Shanxi Cellular. Our Directors are of the view that each of the related party transactions set out in note 39 to the Accountant’s Report as set out in Appendix I to this document were conducted at arm’s length and on normal commercial terms or better, and would not distort our results of operations over the Track Record Period or make our historical results over the Track Record Period not reflective of our expectations for our future performance. For details of our related party transactions during the Track Record Period, please refer note 39 to the Accountant’s Report as set out in Appendix I to this document.

DISCLOSURE ABOUT FINANCIAL RISKS

During the Track Record Period, our principal financial instruments comprised, among others, financial assets at FVTPL, cash and cash equivalents, restricted bank balances, trade and bills receivable, other receivables, bank borrowings and trade and other payables.

The risks associated with these financial instruments include market risks (interest rate risk), credit risk and liquidity risk. Our management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The policies on how to mitigate these risks are summarised below:

Interest rate risk

We are exposed to fair value interest rate risk in relation to bank borrowings. We are also exposed to cash flow interest rate risk in relation to variable-rate bank balances and restricted bank balances. Our Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook.

Credit risk

Credit risk refers to the risk that our counterparties default on their contractual obligations resulting in financial losses to us. Our credit risk exposures are primarily attributable to trade and bills receivables, contract assets, certain other receivables, amounts due from subsidiaries, restricted bank balances and cash and cash equivalents. We do not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risks associated with bills receivables is mitigated because settlement of certain bills receivables are backed by bills issued by reputable banks and financial institutions. Except for financial assets at FVTPL, we performed impairment assessment for financial assets and contract assets under ECL model.

We manages the risk with respect to restricted bank balances and bank balances by placing in or entered into the contract with the banks with high reputation only. We have policies in place to ensure that sales are made to reputable and creditworthy customers with an appropriate financial strength and credit history. We have other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Directors, which has built an appropriate liquidity risk management framework for the management of our Group’s short, medium and long-term funding and liquidity management requirements. Our Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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We are satisfied that we will have sufficient financial resources to meet our financial obligations as they fall due in the foreseeable future by taking into account our cash flow projection, and our future capital expenditure in respect of our non-cancellable capital commitments, our management considers that we have sufficient working capital to meet in full our financial obligations as they fall due for at least the next twelve months from the end of each reporting period.

DIVIDEND

According to the PRC law, with respect to distribution of any future net profit of the current year that we make, we will be obliged to allocate 10% of our net profit to our statutory reserve fund until such fund has reached more than 50% of our registered capital. If our statutory reserve is insufficient to cover previous years’ losses, the current year’s profits shall first be used to cover such losses before being set aside. We will therefore only be able to declare dividends after (i) all our historically accumulated losses, if any, have been made up for; and (ii) we have allocated sufficient net profit to our statutory reserve fund as described above.

Our dividend policy is formally set forth in our Articles of Association. As the overarching principle, our profit distribution plan should emphasise providing investors with reasonable returns where account should also be taken of our actual operating condition in the relevant financial year and the sustainable development of our business, and we should seek to maintain continuity and stability of our profit distribution policy, and compliance with the relevant regulatory requirement.

Under our dividend policy, profit distribution may be made by means of payment of cash dividends, issue of scrip shares or a combination of both. We may also pay interim dividends. In deciding the profit distribution method, priority should be given to payment of cash dividends, provided that the following conditions are met: (i) compliance with the relevant regulatory requirements with respect to setting aside the necessary amount to the statutory reserve fund as described above; (ii) we record distributable profit (i.e. profit after tax after making up for losses and appropriations for reserves) for the relevant financial year; (iii) our aggregate distributable profit is positive; (iv) no material investment plan or material cash expenditure event has occurred; and (v) our cash flows are sufficient to meet our needs in connection with our daily operations and sustainable development. Under the premise of a reasonable share capital scale and equity structure, our Company may consider additionally make profit distribution by means of issue of scrip shares or capitalisation of surplus reserves. Any proposed profit distribution plan is subject to the discretion of our Board and approval at a Shareholders’ meeting.

No dividend has been paid or declared by us during the Track Record Period.

DISTRIBUTABLE RESERVES

As at 31 December 2025, we had approximately RMB119.4 million of retained earnings available for distribution to our Shareholders.

[REDACTED]

The [REDACTED] to be borne by us are estimated to be approximately [REDACTED] (based on the [REDACTED] of [REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED] range stated in this document), representing approximately [REDACTED] of the estimated [REDACTED] from the [REDACTED], assuming the [REDACTED] is not exercised at all. Our [REDACTED] consist of (i) [REDACTED]-related expenses, including [REDACTED] commission, of approximately [REDACTED]; and (ii) non-[REDACTED]-related expenses of [REDACTED], comprising (a) fees and expenses of our legal advisers and reporting accountants of approximately [REDACTED]; and (b) other fees and expenses of approximately [REDACTED].

During the Track Record Period, we incurred approximately [REDACTED] of [REDACTED]. Subsequent to the Track Record Period, approximately [REDACTED] million of our [REDACTED] are expected to be charged to our consolidated statements of profit or loss, and the remaining [REDACTED] of our [REDACTED] are expected to be accounted for as a deduction from equity upon [REDACTED].

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We do not consider any of the above components of our [REDACTED] to be unusually high for our Group. The [REDACTED] stated above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate. The actual amount to be recognised is subject to adjustments based on audit and the then changes in variables and assumptions. [REDACTED] should note that the financial performance of our Group for the year ending 31 December [REDACTED] may be materially and adversely affected by the [REDACTED] mentioned above.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

Please see “Appendix II — Unaudited [REDACTED] Financial Information” in this document for further details.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors confirmed that, save for the [REDACTED] as disclosed in the paragraph headed “[REDACTED]” in this section, since 31 December 2025, being the end of the Track Record Period, and up to the date of this document, there has been no material adverse change in the financial or trading position of our Group, and that there has been no event since 31 December 2025 that would materially affect the information in the Accountants’ Report presented in Appendix I to this document.

DISCLOSURE REQUIRED UNDER CHAPTER 13 OF THE LISTING RULES

Our Directors confirmed that, as at the Latest Practicable Date, there were no circumstances that would give rise to disclosure required under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND [REDACTED]

FUTURE PLANS

See the section headed “Business-Business Strategies” for detailed description of our future plans.

USE OF [REDACTED]

Assuming an [REDACTED] of [REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED] range of [REDACTED] to [REDACTED] per [REDACTED], and assuming that the [REDACTED] is not exercised at all, we estimate that we will receive [REDACTED] of approximately [REDACTED] from the [REDACTED] (after deducting the estimated [REDACTED] commissions and other fees and expenses payable by us in connection with the [REDACTED]).

We currently intend to apply the [REDACTED] from the [REDACTED] for the following purposes:

Advance business workflow and solution offerings with AI

Approximately [REDACTED] of the [REDACTED], or [REDACTED], will be used to develop AI platforms to enhance our business workflow and solution offerings. In this connection, we plan to upgrade and further the application of our Zeno AI design platform that will increase the efficiency of our design workflow, continuously upgrade our AI technology for its application to survey operations, develop AI-powered full-cycle management platform for EPC business, and develop AI model for application in our O&M solutions for new energy facilities. The development of the above platform and technology requires investments in manpower for R&D team, develop computing power, data and model development, terminal equipment development, acquisition and installation, develop and management of intellectual property rights and data security.

- **Expansion of R&D team.** To acquire the necessary expertise, we plan to allocate approximately [REDACTED] of the [REDACTED], or [REDACTED], for recruiting R&D experts in, including but not limited to, algorithm engineering, infrastructure, AI learning and inference, mobile application development and product testing. We plan to increase our R&D headcount by 10, 28 and 14 for the above functions for FY2026, FY2027 and FY2028, respectively. The new recruits will be holders of bachelor’s degrees or above with relevant work experience.
- **Upgrade computing power.** To apply AI in our workflow and solution offerings, we need to develop and install high performance GPU cluster and distributed storage system to support the power model training and instant inference. In this connection, we plan to allocate approximately [REDACTED] of the [REDACTED], or [REDACTED], for upgrading our GPU server, CPU server, storage system, high-speed network service and server rooms etc. These upgrades mostly require purchase of hardware from qualified vendors.
- **Data and model development.** The application of AI on survey and O&M requires collection, learning and inference of data. The development of AI-powered O&M system comprises (i) digital twin simulation system that integrates physical power plants and multi-dimensional weather data for monitoring and maintenance; (ii) multi-dimensional IoT sensor network that collects and analyses data of power plant, environmental condition and quality of power generated for monitoring and maintenance purposes; (iii) AI diagnosis and alert hub

FUTURE PLANS AND [REDACTED]

that identifies anomaly of power plant (such as abnormal vibration) under extreme adverse weather conditions, alert the power plant operator of such abnormality and provide preventive protection solutions; and (iv) AI deployment and operating platform which coordinates repair and maintenance teams across the country and assigns the most appropriate team to the subject site. In this connection, we plan to allocate approximately [REDACTED] of the [REDACTED], or [REDACTED], for developing visual algorithm and modelling, digital twin modelling, drone autonomous flying model and patrol robots modelling, among other things. The development of these models requires special expertise and thus we shall outsource development of these models to qualified firms.

- **R&D of terminal equipment.** The R&D of AI applications for design workflow, EPC management and O&M solutions requires development of corresponding hardware. In this regard, we plan to allocate approximately [REDACTED] of the [REDACTED], or [REDACTED], for acquiring the hardware and raw materials for R&D as well as moulding for the hardware for the foregoing AI applications. The manpower costs for software development are included in the paragraph “Expansion of manpower team” above. The hardware includes mainly AI equipment for drones, hardware for augmented reality, real-time monitoring system for construction sites etc.
- **Managing intellectual property rights and data security.** The foregoing development of AI applications generates technologies or data that are proprietary to us. In this regard, we plan to allocate approximately [REDACTED] of the [REDACTED], or [REDACTED], on applying for intellectual property rights protection or enhancing data security measures.

The successful implementation of the foregoing AI application will achieve the following targets:

	Target achievement		
	FY2026	FY2027	FY2028
Infrastructure	Construct infrastructure with fundamental computing and storage capacity to support development work	Upgrade the infrastructure and equip it with more advanced development and operation capacity to address the needs of different systems	Further upgrade the infrastructure to achieve fully AI-powered operation

FUTURE PLANS AND [REDACTED]

		Target achievement	
	FY2026	FY2027	FY2028
Zeno AI Design Platform	Extend the platform’s handling capacity to cover not less than 30 design procedures	Extend the platform’s handling capacity to cover not less than 80 design procedures and equip it with complete AI agents (智能體)	Extend the platform’s handling capacity to cover the whole design workflow and achieve partially-unmanned AI-powered design and administrative workflows
AI-powered O&M system	Develop AI-powered automated repair work assignment, alerting and data analysis functions	Adopt fully-unmanned AI-powered management of O&M services for PV power generation facilities, and AI image recognition in respect of defects in wind turbines	Implement fully-unmanned AI-powered O&M of PV and wind power generation facilities
AI-powered EPC management platform	Apply AI in analysing project progress, including project progress forecasting and visualisation	Utilise AI to perform project-site monitoring and supply-chain management functions	Enable complete AI-powered project-site monitoring, project management and supply chain management procedures

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

Approximately [REDACTED]% of the [REDACTED], or [REDACTED], will be used to develop and launch our AI-powered O&M services. In this connection, we plan to acquire the necessary hardware for developing and testing our O&M system and setting up the requisite base stations, equipment and devices at the project sites of our on-site O&M monitoring systems. We will focus on business development across the PRC and overseas markets.

FUTURE PLANS AND [REDACTED]

- **Expansion of solution team.** To acquire the necessary expertise, we plan to allocate approximately [REDACTED] of the [REDACTED], or [REDACTED], for recruiting software and hardware R&D experts, operation technicians, marketing and after-sales staff. Set out below is our recruitment plan:

	FY2026	FY2027	FY2028
R&D team	11	15	2
Operation technicians	4	12	11
Marketing team	—	4	4
After-sales team	—	—	4
	<u>15</u>	<u>31</u>	<u>21</u>
Total	<u>15</u>	<u>31</u>	<u>21</u>

The new recruits will be holders of bachelor’s degrees or above with relevant work experience.

- **Hardware for R&D.** We plan to allocate approximately [REDACTED]% of the [REDACTED], or [REDACTED], for acquiring the hardware for developing and testing our O&M system. The hardware includes vibration sensor, electricity current sensor, power base station, surveillance terminals and integrated smart cleaning system for PV power plants; vibration sensor, real-time monitoring facilities and O&M robots for wind power plants.
- **Hardware for commercial launch.** Hardware for setting up our on-site O&M monitoring systems include mainly base stations and sensors. The amount of hardware required is directly proportional to the amount of power output. The power output and our O&M contract sum for a distributed PV power plant is far less than that of a centralised PV power plant. Accordingly, we anticipate that our total hardware expenditure for distributed PV power projects will be much less than that for centralised PV power projects. We plan to allocate approximately [REDACTED] of the [REDACTED], or [REDACTED], for acquiring and installing hardware over the coming three financial years for the commercial launch of our AI-powered O&M system.
- **Business development and others.** We plan to allocate approximately [REDACTED]% of the [REDACTED], or [REDACTED], for business travel, preliminary survey, tender and hardware certification.

Increase investments in new energy power projects

We anticipate that investments in new energy power projects will provide satisfactory return, diversify our income base and provide steady income, without giving rise to significant investment risks. In this connection, we plan to allocate approximately [REDACTED]% of the [REDACTED], or [REDACTED], for investments in distributed PV power generation projects in industrial and commercial sectors. We prioritise newly planned projects so that we can capitalise on our design and EPC expertise for effective implementation and cost control during design and construction stage, thus

FUTURE PLANS AND [REDACTED]

increasing our investment return. Our geographical focus will include Guangzhou, Foshan, Dongguan, Zhuhai and Zhongshan. Our investments will mainly be spent on purchase of equipment and materials, design and construction, human resources, O&M and business development.

Further develop EPC business

We plan to allocate approximately [REDACTED]% of our [REDACTED], or [REDACTED], for furthering our grid-connection testing services for new energy power projects. We assisted customers in complying with the grid-connection testing requirements as part of our EPC services during the Track Record Period and do not anticipate any material upgrade of software and hardware by our R&D team in the future. We are acquiring in-house grid-connection testing equipment and devices to optimise project costs and efficiency, while developing the capability to provide future licensed commercial services. We understand that Guangdong, Shanxi and Yunnan Province have numerous new energy projects that require grid-connection testing services; thus we shall focus our business development efforts on these provinces. We anticipate that the [REDACTED] allocated will be used for purchases of equipment, which include mainly data collection and analysis equipment for new energy, high-low voltage signal simulators, power grid simulators, simulation modelling platforms and smart laboratory management systems.

General working capital

We plan to allocate approximately [REDACTED]% of the [REDACTED], or [REDACTED], for working capital and general corporate purposes.

Set forth below is our expected time frame for use of the [REDACTED] from the [REDACTED] in accordance with the above allocation:

	2H2026	1H2027	2H2027	1H2028	2H2028	Total
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Advance business workflow and solution offerings with AI	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Develop and launch AI-powered O&M services for new energy power projects	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Increase investments in new energy power projects	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Further develop EPC business	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
General working capital	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total [REDACTED] from the [REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>

FUTURE PLANS AND [REDACTED]

Assuming that the [REDACTED] is not exercised at all, the [REDACTED] from the [REDACTED] will (1) increase to approximately [REDACTED] if the [REDACTED] is fixed at [REDACTED] per [REDACTED] (being the high end of the indicative [REDACTED] range); and (2) decrease to [REDACTED] if the [REDACTED] is fixed at [REDACTED] per [REDACTED] (being the low end of the indicative [REDACTED] range).

Assuming that the [REDACTED] is exercised in full, the [REDACTED] from the [REDACTED] will amount to (1) approximately [REDACTED] if the [REDACTED] is fixed at [REDACTED] per [REDACTED] (being the high end of the indicative [REDACTED] range); (2) [REDACTED] if the [REDACTED] is fixed at [REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range); and (3) [REDACTED] if the [REDACTED] is fixed at [REDACTED] per [REDACTED] (being the low end of the indicative [REDACTED] range).

In each of the above circumstances, we will apply the [REDACTED] for the various intended uses set forth above in the stated proportions and the amount of [REDACTED] to be applied for each intended use will be adjusted accordingly.

To the extent that any of the designated amounts of [REDACTED] from the [REDACTED] is not immediately used in accordance with the specified plans, we will deposit such [REDACTED] into short-term interest-bearing accounts at licenced commercial banks and/or other authorised financial institutions (as defined under the SFO or the applicable laws and regulations in other jurisdictions).

We will issue an appropriate announcement if there is any material change to the intended uses of [REDACTED] from those as set forth above in accordance with the Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

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HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

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ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages I-1 to I-[●], received from the Company’s reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Document.

[To insert the firm’s letterhead]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF GUANGDONG HUACHENG ELECTRIC POWER ENERGY CO., LTD. AND LEGO CORPORATE FINANCE LIMITED

Introduction

We report on the historical financial information of Guangdong Huacheng Electric Power Energy Co., Ltd. (廣東華成電力能源股份有限公司) (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-[3] to I-[●] which comprises the consolidated statements of financial position of the Group as at 31 December 2023, 2024 and 2025, the statements of financial position of the Company as at 31 December 2023, 2024 and 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended 31 December 2025 (the “**Track Record Period**”) and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-[3] to I-[●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [date] (the “**Document**”) in connection with the [REDACTED] of the H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

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Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the Group’s financial position as at 31 December 2023, 2024 and 2025, of the Company’s financial position as at 31 December 2023, 2024 and 2025 and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[3] have been made.

Dividends

We refer to note 13 to the Historical Financial Information which states that no dividend was declared or paid by the Company in respect of the Track Record Period.

[Deloitte Touche Tohmatsu]

Certified Public Accountants

Hong Kong

[●] 2026

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ACCOUNTANTS’ REPORT

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by International Accounting Standards Board (the “**IASB**”) and were audited by us in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (the “**Underlying Financial Statements**”).

The Historical Financial Information is presented in Renminbi (“**RMB**”), which is also the functional currency of the Company, and all values are rounded to the nearest thousand (“**RMB’000**”) except when otherwise indicated.

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December		
		2023	2024	2025
	NOTES	RMB’000	RMB’000	RMB’000
Revenue	6	341,093	322,218	407,442
Cost of sales		<u>(279,150)</u>	<u>(229,291)</u>	<u>(299,327)</u>
Gross profit		61,943	92,927	108,115
Other income	7	2,145	1,435	255
Impairment losses under expected credit loss (“ECL”) model, net of reversal	10	(2,142)	(9,139)	(20,686)
Other gains and losses	8	(181)	26	189
Research and development expenses		(16,100)	(17,451)	(15,451)
Selling expenses		(8,028)	(7,652)	(5,047)
Administrative expenses		(15,165)	(20,121)	(18,879)
Finance costs	9	(3,812)	(2,737)	(3,633)
Share of result of a joint venture		—	(15)	(4)
[REDACTED]		<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>
Profit before tax		18,660	37,273	40,960
Income tax expense	11	<u>(1,124)</u>	<u>(3,236)</u>	<u>(4,041)</u>
Profit and total comprehensive income for the year	12	<u>17,536</u>	<u>34,037</u>	<u>36,919</u>
Profit (loss) and total comprehensive income (expense) for the year attributable to:				
Owners of the Company		19,372	34,234	37,229
Non-controlling interests		<u>(1,836)</u>	<u>(197)</u>	<u>(310)</u>
		<u>17,536</u>	<u>34,037</u>	<u>36,919</u>
Earnings per share (in RMB)				
Basic	15	<u>[0.05]</u>	<u>[0.08]</u>	<u>[0.08]</u>

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December		
		2023	2024	2025
	<i>NOTES</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
NON-CURRENT ASSETS				
Property, plant and equipment	16	19,678	19,373	17,989
Intangible assets	17	1,051	1,370	1,032
Right-of-use assets	18	2,503	2,436	2,369
Investment in a joint venture	20	—	485	481
Restricted bank balances	28(a)	195	1,405	1,455
Deferred tax assets	21	983	2,354	5,457
		<u>24,410</u>	<u>27,423</u>	<u>28,783</u>
CURRENT ASSETS				
Inventories	23	20,752	—	492
Contract costs	24	25,572	32,575	35,728
Trade and bills receivables	25	87,502	73,701	133,375
Other receivables and prepayments	26	11,419	9,142	29,573
Contract assets	27	37,269	247,427	384,532
Amount due from a joint venture	39(a)	—	834	—
Financial assets at fair value through profit or loss (“FVTPL”)	22	507	402	—
Restricted bank balances	28(a)	875	464	3,454
Cash and cash equivalents	28(b)	40,498	21,394	14,585
		<u>224,394</u>	<u>385,939</u>	<u>601,739</u>

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As at 31 December				
		2023	2024	2025
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
CURRENT LIABILITIES				
Trade and other payables	29	44,658	147,801	255,317
Provisions	19	—	368	69
Amount due to a joint venture	39(a)	—	—	1,756
Contract liabilities	30	7,728	7,650	13,394
Bank borrowings	31	91,077	80,100	128,894
Tax payable		<u>1,619</u>	<u>4,232</u>	<u>8,452</u>
		<u>145,082</u>	<u>240,151</u>	<u>407,882</u>
NET CURRENT ASSETS				
		<u>79,312</u>	<u>145,788</u>	<u>193,857</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		<u>103,722</u>	<u>173,211</u>	<u>222,640</u>
NON-CURRENT LIABILITY				
Bank borrowings	31	<u>—</u>	<u>—</u>	<u>12,510</u>
NET ASSETS				
		<u>103,722</u>	<u>173,211</u>	<u>210,130</u>
CAPITAL AND RESERVES				
Share capital	33	40,000	44,016	44,016
Reserves		<u>66,501</u>	<u>131,859</u>	<u>165,566</u>
Equity attributable to owners of the Company		106,501	175,875	209,582
Non-controlling interests		<u>(2,779)</u>	<u>(2,664)</u>	<u>548</u>
TOTAL EQUITY				
		<u>103,722</u>	<u>173,211</u>	<u>210,130</u>

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ACCOUNTANTS’ REPORT

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December		
		2023	2024	2025
	NOTES	RMB’000	RMB’000	RMB’000
NON-CURRENT ASSETS				
Investment in subsidiaries		1,200	1,200	1,200
Investment in a joint venture	20	—	485	481
Property, plant and equipment	16	19,112	18,867	17,504
Intangible assets	17	1,051	1,370	1,032
Right-of-use assets	18	2,503	2,436	2,369
Restricted bank balances	28(a)	195	1,405	1,455
Deferred tax assets	21	1,974	3,587	6,780
		<u>26,035</u>	<u>29,350</u>	<u>30,821</u>
CURRENT ASSETS				
Inventories	23	20,752	—	492
Contract costs	24	25,572	32,575	35,728
Trade and bills receivables	25	87,496	73,604	133,258
Other receivables and prepayments	26	11,174	8,815	29,120
Contract assets	27	37,269	247,427	384,532
Amounts due from subsidiaries	39(b)	110	—	95
Amount due from a joint venture	39(a)	—	834	—
Financial assets at FVTPL	22	507	402	—
Restricted bank balances	28(a)	875	464	3,454
Cash and cash equivalents	28(b)	40,263	20,956	14,371
		<u>224,018</u>	<u>385,077</u>	<u>601,050</u>
CURRENT LIABILITIES				
Trade and other payables	29	44,522	147,589	255,291
Provisions	19	—	368	69
Amounts due to subsidiaries	39(b)	—	1,182	691
Amount due to a joint venture	39(a)	—	—	1,756
Contract liabilities	30	7,584	7,405	13,153
Bank borrowings	31	91,077	80,100	128,894
Tax payable		1,619	4,232	8,452
		<u>144,802</u>	<u>240,876</u>	<u>408,306</u>

APPENDIX I

ACCOUNTANTS’ REPORT

		As at 31 December		
		2023	2024	2025
	NOTES	RMB’000	RMB’000	RMB’000
NET CURRENT ASSETS		<u>79,216</u>	<u>144,201</u>	<u>192,744</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>105,251</u>	<u>173,551</u>	<u>223,565</u>
NON-CURRENT LIABILITY				
Bank borrowings	31	<u>—</u>	<u>—</u>	<u>12,510</u>
NET ASSETS		<u><u>105,251</u></u>	<u><u>173,551</u></u>	<u><u>211,055</u></u>
CAPITAL AND RESERVES				
Share capital	33	40,000	44,016	44,016
Reserves	34	<u>65,251</u>	<u>129,535</u>	<u>167,039</u>
TOTAL EQUITY		<u><u>105,251</u></u>	<u><u>173,551</u></u>	<u><u>211,055</u></u>

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Equity attributable to owners of the Company						Non-controlling interests RMB’000	Total equity RMB’000
	Share capital RMB’000	Share premium RMB’000	Statutory reserve (note i) RMB’000	Other reserve RMB’000	Retained earnings RMB’000	Subtotal RMB’000		
As at 1 January 2023	40,000	2,197	7,371	—	37,561	87,129	(1,231)	85,898
Profit (loss) and total comprehensive income (expense) for the year	—	—	—	—	19,372	19,372	(1,836)	17,536
Capital injection by the non-controlling shareholder	—	—	—	—	—	—	288	288
Statutory fund appropriation	—	—	1,970	—	(1,970)	—	—	—
As at 31 December 2023	40,000	2,197	9,341	—	54,963	106,501	(2,779)	103,722
Profit (loss) and total comprehensive income (expense) for the year	—	—	—	—	34,234	34,234	(197)	34,037
Issue of shares	4,016	31,124	—	—	—	35,140	—	35,140
Capital injection by the non-controlling shareholder	—	—	—	—	—	—	312	312
Statutory fund appropriation	—	—	3,316	—	(3,316)	—	—	—
As at 31 December 2024	44,016	33,321	12,657	—	85,881	175,875	(2,664)	173,211
Profit (loss) and total comprehensive income (expense) for the year	—	—	—	—	37,229	37,229	(310)	36,919
Acquisition of additional interest in a subsidiary (note ii)	—	—	—	(3,522)	—	(3,522)	3,522	—
Statutory fund appropriation	—	—	3,750	—	(3,750)	—	—	—
As at 31 December 2025	44,016	33,321	16,407	(3,522)	119,360	209,582	548	210,130

Notes:

- (i) According to the relevant laws in the People’s Republic of China (the “PRC”), companies established in the Mainland China with limited liability are required to transfer at least 10% of their net profit after taxation, as determined under the PRC accounting regulations, to a non-distributable reserve fund until the reserve balance reaches 50% of their respective registered capital. The transfer to this reserve must be made before the distribution of a dividend to owners. Such reserve fund can be used to offset the previous years’ losses, if any, and is non-distributable other than upon liquidation.
- (ii) In June 2025, the Group acquired additional 40% equity interest in Zhuhai Huacheng Electric Construction Co., Ltd. (珠海華成電力建設有限公司), a then non-wholly owned subsidiary, from a non-controlling shareholder at nil consideration. The difference between the consideration and the Group’s acquired share of net liabilities held by the non-controlling shareholder was recognised directly in equity as other reserve.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
OPERATING ACTIVITIES			
Profit before tax	18,660	37,273	40,960
Adjustments for:			
Bank interest income	(163)	(138)	(28)
Finance costs	3,812	2,737	3,633
Fair value change on financial assets at FVTPL	(21)	(1)	—
Share of result of a joint venture	—	15	4
Depreciation of property, plant and equipment	927	1,210	1,222
Depreciation of right-of-use assets	67	67	67
Amortisation of intangible assets	277	410	550
Loss on disposal of property, plant and equipment	1	17	—
Impairment losses under ECL model, net of reversal	2,142	9,139	20,686
Operating cash flows before movements in working capital	25,702	50,729	67,094
(Increase) decrease in inventories	(20,752)	20,752	(492)
(Increase) decrease in trade and bills receivables	(21,655)	7,496	(77,170)
Increase in contract assets	(19,114)	(212,968)	(140,256)
(Increase) decrease in amount from a joint venture	—	(834)	834
Decrease (increase) in other receivables and prepayments	3,571	5,410	(19,169)
Increase in contract costs	(11,817)	(6,523)	(2,632)
Increase in amount due to a joint venture	—	—	1,756
Increase in trade and other payables	23,574	99,986	106,998
Increase (decrease) in provisions	—	368	(299)
(Decrease) increase in contract liabilities	(10,095)	(78)	5,744
Cash used in operations	(30,586)	(35,663)	(57,591)
Income tax paid	(1,126)	(1,994)	(2,924)
Interest received	163	138	28
NET CASH USED IN OPERATING ACTIVITIES	(31,549)	(37,518)	(60,488)

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	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangible assets	(4,274)	(2,394)	(574)
Placement of restricted bank balances	(1,269)	(1,726)	(3,533)
Withdrawal of restricted bank balances	2,913	927	493
Purchase of financial assets at FVTPL	—	(906)	—
Capital injection into a joint venture	—	(500)	—
Proceeds from maturity of financial assets at FVTPL	74	1,012	402
Proceeds on disposal of property, plant and equipment	<u>208</u>	<u>263</u>	<u>3</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(2,348)</u>	<u>(3,324)</u>	<u>(3,209)</u>
FINANCING ACTIVITIES			
New bank borrowings raised	125,786	80,023	160,938
Repayment of bank borrowings	(68,874)	(90,977)	(99,764)
Repayment of borrowings from the controlling shareholder	(1,906)	—	—
Interest paid	(3,753)	(2,760)	(3,503)
Issue of shares	—	35,140	—
Capital injection by the non-controlling shareholder	288	312	—
Payment of [REDACTED] costs for the proposed [REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>
NET CASH FROM FINANCING ACTIVITIES	<u>51,541</u>	<u>21,738</u>	<u>56,888</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	17,644	(19,104)	(6,809)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	<u>22,854</u>	<u>40,498</u>	<u>21,394</u>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by cash and cash equivalents	<u><u>40,498</u></u>	<u><u>21,394</u></u>	<u><u>14,585</u></u>

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NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company (formerly known as Zhuhai Huacheng Electric Power Design Institute Co., Ltd.) was established in 2003 in the PRC as a limited liability company. The Company was converted into a joint stock limited company in 2016. The shares of the Company was listed on National Equities Exchange and Quotations in August 2016 and delisted in April 2026. Mr. Ren Xuefeng (“Mr. Ren”) is the chairman and the controlling shareholder of the Company. The addresses of the registered office and the principal place of business of the Company are set out in the section headed “Corporate Information” to the Document.

The Group is principally engaged in the businesses of survey, design and consulting services for power transmission and new energy generation, engineering, procurement and construction (“EPC”) turnkey projects and comprehensive energy customisation services.

2. BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared based on the accounting policies which conform with IFRS Accounting Standards issued by the IASB. Further details of the material accounting policy information are set out in note 4.

The statutory financial statements of the Company for the years ended 31 December 2023 and 31 December 2024 were prepared in accordance with relevant accounting principles and financial regulations applicable to the enterprises in the PRC and were audited by Tianheng Certified Public Accountants (Special General Partnership) (天衡會計師事務所(特殊普通合伙)), certified public accountants registered in the China. [No statutory financial statements of the Company have been prepared for the year ended 31 December 2025 as the financial statements have not yet been due to issue.]

3. APPLICATION OF IFRS ACCOUNTING STANDARDS

For the purpose of preparing the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with IFRS Accounting Standards which are effective for the accounting period beginning on 1 January 2025 throughout the Track Record Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

At the date of this report, the Group has not early adopted the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

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IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 “Presentation and Disclosure in Financial Statements” sets out requirements on presentation and disclosures in financial statements and it will replace IAS 1 “Presentation of Financial Statements”. The new IFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss and other comprehensive income; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” (the title of which will be changed to “Basis of Preparation of Financial Statements” upon effective of IFRS 18) and IFRS 7 “Financial Instruments: Disclosures”. Minor amendments to IAS 7 “Statement of Cash Flows” and IAS 33 “Earnings per Share” are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The directors of the Company anticipate that the application of IFRS 18 is expected to affect the presentation of the consolidated statement of profit or loss and disclosures in future consolidated financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated statement of profit or loss, even though the IFRS 18 will have no material impact on the financial position and performance of the Group given it will not impact the recognition or measurement of items in the consolidated financial statements.

Except as described above, the directors of the Company consider that the application of all the amendments to IFRS Accounting Standards is unlikely to have a material impact on the Group’s financial position and performance in the foreseeable future.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards as issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The Historical Financial Information has been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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Non-controlling interests in subsidiaries are presented separately from the Group’s equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Investment in subsidiaries

Investments in subsidiaries are stated in the statements of financial position of the Company at cost less identified impairment loss, if any.

Investment in a joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of the joint venture is incorporated in these Historical Financial Information using the equity method of accounting. The financial statements of the joint venture used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statements of financial position at cost and adjusted thereafter to recognise the Group’s share of the profit or loss and other comprehensive income of the joint venture. When the Group’s share of losses of a joint venture exceeds the Group’s interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group’s net investment in the joint venture), the Group discontinues recognising its share of further losses.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture.

The Group assesses whether there is an objective evidence that the interest in a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 “Impairment of Assets” (“**IAS 36**”) as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

Revenue from contracts with customers

Information about the Group’s accounting policies relating to revenue from contracts with customers is provided in note 6, note 27 and note 30.

Leases

Definition of a lease

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 “Lease” (“**IFRS 16**”) at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

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The Group as a lessee

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of machinery and equipment, motor vehicles and buildings that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses.

Right-of-use assets are depreciated on a straight-line basis over the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

The Group as a lessor

Classification and measurement of leases

All leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “other income.”

Employee benefits

Retirement benefit costs

Payments to state-managed retirement benefit scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

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Share-based payments

Equity-settled share-based payment transactions

Share awards/Share options granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes to the same taxable entity levied by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first in, first out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale.

Contract costs

Contract costs are the costs to fulfil a contract with a customer which are not capitalised as inventory, property, plant and equipment or intangible assets.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Otherwise, costs of fulfilling a contract, which are not capitalised as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Amortisation of capitalised contract costs is recognised in profit or loss when the revenue to which the asset relates is recognised.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

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Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 “Revenue from Contracts with Customers” (“**IFRS 15**”). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the “other gains and losses” line item.

Impairment of financial assets and contract assets subject to impairment assessment under IFRS 9 “Financial Instruments” (“IFRS 9”).

The Group performs impairment assessment under ECL model on financial assets (including trade and bills receivables, other receivables, amounts due from a joint venture/subsidiaries, restricted bank balances and cash and cash equivalents) and contract assets which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“**12m ECL**”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables, contract assets and trade nature amount due from a joint venture/subsidiaries without significant financing component.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group’s debtors operate, obtained from economic expert reports and financial analysts, as well as consideration of various external sources of actual and forecast economic information that relate to the Group’s core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group’s recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on ageing for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating). The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

The ECL on contract assets are individually assessed by reference to external credit ratings where available. The Group takes into consideration of customer type and specific industries of those customers.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount through a loss allowance account.

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Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

All financial liabilities including amount due to a joint venture, amounts due to subsidiaries, trade and other payables and bank borrowings are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment on contract costs, property, plant and equipment, right-of-use assets and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives and contract costs to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Before the Group recognizes an impairment loss for assets capitalized as contract costs under IFRS 15, the Group assesses and recognizes any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalized as contract costs is recognized to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognized as expenses. The assets capitalized as contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

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Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months.

Revenue recognition of EPC services

The Group recognises revenue of EPC services on the basis of direct measurement of the value of EPC work transferred to the customer to date. Management estimates the contract sum and budgeted costs at the commencement of the EPC service contracts and regularly assesses the progress of EPC works as well as the financial impact of scope changes, claims, disputes and liquidation damages. The management’s estimate of the revenue requires significant judgement and has a significant impact on the amount of the revenue recognised.

The information about the Group’s EPC services is disclosed in note 6.

Recognition of deferred tax assets

Deferred tax assets in respect of deductible temporary differences are recognised and measured based on the expected manner of realisation of the carrying amount of the relevant assets, using tax rates enacted or substantively enacted at the end of each reporting period. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves several assumptions relating to the operating environment of the Group and require a significant level of judgement exercised by the directors. Any change in such assumptions and judgement would affect the carrying amounts of deferred tax assets to be recognised and hence the net profit in future years.

The information about the Group’s deferred tax assets is disclosed in note 21.

Estimated impairment of trade receivables and contract assets

The Group assess ECLs for trade receivables using provision matrix. The provision rates are based on aging for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating). The provision matrix is based on the Group’s historical observed default rates taking into consideration forward-looking information that

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is reasonable and supportable available without undue costs or effort. At the end of each reporting period, the historical observed default rates are reassessed and changes in the forward-looking information are considered. The Group assesses contract assets arising from contracts with customers individually by reference to external credit ratings, taking into consideration of customer type and specific industries of those customers. The above credit loss rates being adjusted to reflect forward-looking information that is reasonable and supportable and available without undue costs or effort. The provision of ECL is sensitive to changes in estimates.

The information about the Group’s trade receivables and contract assets and the related ECL disclosures are set out in notes 25, 27 and 37, respectively.

6. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Type of services			
Survey, design and consultancy services	43,390	45,815	54,252
EPC services	294,698	261,884	344,374
Others	3,005	14,519	8,816
Total	<u>341,093</u>	<u>322,218</u>	<u>407,442</u>
Timing of revenue recognition			
At point in time	43,413	45,922	54,361
Over time	<u>297,680</u>	<u>276,296</u>	<u>353,081</u>
Total	<u>341,093</u>	<u>322,218</u>	<u>407,442</u>
Geographical markets			
Mainland China	<u>341,093</u>	<u>322,218</u>	<u>407,442</u>

(ii) Revenue accounting policies and performance obligations for contracts with customers

Survey, design and consultancy services

Revenue from survey, design and consultancy services is recognised at point in time. The Group entered into power engineering survey, design and consultancy contracts with customers, which is divided into different performance stage with different performance obligations. Revenue is recognised in accordance with the consideration for each performance stage in the contract when the corresponding performance stage was completed and upon confirmed by the customers.

The credit period granted to customers by the Group is determined based on the characteristics of customers’ credit risks and the management of the Group considers that there is no significant financing component. A contract liability represents the Group’s obligation to transfer services to a customer for which the Group has received consideration from the customer.

EPC services

The Group provides EPC services to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls the asset that is created or enhanced. Revenue is recognised for these EPC services based on the value of EPC work using output method.

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A contract asset, net of contract liability related to the same contract, is recognised over the period in which the EPC services are performed representing the Group’s right to consideration for the services performed because the rights are conditioned on the Group’s future performance in achieving specified milestones or the value of EPC work has to be agreed with the customers. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfer the contract assets to trade receivables when the Group issued invoice to the customers based on the settlement terms agreed in the contract.

Retention receivables, prior to expiration of defect liability period, are classified as contract assets, which ranges from one to two years from the date of the practical completion of the EPC services. The relevant amount of contract asset is reclassified to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the EPC services performed comply with agreed upon specifications and such assurance cannot be purchased separately.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

Substantially all of the survey, design and consultancy services contracts are for periods of one year or less. As permitted by IFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

For EPC service contracts, the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) amounting to RMB300,815,000, RMB748,042,000 and RMB469,566,000 as at 31 December 2023, 2024 and 2025, respectively. Management expects that all the remaining performance obligations will be recognised as revenue over the next three years, the next three years and the next three years from the end of the years ended 31 December 2023, 2024 and 2025 respectively.

Segment information

Information reported to the Company’s chairman and chief executive, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of services provided. The Group’s reportable and operating segments under IFRS 8 “Operating Segments” are summarised as follows:

Year ended 31 December 2023

	Survey, design and consultancy services <i>RMB’000</i>	EPC services <i>RMB’000</i>	Other services <i>RMB’000</i>	Eliminations <i>RMB’000</i>	Consolidated <i>RMB’000</i>
Results					
Segment revenue	43,760	294,698	3,005	(370)	341,093
Segment profit	28,042	32,626	1,275	—	61,943
Unallocated other income					2,145
Impairment losses under ECL model, net of reversal					(2,142)
Other gains and losses					(181)
Unallocated expenses					(39,293)
Finance costs					(3,812)
Profit before tax					18,660

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Year ended 31 December 2024

	Survey, design and consultancy services <i>RMB'000</i>	EPC services <i>RMB'000</i>	Other services <i>RMB'000</i>	Eliminations <i>RMB'000</i>	Consolidated <i>RMB'000</i>
Results					
Segment revenue	<u>48,267</u>	<u>261,884</u>	<u>14,519</u>	<u>(2,452)</u>	<u>322,218</u>
Segment profit	<u>29,373</u>	<u>57,278</u>	<u>6,276</u>	<u>—</u>	<u>92,927</u>
Unallocated other income					1,435
Impairment losses under ECL model, net of reversal					(9,139)
Other gains and losses					26
Unallocated expenses					(45,224)
Share of result of a joint venture					(15)
Finance costs					<u>(2,737)</u>
Profit before tax					<u><u>37,273</u></u>

Year ended 31 December 2025

	Survey, design and consultancy services <i>RMB'000</i>	EPC services <i>RMB'000</i>	Other services <i>RMB'000</i>	Eliminations <i>RMB'000</i>	Consolidated <i>RMB'000</i>
Results					
Segment revenue	<u>55,095</u>	<u>344,374</u>	<u>8,816</u>	<u>(843)</u>	<u>407,442</u>
Segment profit	<u>34,999</u>	<u>70,216</u>	<u>2,900</u>	<u>—</u>	<u>108,115</u>
Unallocated other income					255
Impairment losses under ECL model, net of reversal					(20,686)
Other gains and losses					189
Unallocated expenses					(43,276)
Share of result of a joint venture					(4)
Finance costs					<u>(3,633)</u>
Profit before tax					<u><u>40,960</u></u>

Segment assets and liabilities

No assets and liabilities are included in the measures of the Group’s segment reporting that are provided to the CODM. Accordingly, no segment assets and liabilities are presented.

Geographical information

All of the Group’s non-current assets are located in the Mainland China and all revenue are derived from the Mainland China. Information about the Group’s revenue from external customers is presented based on the location of the operations.

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Information about major customers

Revenue from customers under the same group contributing over 10% of total revenue of the Group for each reporting period is as below:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Customer A ¹	256,828	N/A ²	N/A ²
Customer B ¹	—	116,240	45,297
Customer C ¹	N/A ²	56,690	N/A ²
Customer D ¹	—	—	242,786

¹ Revenue from EPC services.

² The corresponding revenue did not contribute over 10% of the total revenue of the Group.

7. OTHER INCOME

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Bank interest income	163	138	28
Rental income	268	284	71
Management service income	82	92	57
Government grants (<i>Note</i>)	384	921	99
Additional deduction on value-added tax	1,248	—	—
	<u>2,145</u>	<u>1,435</u>	<u>255</u>

Note: The amounts recognised mainly represent subsidies granted by local government authorities to support the operating activities of the Group, in which no future related cost is expected to be incurred. These government grants with no unfulfilled conditions are recognised when payments were received.

8. OTHER GAINS AND LOSSES

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Loss on disposal of property, plant and equipment	(1)	(17)	—
Fair value change on financial assets at FVTPL	21	1	—
Others	(201)	42	189
	<u>(181)</u>	<u>26</u>	<u>189</u>

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9. FINANCE COSTS

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest expense on:			
— bank borrowings	<u>3,812</u>	<u>2,737</u>	<u>3,633</u>

10. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net impairment losses (recognised) reversal on:			
— trade receivables	(2,225)	(6,305)	(17,496)
— contract assets	(13)	(2,810)	(3,151)
— other receivables	<u>96</u>	<u>(24)</u>	<u>(39)</u>
Total	<u>(2,142)</u>	<u>(9,139)</u>	<u>(20,686)</u>

11. INCOME TAX EXPENSE

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current tax:			
— PRC Enterprise Income Tax (“EIT”)	1,624	4,599	7,134
(Over)under-provision in prior years:			
— PRC EIT	(180)	8	10
Deferred tax (<i>note 21</i>)	<u>(320)</u>	<u>(1,371)</u>	<u>(3,103)</u>
Total	<u>1,124</u>	<u>3,236</u>	<u>4,041</u>

According to the Enterprise Income Tax Law of the People’s Republic of China (the “EIT Law”) and the Implementation Regulations of the EIT Law, hi-tech enterprises are entitled to a preferential income tax rate of 15%. The Company has obtained high-tech enterprise certification and is subject to a preferential EIT of 15% during the Track Record Period.

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In addition, according to the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementing the Preferential Policies for Income Tax of Small and Micro Enterprises (No. 13, 2022) and the Announcement on Further Supporting the Development of Tax policies for Small and Micro Enterprises and Industrial and Commercial Households (No. 12, 2023), from 1 January 2022 to 31 December 2027, the annual taxable income of small and low-profit enterprises exceeding RMB1 million but not exceeding RMB3 million shall be reduced by 25%, and enterprise income tax shall be paid at the tax rate of 20%. During the Track Record Period, the Company’s subsidiaries, Zhuhai Huacheng Electric Construction Co., Limited and Zhuhai Henghai Integrated Energy Service Co., Limited enjoyed corresponding enterprise income tax concessions according to the applicable ranges.

Under the EIT Law and Implementation Regulation of the EIT Law, except for the preferential treatments available to the Company and certain subsidiaries as mentioned above, other subsidiaries within the Group operating in the PRC are subject to EIT at the statutory rate of 25% during the Track Record Period.

The taxation for the Track Record Period can be reconciled to the profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Profit before tax	18,660	37,273	40,960
Tax at the statutory rate of 25% applicable to the Company	4,665	9,318	10,240
Tax effect of expenses not deductible for tax purposes	472	269	58
Effect of different tax rates of the Company and PRC subsidiaries	(879)	(2,157)	(2,693)
Tax effect of tax losses not recognised	1,028	394	273
Utilisation of tax losses previously not recognised	—	(270)	—
Tax effect of additional deduction rate on certain research and development expenses (<i>Note</i>)	(3,982)	(4,326)	(3,847)
(Over)under-provision in prior years	(180)	8	10
Income tax expense	1,124	3,236	4,041

Note: The eligible expenditures represent research and development costs incurred in the Mainland China and charged to profit or loss, which is subject to a tax deduction ranged from 175% to 200% in the calculation of income tax expense for the Company during the Track Record Period.

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12. PROFIT FOR THE YEAR

Profit for the Track Record Period has been arrived at after charging:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Directors', chief executives' and supervisors' remuneration (note 14)	3,049	3,931	3,462
Other staff costs	39,268	45,595	47,718
— salaries, wages and allowances	27,191	31,160	33,571
— performance related bonus	4,324	6,234	5,330
— retirement benefit scheme contribution	1,631	1,920	2,372
— other staffs' benefit	6,122	6,281	6,445
Total staff costs	42,317	49,526	51,180
Less: Capitalised in contract costs	(20,161)	(21,053)	(22,480)
	<u>22,156</u>	<u>28,473</u>	<u>28,700</u>
Depreciation of property, plant and equipment	1,397	1,690	1,743
Depreciation of right-of-use assets	67	67	67
Amortisation of intangible assets	277	410	550
Total depreciation and amortisation	1,741	2,167	2,360
Less: Capitalised in contract costs	(470)	(480)	(521)
Depreciation and amortisation charged directly to profit or loss	<u>1,271</u>	<u>1,687</u>	<u>1,839</u>
Auditor's remuneration	184	223	271
Cost of inventories recognised in profit or loss	154,086	75,395	174,657
[REDACTED] recognised in profit or loss	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>

13. DIVIDENDS

No dividend was declared or paid by the Company to ordinary shareholders of the Company during the Track Record Period, nor has any dividend been proposed subsequent to the end of the Track Record Period to the date of this report.

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14. DIRECTORS’, CHIEF EXECUTIVES’, SUPERVISORS’ AND EMPLOYEES’ EMOLUMENTS

Details of the emoluments paid/payable to the individuals who were appointed as the directors and supervisors and chief executive of the Company during the Track Record Period are as follow:

	Salaries, allowance and benefits in kind <i>RMB'000</i>	Performance related bonus <i>RMB'000</i>	Retirement benefit scheme contribution <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2023				
Executive directors				
Mr. Ren Xuefeng	355	51	—	406
Mr. Ren Shuning	356	150	7	513
Mr. He Yongan	352	35	7	394
Mr. Duan Xiaohui	359	35	7	401
Ms. Li Xia	306	15	7	328
	<u>1,728</u>	<u>286</u>	<u>28</u>	<u>2,042</u>
Supervisors				
Ms. Lin Xiumei	231	36	—	267
Mr. Shu Yueshui	313	99	7	419
Mr. Yi Hongcong	299	15	7	321
	<u>843</u>	<u>150</u>	<u>14</u>	<u>1,007</u>
	<u>2,571</u>	<u>436</u>	<u>42</u>	<u>3,049</u>
	Salaries, allowance and benefits in kind <i>RMB'000</i>	Performance related bonus <i>RMB'000</i>	Retirement benefit scheme contribution <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2024				
Executive directors				
Mr. Ren Xuefeng	355	61	—	416
Mr. Ren Shuning	425	126	8	559
Mr. He Yongan	388	299	8	695
Mr. Duan Xiaohui	424	267	8	699
Ms. Li Xia	315	97	8	420
	<u>1,907</u>	<u>850</u>	<u>32</u>	<u>2,789</u>
Supervisors				
Ms. Lin Xiumei	222	39	—	261
Mr. Shu Yueshui	349	141	8	498
Mr. Yi Hongcong	315	60	8	383
	<u>886</u>	<u>240</u>	<u>16</u>	<u>1,142</u>
	<u>2,793</u>	<u>1,090</u>	<u>48</u>	<u>3,931</u>

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	Salaries, allowance and benefits in kind <i>RMB'000</i>	Performance related bonus <i>RMB'000</i>	Retirement benefit scheme contribution <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2025				
Executive directors				
Mr. Ren Xuefeng	355	69	—	424
Mr. Ren Shuning	354	48	9	411
Mr. He Yongan	384	140	9	533
Mr. Duan Xiaohui	395	72	9	476
Ms. Li Xia	308	91	9	408
	<u>1,796</u>	<u>420</u>	<u>36</u>	<u>2,252</u>
Supervisors				
Ms. Lin Xiumei	221	140	—	361
Mr. Shu Yueshui	334	81	9	424
Mr. Yi Hongcong	336	80	9	425
	<u>891</u>	<u>301</u>	<u>18</u>	<u>1,210</u>
	<u>2,687</u>	<u>721</u>	<u>54</u>	<u>3,462</u>

During the Track Record Period, there were no changes in the directors, supervisors and senior management personnel. Mr. Ren Shuning is the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.

Mr. Miao Fan (苗帆) , Mr. Lee Chi Ho (李智豪) and Mr. Shi Shaoying (石少英) are assigned as independent non-executive directors on 27 April 2026 and effective since the [REDACTED].

The performance based bonus is determined based on the performance of individual and market trend during the Track Record Period.

The executive directors’ emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The supervisors’ emoluments shown above were for their services as supervisors of the Company.

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During the years ended 31 December 2023, 2024 and 2025, the five highest paid individuals of the Group include three, three and two directors, respectively. The remunerations of the remaining individuals during the Track Record Period are set out below:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Employees			
— salaries and other benefits	699	741	1,076
— performance related bonus	244	343	457
— contributions to retirement benefit scheme	53	60	93
	<u>996</u>	<u>1,144</u>	<u>1,626</u>

The number of the highest paid employees who are not the directors nor supervisors of the Company whose remuneration fell within the following band is as follows:

	Number of employees		
	Year ended 31 December		
	2023	2024	2025
Nil to Hong Kong Dollar (“HK\$”) 1,000,000	<u>2</u>	<u>2</u>	<u>3</u>

During the Track Record Period, no emoluments were paid by the Group to any of the directors or supervisors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, no directors or supervisors waived or agreed to waive any emoluments during the Track Record Period.

15. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	Year ended 31 December		
	2023	2024	2025
Earnings for the year (RMB'000):			
Earnings for the purpose of basic earnings per share	<u>19,372</u>	<u>34,234</u>	<u>37,229</u>
Number of shares ('000):			
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>400,000</u>	<u>430,120</u>	<u>440,160</u>

The number of ordinary shares for the purpose of calculating basic earnings per share has been determined based on the assumption that [the share subdivision as described in note 43] had occurred on 1 January 2023.

No diluted earnings per share for each reporting period were presented as there were no potential ordinary shares in issue for those years.

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16. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings <i>RMB’000</i>	Electronic and other equipment <i>RMB’000</i>	Motor vehicles <i>RMB’000</i>	Total <i>RMB’000</i>
COST:				
At 1 January 2023	19,982	3,939	2,682	26,603
Additions	2,321	916	685	3,922
Disposals	—	(144)	(232)	(376)
At 31 December 2023	22,303	4,711	3,135	30,149
Additions	253	850	562	1,665
Disposals	—	(40)	(263)	(303)
At 31 December 2024	22,556	5,521	3,434	31,511
Additions	198	164	—	362
Disposals	—	(358)	—	(358)
At 31 December 2025	22,754	5,327	3,434	31,515
ACCUMULATED DEPRECIATION:				
At 1 January 2023	5,329	2,824	1,088	9,241
Provided for the year	678	461	258	1,397
Eliminated on disposals	—	(139)	(28)	(167)
At 31 December 2023	6,007	3,146	1,318	10,471
Provided for the year	917	489	284	1,690
Eliminated on disposals	—	—	(23)	(23)
At 31 December 2024	6,924	3,635	1,579	12,138
Provided for the year	897	519	327	1,743
Eliminated on disposals	—	(355)	—	(355)
At 31 December 2025	7,821	3,799	1,906	13,526
CARRYING AMOUNTS:				
At 31 December 2023	<u>16,296</u>	<u>1,565</u>	<u>1,817</u>	<u>19,678</u>
At 31 December 2024	<u>15,632</u>	<u>1,886</u>	<u>1,855</u>	<u>19,373</u>
At 31 December 2025	<u>14,933</u>	<u>1,528</u>	<u>1,528</u>	<u>17,989</u>

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The Company

	Buildings <i>RMB'000</i>	Electronic and other equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Total <i>RMB'000</i>
COST:				
At 1 January 2023	19,982	3,939	2,682	26,603
Additions	2,321	345	685	3,351
Disposals	—	(144)	(232)	(376)
At 31 December 2023	22,303	4,140	3,135	29,578
Additions	253	850	562	1,665
Disposals	—	—	(263)	(263)
At 31 December 2024	22,556	4,990	3,434	30,980
Additions	198	164	—	362
Disposals	—	(358)	—	(358)
At 31 December 2025	22,754	4,796	3,434	30,984
ACCUMULATED DEPRECIATION:				
At 1 January 2023	5,329	2,824	1,088	9,241
Provided for the year	678	456	258	1,392
Eliminated on disposals	—	(139)	(28)	(167)
At 31 December 2023	6,007	3,141	1,318	10,466
Provided for the year	917	469	284	1,670
Eliminated on disposals	—	—	(23)	(23)
At 31 December 2024	6,924	3,610	1,579	12,113
Provided for the year	897	498	327	1,722
Eliminated on disposals	—	(355)	—	(355)
At 31 December 2025	7,821	3,753	1,906	13,480
CARRYING AMOUNTS:				
At 31 December 2023	16,296	999	1,817	19,112
At 31 December 2024	15,632	1,380	1,855	18,867
At 31 December 2025	14,933	1,043	1,528	17,504

The above items of property, plant and equipment, after taking into account the residual values, are depreciated on a straight-line basis over their estimated useful lives at the following rates per annum:

Buildings	3.17%–10.00%
Electronic and other equipment	10.00%–31.67%
Motor vehicles	19.00%

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17. INTANGIBLE ASSETS

The Group and the Company

	Software <i>RMB’000</i>
COST:	
At 1 January 2023	2,842
Additions	<u>352</u>
At 31 December 2023	3,194
Additions	<u>729</u>
At 31 December 2024	3,923
Additions	<u>212</u>
At 31 December 2025	<u>4,135</u>
ACCUMULATED DEPRECIATION:	
At 1 January 2023	1,866
Provided for the year	<u>277</u>
At 31 December 2023	2,143
Provided for the year	<u>410</u>
At 31 December 2024	2,553
Provided for the year	<u>550</u>
At 31 December 2025	<u>3,103</u>
CARRYING AMOUNTS:	
At 31 December 2023	<u><u>1,051</u></u>
At 31 December 2024	<u><u>1,370</u></u>
At 31 December 2025	<u><u>1,032</u></u>

The software have finite useful lives and are amortised over a straight-line basis over 5 to 10 years.

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18. RIGHT-OF-USE ASSETS

The Group and the Company

	Leasehold lands <i>RMB'000</i>
At 1 January 2023	2,570
Depreciation	<u>(67)</u>
At 31 December 2023	2,503
Depreciation	<u>(67)</u>
At 31 December 2024	2,436
Depreciation	<u>(67)</u>
At 31 December 2025	<u><u>2,369</u></u>

The leasehold land are depreciated on a straight-line basis over lease terms at 2% per annum.

The Group and the Company

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Expenses relating to short-term leases and low-value assets	<u>960</u>	<u>1,293</u>	<u>396</u>
Total cash outflow for leases	<u><u>960</u></u>	<u><u>1,293</u></u>	<u><u>396</u></u>

The Group and the Company regularly entered into short-term leases for motor vehicles, machinery and equipment and buildings. As at 31 December 2023, 2024 and 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

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19. PROVISIONS

The Group and the Company

	Warranty provision RMB’000
At 1 January 2023 and 31 December 2023	—
Additional provision in the year	410
Utilisation of provision	(42)
At 31 December 2024	368
Additional provision in the year	678
Utilisation of provision	(977)
At 31 December 2025	69

The warranty provision represents management’s best estimate of the Group’s liability under 1-year or 2-years assurance-type warranty granted on completed EPC projects, based on prior experience for projects operating normally.

20. INVESTMENT IN A JOINT VENTURE

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Investment in a joint venture under equity method	—	485	481

Details of the Group and the Company’s joint venture as at 31 December 2023, 2024 and 2025 are as below:

Name of joint venture	Country of Incorporation/ operation	Proportion of ownership interest/voting rights held by the Group and the Company			At date of this report	Principal activity
		As at 31 December				
		2023	2024	2025		
Shanxi Cellular Optical Network Energy Technology Co., Ltd. (山西省蜂窩光網能源科技有限 公司) (note)	PRC	—	50%	50%	50%	Optical network energy

Note: The joint venture was established in 2023 and the Company made the capital injection in 2024.

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21. DEFERRED TAX ASSETS

The followings are the major deferred tax assets recognised and movements thereon during the Track Record Period:

The Group

	ECL provision <i>RMB'000</i>
At 1 January 2023	663
Credit to profit or loss	<u>320</u>
At 31 December 2023	983
Credit to profit or loss	<u>1,371</u>
At 31 December 2024	2,354
Credit to profit or loss	<u>3,103</u>
At 31 December 2025	<u><u>5,457</u></u>

The Company

	ECL provision <i>RMB'000</i>
At 1 January 2023	1,222
Credit to profit or loss	<u>752</u>
At 31 December 2023	1,974
Credit to profit or loss	<u>1,613</u>
At 31 December 2024	3,587
Credit to profit or loss	<u>3,193</u>
At 31 December 2025	<u><u>6,780</u></u>

As at 31 December 2023, 2024 and 2025, the Group had unused tax losses of RMB6,355,000, RMB6,848,000 and RMB7,942,000, under PRC EIT, respectively, available to offset against future profits. No deferred tax asset has been recognised as at 31 December 2023, 2024 and 2025 due to the unpredictability of future profit streams. Pursuant to the relevant laws and regulations in the PRC, the unrecognised tax losses at the end of each reporting period will expire in the following years:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
2026	563	560	560
2027	1,680	1,454	1,454
2028	4,112	3,260	3,260
2029	—	1,574	1,574
2030	<u>—</u>	<u>—</u>	<u>1,094</u>
	<u><u>6,355</u></u>	<u><u>6,848</u></u>	<u><u>7,942</u></u>

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22. FINANCIAL ASSETS AT FVTPL

	The Group and the Company		
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial products	<u>507</u>	<u>402</u>	<u>—</u>

Details of the fair value measurement for the financial assets at FVTPL are set out in note 38. All of the financial assets at FVTPL are denominated in RMB, which is the same as the functional currency of the Company.

The directors of the Company determine these financial products are mainly for the purpose of short-term fund management, which can be withdrawn on demand, therefore these financial products are classified as current assets.

23. INVENTORIES

	The Group and the Company		
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Uninstalled construction materials	<u>20,752</u>	<u>—</u>	<u>492</u>

24. CONTRACT COSTS

	The Group and the Company		
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Costs to fulfil contracts (<i>Note</i>)	<u>25,572</u>	<u>32,575</u>	<u>35,728</u>

Note: Contract costs capitalised relate to the costs paid to fulfil contracts of survey, design and consultancy services which are still uncompleted at the reporting date. Contract costs are recognised as part of cost of sales in the consolidated statements of profit or loss and other comprehensive income in the period in which revenue from the related survey, design and consultancy services is recognised. The amount of capitalised costs which related to survey, design and consultancy services recognised in profit or loss was RMB15,533,000, RMB19,014,000 and RM23,040,000 during the years ended 31 December 2023, 2024 and 2025, respectively. There was no impairment in relation to the balance of capitalised costs or the costs capitalised during the Track Record Period.

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25. TRADE AND BILLS RECEIVABLES

	The Group		
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables — contracts with customers	93,293	86,362	153,080
Less: allowance for credit losses	<u>(6,356)</u>	<u>(12,661)</u>	<u>(30,157)</u>
	86,937	73,701	122,923
Bills receivables	<u>565</u>	<u>—</u>	<u>10,452</u>
Total trade and bills receivables	<u><u>87,502</u></u>	<u><u>73,701</u></u>	<u><u>133,375</u></u>

	The Company		
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables — contracts with customers	93,286	86,262	152,961
Less: allowance for credit losses	<u>(6,355)</u>	<u>(12,658)</u>	<u>(30,155)</u>
	86,931	73,604	122,806
Bills receivables	<u>565</u>	<u>—</u>	<u>10,452</u>
Total trade and bills receivables	<u><u>87,496</u></u>	<u><u>73,604</u></u>	<u><u>133,258</u></u>

The following is an ageing analysis of trade and bills receivables, net of allowance for credit losses, presented based on dates of rendering of services recognised:

	The Group		
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	62,664	52,177	102,443
1 year to 2 years	15,981	10,056	23,373
2 years to 3 years	5,174	8,113	2,619
More than 3 years	<u>3,683</u>	<u>3,355</u>	<u>4,940</u>
	<u><u>87,502</u></u>	<u><u>73,701</u></u>	<u><u>133,375</u></u>

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	The Company		
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	62,658	52,080	102,405
1 year to 2 years	15,981	10,056	23,294
2 years to 3 years	5,174	8,113	2,619
More than 3 years	<u>3,683</u>	<u>3,355</u>	<u>4,940</u>
	<u>87,496</u>	<u>73,604</u>	<u>133,258</u>

The following is the past due analysis of the carrying amount of trade and bills receivables:

	The Group		
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Not yet past due	43,469	8,362	25,495
Past due less than 30 days	6,758	7,120	14,982
Past due more than 30 days but less than 365 days	13,739	37,739	61,972
Past due more than 365 days	<u>23,536</u>	<u>20,480</u>	<u>30,926</u>
	<u>87,502</u>	<u>73,701</u>	<u>133,375</u>

	The Company		
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Not yet past due	43,463	8,362	25,458
Past due less than 30 days	6,758	7,120	14,982
Past due more than 30 days but less than 365 days	13,739	37,642	61,972
Past due more than 365 days	<u>23,536</u>	<u>20,480</u>	<u>30,846</u>
	<u>87,496</u>	<u>73,604</u>	<u>133,258</u>

The above trade receivables which have been past due more than 90 days are not considered as in default because these trade receivables relate to a number of independent customers for whom there was no recent history of default and they have a good track record with the Group.

As at 1 January 2023, the carrying amount of trade and bills receivables net of allowance for credit losses from contracts with customers of the Group and the Company amounted to RMB68,072,000.

The Group and the Company does not hold any collateral over these balances. Further details of impairment assessment of trade and bills receivables under IFRS 9 are set out in note 37.

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26. OTHER RECEIVABLES AND PREPAYMENTS

	The Group		
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deposit	913	908	1,351
Prepayments	9,455	6,953	15,375
Deferred issue cost	—	—	1,300
Other receivable from a third party (note 29)	—	—	10,009
Others	1,091	1,345	1,641
	11,459	9,206	29,676
Less: allowance for credit losses	(40)	(64)	(103)
	11,419	9,142	29,573
	The Company		
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deposit	913	907	1,351
Prepayments	9,215	6,642	15,065
Deferred issue cost	—	—	1,300
Other receivable from a third party (note 29)	—	—	10,009
Others	1,086	1,329	1,497
	11,214	8,878	29,222
Less: allowance for credit losses	(40)	(63)	(102)
	11,174	8,815	29,120

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27. CONTRACT ASSETS

	The Group and the Company		
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Analysed as current:			
Unbilled revenue of EPC contracts (<i>Note a</i>)	36,292	229,379	367,108
Retention receivables of service contracts (<i>Note b</i>)	<u>977</u>	<u>18,048</u>	<u>17,424</u>
	<u>37,269</u>	<u>247,427</u>	<u>384,532</u>

The allowance for credit losses of contract assets of the Group and the Company are RMB168,000, RMB2,978,000 and RMB6,129,000 as at 31 December 2023, 2024 and 2025.

Retention receivables of service contracts			
Due within one year	592	17,525	197
Due more than one year	<u>385</u>	<u>523</u>	<u>17,227</u>
	<u>977</u>	<u>18,048</u>	<u>17,424</u>

As at 1 January 2023, the carrying amount of contract assets of the Group and the Company amounted to RMB18,168,000.

Notes:

- (a) Unbilled revenue included in contract assets represents the Group’s and the Company’s right to receive consideration for work completed but not yet billed because the rights are conditioned on the Group’s and the Company’s future performance in achieving specified milestones or the value of EPC work has to be agreed with the customers. The contract assets are transferred to the trade receivables when the rights become unconditional. The significant increase is the result of the increase in new EPC projects and ongoing services at the end of the Track Record Period.
- (b) Retention receivables included in contract assets represents the Group and the Company’s right to receive consideration for work performed and not yet billed because the rights are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group and the Company on the service quality of the construction work performed by the Group and the Company. For retention receivables in respect of service contracts, the due dates are usually one to two years after the completion of the service work.

The Group and the Company classifies these contract assets as current because the Group and the Company expects to realise them in its normal operating cycle.

Details of the impairment assessment of contract assets are set out in note 37.

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28. RESTRICTED BANK BALANCES/CASH AND CASH EQUIVALENTS

(a) Restricted bank balances

Restricted bank balances of the Group and the Company amounting to RMB1,070,000, RMB1,869,000 and RMB1,882,000 as at 31 December 2023, 2024 and 2025, respectively, represented bank balances placed in a designated bank account of the Group whose uses were restricted for performance guarantee and interest bearing at 0.0% to 2.5% per annum.

In addition, restricted bank balances of the Group and the Company amounting to RMB3,027,000 as at 31 December 2025 represented bank balances placed in a designated bank account of the Group whose uses were restricted for a contractual dispute.

(b) Cash and cash equivalents

Cash and cash equivalents mainly consist of demand deposits with floating interest rate for the purpose of meeting the Group’s short term cash commitment.

The ranges of effective interest rate of the bank balances are:

	The Group As at 31 December		
	2023	2024	2025
Interest rate per annum:			
— Bank balances	0.2%–1.35%	0.1%–1.35%	0.05%–1.35%

	The Company As at 31 December		
	2023	2024	2025
Interest rate per annum:			
— Bank balances	0.2%–1.35%	0.1%–1.35%	0.05%–1.35%

Details of impairment assessment of bank balances are set out in note 37.

29. TRADE AND OTHER PAYABLES

	The Group As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Trade payables and accrued construction costs	38,256	119,842	215,768
Salaries and wages payables	4,227	5,292	5,453
Other tax payables	1,591	21,893	30,848
Advance receipt of rental payment	—	91	—
[REDACTED] payables	[REDACTED]	[REDACTED]	[REDACTED]
Accrued issue costs	—	—	517
Other payables	584	683	1,181
	<u>44,658</u>	<u>147,801</u>	<u>255,317</u>

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	The Company		
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables and accrued construction costs	38,256	119,841	215,767
Salaries and wages payables	4,029	5,194	5,453
Other tax payables	1,657	21,791	30,846
Advance receipt of rental payment	—	91	—
[REDACTED] payables	[REDACTED]	[REDACTED]	[REDACTED]
Accrued issue costs	—	—	517
Other payables	580	672	1,158
	44,522	147,589	255,291

During the year ended 31 December 2025, a main contractor of the Group (“**Party A**”) has commenced litigation (the “**Dispute**”) against the Group for RMB3 million in respect of certain variation order in respect of a project which was substantially completed in prior year (the “**Project**”). After seeking legal opinion, the Group is of the view that adequate provision has been made as at 31 December 2025. In addition, the Group was informed by a subcontractor for another project (“**Party B**”), that it acted as representative of a group of subcontractors of Party A (the main contractor of the Project) who have worked as subcontractors for the Project, to request payment from the Company in respect of costs incurred for the Project. The Company made temporary payment of RMB10,009,000 to Party B (the “**Temporary Payment**”). The controlling shareholder and the directors of the Company believe that they can recover such Temporary Payment in full upon resolution of the disputes with Party A.

The Group has also received indemnity from the controlling shareholder that in the event the Group cannot recover the Temporary Payment or incur other loss as a result of the Dispute, the controlling shareholder would reimburse the Group in full.

The following is an ageing analysis of trade payables of the Group and the Company presented based on the services received date at the end of each reporting period:

	The Group		
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Less than 1 year	36,296	108,913	117,247
More than 1 year and less than 2 years	1,160	10,483	91,289
More than 2 years and less than 3 years	265	100	6,856
More than 3 years	535	346	376
	38,256	119,842	215,768

	The Company		
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Less than 1 year	36,296	108,912	117,246
More than 1 year and less than 2 years	1,160	10,483	91,289
More than 2 years and less than 3 years	265	100	6,856
More than 3 years	535	346	376
	38,256	119,841	215,767

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30. CONTRACT LIABILITIES

	The Group		
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Service income	<u>7,728</u>	<u>7,650</u>	<u>13,394</u>

	The Company		
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Service income	<u>7,584</u>	<u>7,405</u>	<u>13,153</u>

As at 1 January 2023, the Group and the Company had contract liabilities of RMB17,823,000 for service income.

Contract liabilities are expected to be settled within the Group’s and the Company’s normal operating cycle.

The contract liabilities for service income are classified as current based on the Group’s earliest obligation to provide service to the customers. Revenue recognised during each reporting period with performance obligation satisfied includes the entire balance of contract liabilities at the beginning of each reporting period.

31. BANK BORROWINGS

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Bank borrowings are repayable:			
— within one year	91,077	80,100	128,894
— within a period of more than one year but not exceeding two years	<u>—</u>	<u>—</u>	<u>12,510</u>
	<u>91,077</u>	<u>80,100</u>	<u>141,404</u>

Analysed as:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Secured (note)	—	42,515	48,771
Unsecured	<u>91,077</u>	<u>37,585</u>	<u>92,633</u>
	<u>91,077</u>	<u>80,100</u>	<u>141,404</u>

The amounts due are based on scheduled repayment dates set out in the loan agreements.

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The ranges of effective interest rates of the Group and the Company’s borrowings are as follows:

	As at 31 December		
	2023	2024	2025
	%	%	%
Effective interest rates:			
— Fixed rate borrowing	<u>3.3–5.3</u>	<u>3.3–4.55</u>	<u>2.4–4.2</u>

All the bank borrowings as at 31 December 2023, 2024 and 2025 were guaranteed by several shareholders of the Company.

Note: The bank borrowings as at 31 December 2023, 2024 and 2025 were secured by certain of the Company’s trade receivables and the Company’s buildings. Details of the secured assets are disclosed in note 41.

32. RETIREMENT BENEFIT PLANS

In accordance with the rules and regulations in the Mainland China, the employees of the Group based in the Mainland China participate in the defined contribution retirement benefit plan organised by the relevant municipal and provincial governments in the Mainland China under which the Group and the relevant employees are required to make monthly contributions to the plan calculated at a certain percentage of the employees’ salaries.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired Mainland-China-based employees’ payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefit of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government. The contributions to these plans are recognised as employee benefit charged to profit or loss and capitalised where applicable. Further details are set out in notes 12 and 14.

33. SHARE CAPITAL

Details of movements of authorised and issued share capital of the Company are as follows:

	Number of shares '000	Share capital RMB'000
Ordinary shares of RMB1 each		
Issued and fully paid:		
At 1 January 2023 and 31 December 2023	40,000	40,000
Issue of shares (<i>note</i>)	<u>4,016</u>	<u>4,016</u>
At 31 December 2024 and 2025	<u>44,016</u>	<u>44,016</u>

Note: On 7 April 2024, pursuant to the passing of a resolution in an extraordinary shareholders’ meeting of the Company, the Company issued 4,016,000 shares of RMB1 each at RMB8.75 per share, for a total consideration of approximately RMB35,140,000.

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34. RESERVES OF THE COMPANY

	Share premium RMB'000	Statutory reserve RMB'000	Retained earnings RMB'000	Total RMB'000
As at 1 January 2023	2,197	7,371	35,978	45,546
Profit for the year	—	—	19,705	19,705
Statutory fund appropriation	—	1,970	(1,970)	—
As at 31 December 2023	2,197	9,341	53,713	65,251
Profit for the year	—	—	33,160	33,160
Issue of shares	31,124	—	—	31,124
Statutory fund appropriation	—	3,316	(3,316)	—
As at 31 December 2024	33,321	12,657	83,557	129,535
Profit for the year	—	—	37,504	37,504
Statutory fund appropriation	—	3,750	(3,750)	—
As at 31 December 2025	<u>33,321</u>	<u>16,407</u>	<u>117,311</u>	<u>167,039</u>

35. OPERATING LEASE ARRANGEMENTS

The Group and The Company as lessor

Part of the building held by the Group and the Company has committed lessees for the next one year as at 31 December 2023 and next three months as at 31 December 2024. The lessee does not have an option to purchase the properties at the expiry of the lease period.

Undiscounted lease payments receivable on leases are as follows:

	2023 RMB'000	2024 RMB'000	2025 RMB'000
Within one year	<u>299</u>	<u>75</u>	<u>—</u>

36. CAPITAL RISK MANAGEMENT

The Group and the Company manages its capital to ensure that entities in the Group and the Company will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group and the Company’s overall strategy remains unchanged throughout the Track Record Period.

The capital structure of the Group consists of net debt, which includes bank borrowings disclosed in note 31, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising share capital, retained earnings and other reserves.

The management of the Group and the Company reviews the capital structure on a continuous basis. The Group and the Company considers the cost of capital and the risks associated with each class of capital and will balance its overall capital structure through new share issues as well as the issue of new debts or the redemption of existing debts.

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37. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial assets			
Financial assets at FVTPL	507	402	—
At amortised cost			
— Cash and cash equivalents	40,498	21,394	14,585
— Restricted bank balances	1,070	1,869	4,909
— Trade and bills receivables	87,502	73,701	133,375
— Other receivables ¹	1,964	2,189	12,898
	<u>131,541</u>	<u>99,555</u>	<u>165,767</u>
Financial liabilities			
At amortised cost			
— Bank borrowings	91,077	80,100	141,404
— Amount due to a joint venture	—	—	1,756
— Trade and other payables ²	38,840	120,525	216,949
	<u>129,917</u>	<u>200,625</u>	<u>360,109</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial assets			
Financial assets at FVTPL	507	402	—
At amortised cost			
— Cash and cash equivalents	40,263	20,956	14,371
— Restricted bank balances	1,070	1,869	4,909
— Amounts due from subsidiaries	110	—	95
— Trade and bills receivables	87,496	73,604	133,258
— Other receivables ¹	1,959	2,173	12,755
	<u>131,405</u>	<u>99,004</u>	<u>165,388</u>
Financial liabilities			
At amortised cost			
— Bank borrowings	91,077	80,100	141,404
— Amounts due to subsidiaries	—	1,182	691
— Amount due to a joint venture	—	—	1,756
— Trade and other payables ²	38,836	120,513	216,925
	<u>129,913</u>	<u>201,795</u>	<u>360,776</u>

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Notes:

1. Prepayment and deferred issue cost are excluded.
2. Salaries and wages payables, accrued issue costs, [REDACTED] payables, other tax payables and advance receipt of rental payment are excluded.

(b) Financial risk management objectives and policies

The Group’s and the Company’s major financial instruments include bank balances and cash, trade and bills receivables, contract assets, other receivables, amounts due from subsidiaries, financial assets at FVTPL, trade and other payables, amounts due to subsidiaries, amount due to a joint venture and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risks

(i) Currency risk

The Group and the Company operate in the PRC and all revenue and cost of sales and operations are denominated in RMB. All of the revenue and costs are denominated in the group entities’ respective functional currency. The Group isn’t exposed to currency risk.

(ii) Interest rate risk

The Group and the Company is exposed to fair value interest rate risk in relation to bank borrowings. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances and restricted bank balances. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management of the Group considers that the impacts of interest rate risk to profit or loss for the years ended 31 December 2023, 2024 and 2025 are insignificant for a reasonable change in the market interest rate. Accordingly, no sensitivity analysis is prepared.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group’s and the Company’s counterparties default on their contractual obligations resulting in financial losses to the Group and the Company. The Group’s and the Company’s credit risk exposures are primarily attributable to trade and bills receivables, contract assets, certain other receivables, amounts due from subsidiaries, restricted bank balances and cash and cash equivalents. The Group or the Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risks associated with bills receivables is mitigated because settlement of certain bills receivables are backed by bills issued by reputable banks and financial institutions. Except for financial assets at FVTPL, the Group and the Company performed impairment assessment for financial assets and contract assets under ECL model.

The Group and the Company manage the risk with respect to restricted bank balances and bank balances by placing in or entered into the contract with the banks with high reputation only.

The Group and the Company have policies in place to ensure that sales are made to reputable and creditworthy customers with an appropriate financial strength and credit history. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

In addition, the Group and the Company review regularly the authorisation of credit limits to individual customers and recoverable amount of each individual trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts. The Group and the Company normally grant credit periods from [30 to 90] days to customers.

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The Group and the Company classified the above assets into below categories:

- Category 1: trade receivables and contract assets arising from contracts with customers;
- Category 2: bills receivables issued/guaranteed by banks;
- Category 3: other receivables and amounts due from subsidiaries; and
- Category 4: restricted bank balances and cash and cash equivalents.

(i) *Trade receivables and contract assets arising from contracts with customers*

The Group and the Company apply the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets arising from contracts with customers. For trade receivables arising from contracts with customers, the provision rates are based on ageing for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating). The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

Contract assets arising from contracts with customers are individually assessed by reference to external credit ratings, taking into consideration of customer type and specific industries of those customers. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the consumer price index to be the most relevant factors for the customers, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables and contract assets under the simplified approach.

The Group

	Lifetime ECL (not credit- impaired) RMB’000
As at 1 January 2023	4,286
— Impairment losses recognised, net	<u>2,238</u>
As at 31 December 2023	6,524
— Impairment losses recognised, net	<u>9,115</u>
As at 31 December 2024	15,639
— Impairment losses recognised, net	<u>20,647</u>
As at 31 December 2025	<u><u>36,286</u></u>

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The Company

	Lifetime ECL (not credit- impaired) RMB’000
As at 1 January 2023	4,284
— Impairment losses recognised, net	<u>2,238</u>
As at 31 December 2023	6,522
— Impairment losses recognised, net	<u>9,115</u>
As at 31 December 2024	15,637
— Impairment losses recognised, net	<u>20,647</u>
As at 31 December 2025	<u><u>36,284</u></u>

(ii) *Bills receivables issued/guaranteed by banks*

For bills receivables issued/guaranteed by PRC banks, the management of the Group and the Company consider the credit risk arising from the bills is insignificant.

(iii) *Other receivables and amounts due from subsidiaries*

The Group and the Company apply the IFRS 9 to measuring expected credit losses for all other receivables and amounts due from subsidiaries. To measure the expected credit losses, other receivables and amounts due from subsidiaries have been grouped based on shared credit risk characteristics.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle the receivables.

The following table shows the movement that has been recognised for other receivables and amounts due from subsidiaries.

The Group

	12m ECL RMB’000
As at 1 January 2023	136
— Impairment losses reversed, net	<u>(96)</u>
As at 31 December 2023	40
— Impairment losses recognised, net	<u>24</u>
As at 31 December 2024	64
— Impairment losses recognised, net	<u>39</u>
As at 31 December 2025	<u><u>103</u></u>

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The Company

	12m ECL RMB'000
As at 1 January 2023	3,863
— Impairment losses recognised, net	<u>2,779</u>
As at 31 December 2023	6,642
— Impairment losses recognised, net	<u>1,634</u>
As at 31 December 2024	8,276
— Impairment losses recognised, net	<u>638</u>
As at 31 December 2025	<u><u>8,914</u></u>

(iv) *Restricted bank balances and cash and cash equivalents*

The credit risk on restricted bank balances and cash and cash equivalents of the Group and the Company is limited because the counterparties are banks with good reputation in the PRC.

The tables below detail the credit risk exposures of the financial assets and contract assets, which are subject to ECL assessment:

The Group	12m or lifetime ECL	2023	2024	2025
		Gross	Gross	Gross
		carrying amount <i>RMB'000</i>	carrying amount <i>RMB'000</i>	carrying amount <i>RMB'000</i>
Financial assets at amortised cost				
Restricted bank balances	12m ECL	1,070	1,869	4,909
Bank balances	12m ECL	40,498	21,394	14,585
Other receivables	12m ECL	2,004	2,253	13,001
Bills receivables	12m ECL	565	—	10,452
Trade receivables — contracts with customers	<i>Note 1</i> Lifetime ECL (collective assessment)	93,293	86,362	153,080
Other items				
Contract assets	<i>Note 1</i> Lifetime ECL (individual assessment)	37,437	250,405	390,661

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The Company	12m or lifetime ECL	2023	2024	2025
		Gross	Gross	Gross
		carrying amount	carrying amount	carrying amount
		RMB'000	RMB'000	RMB'000
Financial assets at amortised cost				
Restricted bank balances	12m ECL	1,070	1,869	4,909
Bank balances	12m ECL	40,263	20,956	14,371
Other receivables	12m ECL	1,999	2,236	12,857
Bills receivables	12m ECL	565	—	10,452
Amounts due from subsidiaries	12m ECL	6,712	8,213	8,907
Trade receivables — contracts with customers	Note 1 Lifetime ECL (collective assessment)	93,286	86,262	152,961
Other items				
Contract assets	Note 1 Lifetime ECL (individual assessment)	37,437	250,405	390,661

Note 1: The information about the credit risk exposure on the Group’s trade receivables and contract assets is set out below.

As part of the Group’s credit risk management, the Group uses debtors’ ageing to assess the impairment for its customers in relation to its operation with customers because these customers have common risk characteristics that are representative of the customers’ abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed on a collective basis by using provision matrix within lifetime ECL (not credit-impaired).

	2023 Gross			2024 Gross			2025 Gross		
	Expected credit loss rate	amount of trade receivables	ECL amount	Expected credit loss rate	amount of trade receivables	ECL amount	Expected credit loss rate	amount of trade receivables	ECL amount
		RMB'000	RMB'000		RMB'000	RMB'000		RMB'000	RMB'000
Within 1 year	2.48%	63,681	1,582	3.57%	54,111	1,934	10.34%	102,596	10,605
1 year to 2 years	7.49%	17,275	1,294	14.13%	11,711	1,655	17.63%	28,376	5,003
2 years to 3 years	23.44%	6,758	1,584	32.56%	12,030	3,917	42.49%	4,554	1,935
More than 3 years	33.98%	5,579	1,896	60.58%	8,510	5,155	71.86%	17,554	12,614
		<u>93,293</u>	<u>6,356</u>		<u>86,362</u>	<u>12,661</u>		<u>153,080</u>	<u>30,157</u>

Contract assets arising from contracts with customers with gross carrying amounts of RMB37,437,000, RMB250,405,000 and RMB390,661,000 respectively as at 31 December 2023, 2024 and 2025 were assessed individually. The average loss rates for contract assets are assessed to be ranging from approximately 0.45% to 1.57% during the Track Record Period.

The estimated credit loss rates are estimated based on past default experience of the debtors adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the directors of the Company, which has built an appropriate liquidity risk management framework for the management of the Group’s short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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The management of the Group and the Company are satisfied that the Group and Company will have sufficient financial resources to meet its financial obligations as they fall due in the foreseeable future by taking into account the Group and the Company’s cash flow projection, and the Group and the Company’s future capital expenditure in respect of its non-cancellable capital commitments, the management considers that the Group and the Company has sufficient working capital to meet in full its financial obligations as they fall due for at least the next twelve months from the end of each reporting period.

The following table details the Group and the Company’s remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows. The table includes both interest and principal cash flows, where applicable.

The Group

	Weighted average interest rate	On demand or within 1 year RMB'000	1 to 2 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amount RMB'000
As at 31 December 2023					
<i>Non-interest bearing</i>					
Trade and other payables	—	<u>38,840</u>	<u>—</u>	<u>38,840</u>	<u>38,840</u>
<i>Interest bearing</i>					
Bank borrowings	3.94%	<u>92,245</u>	<u>—</u>	<u>92,245</u>	<u>91,077</u>
As at 31 December 2024					
<i>Non-interest bearing</i>					
Trade and other payables	—	<u>120,525</u>	<u>—</u>	<u>120,525</u>	<u>120,525</u>
<i>Interest bearing</i>					
Bank borrowings	3.67%	<u>81,549</u>	<u>—</u>	<u>81,549</u>	<u>80,100</u>
As at 31 December 2025					
<i>Non-interest bearing</i>					
Amount due to a joint venture	—	<u>1,756</u>	<u>—</u>	<u>1,756</u>	<u>1,756</u>
Trade and other payables		<u>216,949</u>	<u>—</u>	<u>216,949</u>	<u>216,949</u>
<i>Interest bearing</i>					
Bank borrowings	3.13%	<u>131,404</u>	<u>12,664</u>	<u>144,068</u>	<u>141,404</u>

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The Company

	Weighted average interest rate	On demand or within 1 year RMB'000	1 to 2 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amount RMB'000
As at 31 December 2023					
<i>Non-interest bearing</i>					
Trade and other payables	—	38,836	—	38,836	38,836
<i>Interest bearing</i>					
Bank borrowings	3.94%	92,245	—	92,245	91,077
As at 31 December 2024					
<i>Non-interest bearing</i>					
Amounts due to subsidiaries	—	1,182	—	1,182	1,182
Trade and other payables	—	120,513	—	120,513	120,513
<i>Interest bearing</i>					
Bank borrowings	3.67%	81,549	—	81,549	80,100
As at 31 December 2025					
<i>Non-interest bearing</i>					
Amounts due to subsidiaries	—	691	—	691	691
Amount due to a joint venture	—	1,756	—	1,756	1,756
Trade and other payables	—	216,925	—	216,925	216,925
<i>Interest bearing</i>					
Bank borrowings	3.13%	131,404	12,664	144,068	141,404

38. FAIR VALUE MEASUREMENTS

The management of the Group have closely monitored and determined the appropriate valuation techniques and inputs for fair value measurements of financial instruments. In estimating the fair value of financial instruments, the Group uses market-observable data to the extent it is available. The following table gives information about how the fair values of financial assets at FVTPL are determined (in particular, the valuation technique(s) and inputs used).

Except as detailed in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost recognised in the Historical Financial Information approximate their fair values.

The Group and the Company

	Fair value As at 31 December			Fair value hierarchy	Valuation technique(s) and key input(s)
	2023	2024	2025		
	RMB'000	RMB'000	RMB'000		
Financial assets at FVTPL					
Unlisted money market funds	507	402	N/A	Level 2	Redemption value quoted by the relevant investment funds with reference to the underlying assets (mainly listed securities and bonds) of the fund

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39. RELATED PARTY TRANSACTIONS

- (a) The Group and the Company’s amount due from/to a joint venture is unsecured, interest free and repayable on demand.

Relationships	Company name	Nature of transactions/balances	As at/For the year ended		
			31 December		
			2023	2024	2025
			RMB'000	RMB'000	RMB'000
Joint venture	Shanxi Cellular	Purchase of construction service	—	826	6,606
	Optical Network	Amount due from a joint venture-			
	Energy Technology Co., Ltd.	prepayment (trade)	—	834	—
		Amount due to a joint venture-			
		trade payment (trade) (note)	—	—	1,756

Note: The ageing of the balance of amount due to a joint venture as at 31 December 2025 is within one year.

- (b) The Company’s amounts due from/to subsidiaries are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Amounts due from subsidiaries (non-trade)	6,712	8,213	8,907
Less: allowance for credit losses	(6,602)	(8,213)	(8,812)
	<u>110</u>	<u>—</u>	<u>95</u>
Amounts due to subsidiaries (trade) (note)	<u>—</u>	<u>1,182</u>	<u>691</u>

Note: The ageing of the balance of amounts due to subsidiaries as at 31 December 2024 and 2025 is within one year.

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40. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group’s liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group’s consolidated statements of cash flows as cash flows from financing activities.

	Bank borrowings <i>RMB'000</i>	Amount due to controlling shareholder <i>RMB'000</i>	Accrued issue costs <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2023	34,106	1,906	—	36,012
Financing cash flows	53,159	(1,906)	—	51,253
<i>Non-cash change</i>				
Finance costs recognised (<i>note 9</i>)	<u>3,812</u>	<u>—</u>	<u>—</u>	<u>3,812</u>
At 31 December 2023	91,077	—	—	91,077
Financing cash flows	(13,714)	—	—	(13,714)
<i>Non-cash change</i>				
Finance costs recognised (<i>note 9</i>)	<u>2,737</u>	<u>—</u>	<u>—</u>	<u>2,737</u>
At 31 December 2024	80,100	—	—	80,100
Financing cash flows	57,671	—	(783)	56,888
<i>Non-cash change</i>				
Finance costs recognised (<i>note 9</i>)	3,633	—	—	3,633
Accrued issue costs	<u>—</u>	<u>—</u>	<u>1,300</u>	<u>1,300</u>
At 31 December 2025	<u>141,404</u>	<u>—</u>	<u>517</u>	<u>141,921</u>

41. PLEDGE OF ASSETS

The Group’s borrowings had been secured by the pledge of the Group’s assets and the carrying amounts of the respective assets are as follows:

	As at 31 December		
	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Property, plant and equipment	14,014	13,376	12,738
Trade receivables	<u>—</u>	<u>3,334</u>	<u>1,715</u>
	<u>14,014</u>	<u>16,710</u>	<u>14,453</u>

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42. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the subsidiaries directly and indirectly held by the Company at the end of each reporting period and at the date of this report are set out below.

Name of subsidiaries	Place and date of incorporation	Proportion of registered capital & equity interest attributable to the Group			Paid up issued/ registered capital at date of this report	Principal activities
		As at 31 December 2023	2024	2025		
Zhuhai Henghai Comprehensive Energy Service Co., Ltd. (珠海市恒海綜合能源服務有限公司) (Note i & Note v)	PRC 31 Mar 2021	60%	60%	60%	60%	RMB2,000,000/ RMB2,000,000 Integrated energy business
Zhuhai Huacheng Electric Construction Co., Ltd. (Note i & Note ii & Note v)	PRC 27 May 2021	60%	60%	100%	100%	RMB520,000/ RMB1,000,000 Engineering survey and design
Hefei Yongchu New Energy Technology Co., Ltd. (合肥永儲新能源科技有限公司) (Note i & Note v & Note vii)	PRC 7 Aug 2025	—	—	100%	100%	—/RMB100,000 Energy storage technology services
Zhuhai Huacheng New Energy Development Co., Ltd. (珠海華成新能源開發有限公司) (Note iii & Note v)	PRC 29 Jul 2021	—	—	—	—	—/RMB2,000,000 Integrated energy business
Huazhou Henghua New Energy Technology Co., Ltd. (化州市恒化新能源科技有限公司) (Note iv & Note vi)	PRC 12 Mar 2024	—	—	—	—	—/RMB500,000 Integrated energy business

All the subsidiaries of the Company are limited liability companies. None of the subsidiaries had any debt securities outstanding as at 31 December 2023, 2024 and 2025 or at any time during the Track Record Period.

Notes:

- No audited statutory financial statements were prepared for these subsidiaries for the Track Record Period as there are no statutory audit requirements.
- In June 2025, the Company entered into an equity transfer agreement to acquire an additional 40% equity interest in Zhuhai Huacheng Electric Construction Co., Limited at nil consideration.
- The subsidiary was deregistered during the year ended 31 December 2023.
- The subsidiary was set up and deregistered during the year ended 31 December 2024.
- The subsidiaries are directly held by the Company.
- The subsidiary is indirectly held by the Company.
- The subsidiary was set up during the year ended 31 December 2025.

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43. SHARE-BASED PAYMENT TRANSACTIONS

During the year ended 2022, the controlling shareholder has granted certain shares in two employee incentive platforms, which in turn hold shares of the Company, to certain employees of the Group. The participants of the employee incentive plan include directors, senior management and employees of the Group (“**Eligible Participants**”). Eligible Participants were granted with partnership interests in two employee incentive platforms. Vesting of incentive share awards depends on certain conditions including the satisfaction of both service-based and performance-based conditions. In addition, the vesting of such shares is contingent upon the Company achieving a successful listing of shares on a stock exchange in the PRC (“**IPO**”). Unvested shares will be subject to right of repurchase by the platform’s executive partner or a third-party designee appointed by the executive partner. The repurchase price will be the original consideration paid less and dividend received, if any. The Group did not recognise any share-based payment expenses for each of the three years ended 31 December 2025 since the directors of the conditions have not been satisfied or considered probable.

44. SUBSEQUENT EVENTS

On 27 April 2026, pursuant to the passing of a resolution in a shareholders’ meeting of the Company, the registered share capital of the Company was divided from 44,015,999 shares of RMB1 each into 440,159,990 shares of RMB0.10 each.

Other than that, there were no significant events after 31 December 2025 that requires additional disclosures in or adjustments to the Historical Financial Information.

45. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Company, its subsidiaries or the Group has been prepared in respect of any period subsequent to 31 December 2025.

APPENDIX II	UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II	UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II	UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II	UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II	UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II	UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

PROPERTY VALUATION REPORT

The following is the text of a letter and a valuation certificate prepared for the purpose of incorporation in this document received from Vincorn Consulting and Appraisal Limited, an independent valuer, in connection with its valuation of the property interests held by the Group. Terms defined in this appendix applies to this appendix only.

Vincorn Consulting and Appraisal Limited
Units 1602-4, 16/F
No. 308 Des Voeux Road Central
Hong Kong



The Board of Directors

Guangdong Huacheng Electric Power Energy Co., Ltd.
No. 27, Technology 6th Road, Innovation Coast,
High-tech Zone, Zhuhai City,
Guangdong Province,
The People's Republic of China

[●]

Dear Sirs,

INSTRUCTION AND VALUATION DATE

We refer to your instructions for us to assess the Market Value of the property interests located in The People's Republic of China (“**The PRC**”) held by Guangdong Huacheng Electric Power Energy Co., Ltd. (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) for the purposes of public disclosure. We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary in order to provide you with our opinion of the Market Value of the property interests as at 28 February 2026 (the “**Valuation Date**”).

VALUATION STANDARDS

The valuation has been prepared in accordance with the HKIS Valuation Standards 2024 issued by The Hong Kong Institute of Surveyors effective from 31 December 2024 with reference to the International Valuation Standards published by the International Valuation Standards Council effective from 31 January 2025; and the requirements set out in the Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

VALUATION BASIS

Our valuation has been undertaken on the basis of Market Value. Market Value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

APPENDIX III

PROPERTY VALUATION REPORT

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowances have been made for any charges, mortgages or amounts owing on the property interests, nor for any expenses or taxations which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect the values of the property interests.

As the property interests are held under long term land use rights, we have assumed that the owner has free and uninterrupted rights to use the property interests for the whole of the unexpired term of the land use rights.

VALUATION METHODOLOGY

When valuing the property interests held by the Group, we have adopted Market Approach.

Market Approach is universally considered as the most accepted valuation approach for valuing most forms of property. This involves the analysis of recent market evidence of similar properties to compare with the subject under valuation. Each comparable is analysed on the basis of its unit rate; each attribute of the comparables is then compared with the subject and where there are any differences, the unit rate is adjusted in order to arrive at the appropriate unit rate for the subject. This is done by making percentage adjustments to the unit rate for various factors, such as time, location, building age, building quality and so on.

LAND TENURE AND TITLE INVESTIGATION

We have been provided with copies of documents in relation to the titles of the property interests. However, we have not scrutinised the original documents to verify ownership or to verify any amendments, which may not appear on the copies handed to us. We have relied to a considerable extent on information provided by the Group.

We have relied on the advices given by The PRC legal adviser of the Group, DeHeng Law Offices, regarding the titles of the property interests in The PRC. We do not accept liability for any interpretation that we have placed on such information, which is more properly placed within the sphere of the legal adviser.

All legal documents disclosed in this letter and the valuation certificate are for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the property interests set out in this letter and the valuation certificate.

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PROPERTY VALUATION REPORT

INFORMATION SOURCES

We have relied to a considerable extent on information provided by the Group and the legal adviser, in respect of the titles of the property interests located in The PRC. We have also accepted advice given to us on matters such as identification of the property, particulars of occupancy, areas and all other relevant matters. Dimensions, measurements and areas included in the valuation are based on information contained in the documents provided to us and are, therefore, only approximations.

We have also been advised by the Group that no material factors or information have been omitted or withheld from information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable and have had no reason to doubt the truth and accuracy of information provided to us by the Group which is material to the valuation.

INSPECTION AND INVESTIGATIONS

The property was inspected externally and internally. Although not all areas were accessible for viewing at the time of inspection, we have endeavoured to inspect all areas of the property. Investigations were carried out as necessary. Our investigations have been conducted independently and without influence from any third party in any manner.

We have not tested any services of the property and are therefore unable to report on their present conditions. We have not undertaken any structural surveys of the property and are therefore unable to comment on the structural conditions. We have not carried out any investigations on site to determine the suitability of the ground conditions for any future developments. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be required.

We have not carried out any on-site measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the documents or deduced from the plans are correct. All documents and plans have been used as reference only and all dimensions, measurements and areas are therefore approximations.

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PROPERTY VALUATION REPORT

CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (“RMB”).

The valuation certificate is attached hereto.

Yours faithfully,
For and on behalf of
Vincorn Consulting and Appraisal Limited

Kit Cheung
BSc(Hons) FHKIS MRICS R.P.S. (GP)
MCIREA MHIREA
RICS Registered Valuer
Registered Real Estate Appraiser PRC
Certified ESG Planner CEP®
Executive Director

Vincent Cheung
BSc(Hons) MBA FHKIS FRICS R.P.S. (GP)
MCIREA MHKSI MISCM MHIREA FHKIoD
RICS Registered Valuer
Registered Real Estate Appraiser & Agent PRC
Certified ESG Planner CEP®
Managing Director

Note:

Vincent Cheung is a fellow of the Hong Kong Institute of Surveyors, a fellow of the Royal Institution of Chartered Surveyors, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong, a member of China Institute of Real Estate Appraisers and Agents, a member of Hong Kong Securities and Investment Institute, a member of Institute of Shopping Centre Management, a member of Hong Kong Institute of Real Estate Administrators, a fellow of the Hong Kong Institute of Directors, a Registered Valuer of the Royal Institution of Chartered Surveyors, a Registered Real Estate Appraiser and Agent People’s Republic of China and a Certified ESG Planner CEP®. He is suitably qualified to carry out the valuation and has over 28 years of experience in the valuation of fixed and intangible assets of this magnitude and nature in the subject region.

Kit Cheung is a fellow of the Hong Kong Institute of Surveyors, a member of the Royal Institution of Chartered Surveyors, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong, a member of China Institute of Real Estate Appraisers and Agents, a member of Hong Kong Institute of Real Estate Administrators, a Registered Valuer of the Royal Institution of Chartered Surveyors, a Registered Real Estate Appraiser People’s Republic of China and a Certified ESG Planner CEP®. He is suitably qualified to carry out the valuation and has over 17 years of experience in the valuation of fixed and intangible assets of this magnitude and nature in the subject region.

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PROPERTY VALUATION REPORT

VALUATION CERTIFICATE

Property Interests Held by the Group for Occupation in The PRC

			Market Value in the Existing State as at 28 February 2026								
Property	Description and Tenure	Occupancy Particulars									
An industrial building located at No. 27, Technology 6th Road, Innovation Coast, High-tech Zone, Zhuhai City, Guangdong Province, The PRC	The property comprises a 6-storey industrial building with a basement located at Innovation Coast, High-tech Zone, Zhuhai City, Guangdong Province, The PRC. As per the Real Estate Title Certificate, the property has a site area of approximately 7,000.00 square metres (“sq.m.”) and has a gross floor area (“GFA”) of approximately 7,738.12 sq.m. It was completed in about 2014. The area breakdown of the property is listed as below: <table><tr><th>Portion</th><th>GFA (sq.m.)</th></tr><tr><td>Basement</td><td>283.90</td></tr><tr><td>1/F to 6/F</td><td><u>7,454.22</u></td></tr><tr><td>Total</td><td><u><u>7,738.12</u></u></td></tr></table> The land use rights of the property were granted for a term expiring on 17 March 2061 for industrial uses.	Portion	GFA (sq.m.)	Basement	283.90	1/F to 6/F	<u>7,454.22</u>	Total	<u><u>7,738.12</u></u>	As per our on-site inspection and the information provided by the Group, the property is currently owner-occupied.	RMB38,700,000 (RENMINBI THIRTY EIGHT MILLION AND SEVEN HUNDRED THOUSAND) 100.00% Interest Attributable to the Group: RMB38,700,000 (RENMINBI THIRTY EIGHT MILLION AND SEVEN HUNDRED THOUSAND)
Portion	GFA (sq.m.)										
Basement	283.90										
1/F to 6/F	<u>7,454.22</u>										
Total	<u><u>7,738.12</u></u>										

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PROPERTY VALUATION REPORT

Notes:

1. The property was inspected by Vincent Cheung *BSc(Hons) MBA FHKIS FRICS R.P.S. (GP) MCIREA MHKSI MISCM MHIREA FHKIoD RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC Certified ESG Planner CEP®* and Kit Cheung *BSc(Hons) FHKIS MRICS R.P.S. (GP) MCIREA MHIREA RICS Registered Valuer Registered Real Estate Appraiser PRC Certified ESG Planner CEP®* on 20 October 2025.
2. The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FHKIS FRICS R.P.S. (GP) MCIREA MHKSI MISCM MHIREA FHKIoD RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC Certified ESG Planner CEP®*, Kit Cheung *BSc(Hons) FHKIS MRICS R.P.S. (GP) MCIREA MHIREA RICS Registered Valuer Registered Real Estate Appraiser PRC Certified ESG Planner CEP®* and Iverson Chan *BSc(Hons) MHKIS MRICS R.P.S. (GP) RICS Registered Valuer CAIA*.
3. Pursuant to a Real Estate Title Certificate, Yue (2025) Zhuhai City Bu Dong Chan Quan Zheng Di No. 0033182, the land use rights of the subject site with a site area of 7,000.00 sq.m. and building ownership rights of the property with a GFA of 7,738.12 sq.m. was legally vested in Guangdong Huacheng Electric Power Energy Co., Ltd.. The land use rights were granted for a term expiring on 17 March 2061 for industrial uses.
4. The general description and market information of the property are summarised below:

Location	: The property is located at No. 27, Technology 6th Road, Innovation Coast, High-tech Zone, Zhuhai City, Guangdong Province, The PRC.
Transportation	: Zhuhai Jinwan Airport and Zhuhai Bei Station are located approximately 56.9 kilometres and 1.4 kilometres away from the property respectively.
Nature of Surrounding Area	: The area is predominately an industrial area in Zhuhai City.
5. We have been provided with a legal opinion regarding the property by DeHeng Law Offices, which contains, inter alia, the following:
 - (a) Guangdong Huacheng Electric Power Energy Co., Ltd. has legally obtained the Real Estate Title Certificate of the property; and
 - (b) The state-owned land use rights and building ownership rights of the property are subject to a mortgage.
6. In the course of our valuation of the property, we have considered and analysed the industrial sale comparables in the vicinity. These comparables are adopted as they are considered relevant to the property in terms of physical and locational attributes. The gross unit rates of the adopted comparables are ranging from RMB3,922 to RMB6,016 per sq.m. The gross unit rate adopted in the valuation is consistent with the gross unit rates of the relevant comparables after due adjustments in terms of different attributes. The adopted gross unit rate of the property is RMB5,000 per sq.m.

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TAXATION AND FOREIGN EXCHANGE

TAXATION OF SECURITY HOLDERS

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, is subject to change and does not constitute legal or tax advice. This summary does not purport to address all potential taxation consequences of [REDACTED] in the H Shares, and does not take into account the specific circumstances of any particular [REDACTED], some of which may be subject to special rules. This summary is based on the tax laws of the PRC in effect as of the Latest Practicable Date, all of which are subject to change (or changes in interpretation) and may have retroactive effect.

This section does not address any aspect of PRC or Hong Kong taxation other than income tax, capital gains tax, sales tax, value-added tax, stamp duty and estate duty. [REDACTED] are urged to consult their respective tax advisers regarding the PRC, Hong Kong and other taxation consequences arising from the [REDACTED] and [REDACTED] of H Shares.

THE PRC TAXATION

Taxation on Dividends

— *Individual Investor*

Pursuant to the Individual Income Tax Law of the People’s Republic of China (《中華人民共和國個人所得稅法》) (the “**Individual Income Tax Law**”) promulgated by the Standing Committee of the National People’s Congress (“NPCSC”) on September 10, 1980, last amended on August 31, 2018, and implemented on January 1, 2019, and the Regulations for the Implementation of the Individual Income Tax Law of the People’s Republic of China (《中華人民共和國個人所得稅法實施條例》) promulgated by the State Council on January 28, 1994, last amended on December 18, 2018 and effective as of January 1, 2019, interest, dividends and bonus are regarded as personal income and subject to individual income tax at a applicable proportional tax rate of 20%. For a foreign natural person who is not a resident of the PRC, the dividends received from a PRC enterprise is normally subject to 20% individual income tax, unless specially exempted by the tax authority of the State Council or reduced by a relevant tax treaty.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (“**Arrangement**”) signed on August 21, 2006, the PRC government may impose a tax on dividends payable by a PRC company to a Hong Kong resident (including the natural person and legal entity), but such tax shall not exceed 10% of the total dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, the tax levied shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol on the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《〈內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排〉第五議定書》) (“**Fifth Protocol on the Arrangement**”), which became effective on December 6, 2019, has included the eligibility criteria for enjoying the tax treaty preference. Notwithstanding the requirements of other provisions of the Arrangement, if, after taking into account all relevant facts and circumstances, it can be reasonably determined that one of the main purposes of any arrangement or transaction that directly or indirectly brings about the benefits of the

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TAXATION AND FOREIGN EXCHANGE

Arrangement is to obtain such preferential tax, the tax treaty preference of relevant standard shall not be granted, unless it can be confirmed that granting such preference in such cases is in line with the relevant purposes and objectives of the Arrangement. The dividend provisions of the tax treaties shall be applied in accordance with the Circular of the State Administration of Taxation on Issues Related to the Implementation of Dividend Provisions of Tax Agreements (《國家稅務總局關於執行稅收協議股息條款有關問題的通知》) and other PRC tax laws and regulations.

— *Enterprise Investors*

Pursuant to the Enterprise Income Tax Law of the People’s Republic of China (《中華人民共和國企業所得稅法》) (“**Enterprise Income Tax Law**”) promulgated by the NPCSC on March 16, 2007, last amended and implemented on December 29, 2018 and the Implementing Regulations of the Enterprise Income Tax Law of the People’s Republic of China (《中華人民共和國企業所得稅法實施條例》) (“**Implementing Regulations**”) promulgated by the State Council on December 6, 2007, last amended on December 6, 2024 and implemented on January 20, 2025, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from a PRC resident enterprise that issues shares in Hong Kong (China)), if such non-resident enterprise does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable for non-resident enterprises is deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise on each payment or when it is payable on due date.

The Circular of the State Administration of Taxation on Issues Relating to Withholding and Payment of Enterprise Income Tax on Dividends Distributed by Chinese Resident Enterprises to Overseas H-share Non-resident Enterprises Shareholders (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued and implemented by the State Administration of Taxation (“**SAT**”) on November 6, 2008, further clarifies that, a PRC-resident enterprise must withhold enterprise income tax at a rate of 10% on the dividends of 2008 and onwards that it distributes to overseas non-resident enterprise shareholders of H Shares. The Reply of the State Administration of Taxation on the Issue of Enterprise Income Tax on Dividends on B Shares and Other Stocks Acquired by Non-Resident Enterprises (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》) promulgated and implemented by the SAT on July 24, 2009, further provides that Chinese resident enterprises that have publicly issued and listed shares (A-shares, B-shares and overseas shares) within or outside China shall withhold and pay enterprise income tax at a uniform rate of 10% when distributing dividends for 2008 and subsequent years to non-resident enterprises shareholders. Where any non-resident enterprise shareholder is entitled to the tax agreement treatment, the relevant provisions of the tax agreement shall prevail. Pursuant to the Arrangement, the PRC government may impose a tax on dividends payable by a PRC company to a Hong Kong resident (including the natural person and legal entity), but such tax shall not exceed 10% of the total dividends payable by the Chinese company. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, the tax levied shall not exceed 5% of the total dividends payable by the PRC company.

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The Fifth Protocol on the Arrangement has included the eligibility criteria for enjoying the tax treaty preference. Notwithstanding the requirements of other provisions of the Arrangement, if, after taking into account all relevant facts and circumstances, it can be reasonably determined that one of the main purposes of any arrangement or transaction that directly or indirectly brings about the benefits of the Arrangement is to obtain such preferential tax, the tax treaty preference of relevant standard shall not be granted, unless it can be confirmed that granting such preference in such cases is in line with the relevant purposes and objectives of the Arrangement. The dividend provisions of the tax treaties shall be applied in accordance with the Circular of the State Administration of Taxation on Issues Related to the Implementation of Dividend Provisions of Tax Agreements (《國家稅務總局關於執行稅收協議股息條款有關問題的通知》) and other Chinese tax laws and regulations.

— *Tax Treaties*

Non-PRC resident investors residing in countries that have entered into agreements or arrangements with the PRC for the avoidance of double taxation or residing in Hong Kong or Macao may be entitled to a reduction of the PRC enterprise income tax imposed on the dividends received from PRC companies. The PRC currently has entered into treaties/arrangements on the avoidance of double taxation with a number of countries and regions, including Hong Kong, Macao, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, and the United States. Non-PRC resident enterprises entitled to preferential tax rates under the relevant income tax treaties or arrangements are required to apply to the PRC tax authorities for a refund of the withholding tax in excess of the agreed tax rate, and the refund application is subject to approval by the PRC tax authorities.

Taxation on Income from Share Transfer

— *Income Tax*

Individual Investors

Pursuant to the Individual Income Tax (《個人所得稅法》) and its implementation rules, gains from sale of equity interests by a PRC resident enterprise shall be levied individual income tax at a rate of 20%.

Pursuant to the Circular on Continued Temporary Exemption of Individual Income Tax on Income from Transfer of Stocks Effectiveness (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) promulgated by the MOF and the SAT and taking effect on March 30, 1998, since January 1, 1997, income of individuals from the transfer of shares in listed companies continues to be temporarily exempted from individual income tax. According to the Circular on the Issues Relating to the Collection of Individual Income Tax on Individuals' Income from the Transfer of Restricted Shares of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) jointly promulgated by the MOF, the SAT and the CSRC on December 31, 2009 and taking effect on January 1, 2010, individuals shall continue to be exempted from the individual income tax on the income from the transfer of shares listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange, with the exception of the relevant restricted shares as defined in the Supplementary Circular on the Issues Relating to the Collection of Individual Income Tax on Individuals' Income from the Transfer of Restricted Shares of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) jointly issued by the above-

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mentioned authorities on November 10, 2010. As of the Latest Practicable Date, the above provisions did not expressly provide for the imposition of individual income tax on the transfer of shares of PRC resident enterprises listed on overseas stock exchanges by non-PRC resident individuals.

Enterprise Investors

Pursuant to the Enterprise Income Tax Law (《企業所得稅法》) and its implementing regulations, where non-PRC resident enterprises have not formed permanent establishments or premises within the territory of the PRC, or where they have formed permanent establishments or premises within the territory of the PRC but there is no actual relationship between the relevant income generated in the PRC and the establishments or premises set up by them, they shall be subject to enterprise income tax in respect of its income generated in the PRC (including the gains from sale of equity in Chinese resident enterprises), generally at a rate of 10%. The aforesaid income tax payable for non-resident enterprises is deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise on each payment or when it is payable on due date. The tax may be reduced or exempted under tax treaties or arrangements on avoidance of double taxation.

— *Stamp Duty*

Pursuant to the Stamp Duty Law of the People’s Republic of China (《中華人民共和國印花稅法》) issued by the NPCSC on June 10, 2021 and implemented on July 1, 2022, the PRC’s stamp duty applies to entities and individuals who execute taxable documents within the PRC, engage in securities transactions within the PRC, or execute taxable documents outside the PRC for use within PRC. Therefore, the provisions governing stamp duty on share transfers of PRC listed companies do not apply to purchasing or selling H-shares by non-PRC investors outside the PRC.

— *Estate Duty*

Pursuant to the laws of the PRC, as of the Latest Practicable Date, no estate duty has been imposed by the government of PRC.

PRINCIPAL TAXATION OF OUR COMPANY IN THE PRC

— *Enterprise Income Tax*

Pursuant to the Enterprise Income Tax Law (《企業所得稅法》) and its implementing regulations, the enterprise income tax rate is 25%. Enterprises are classified into resident and non-resident enterprises. The resident enterprises shall pay enterprise income tax for the income derived from inside and outside the PRC at an enterprise income tax rate of 25%. A non-resident enterprise having establishments or premises inside the PRC shall pay enterprise income tax on its incomes derived from the PRC as well as on incomes derived from outside the PRC but which have real connection with the said establishments or premises at an enterprise income tax rate of 25%.

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— Value-Added Tax

Pursuant to the Value-added Tax Law of the People’s Republic of China (《中華人民共和國增值稅法》) promulgated by the NPCSC on December 25, 2024 and effective from January 1, 2026, all entities or individuals (including sole proprietors) in the PRC that are engaged in the sale of goods, services, intangible assets, real estate and the importation of goods are taxpayers of value-added tax and shall pay VAT. The VAT rate is 13.0% for taxpayers engaged in the sale of goods, provision of processing, repairing and replacement services, leasing of tangible personal property, or the importation of goods, unless otherwise specified.

Pursuant to the Circular on Comprehensively Implementing the Pilot Programme for Changing Business Tax to VAT (《關於全面推開營業稅改徵增值稅試點的通知》) promulgated on March 23, 2016 and taking effect on May 1, 2016, upon approval by The State Council, the pilot programme of changing business tax to VAT must be fully implemented across the country since May 1, 2016.

The Circular of the Ministry of Finance and the State Administration of Taxation on Adjusting the VAT Rate (《財政部、國家稅務總局關於調整增值稅稅率的通知》) promulgated by the Ministry of Finance and the SAT on April 4, 2018 and taking effect on May 1, 2018 adjusted the applicable value-added tax rate. For taxpayers engaged in VAT-taxable transactions or importing goods that were previously subject to 17% or 11% tax rates, the applicable rates have been changed to 16% and 10% respectively.

Pursuant to the Announcement on Relevant Policies for Deepening the Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》) jointly promulgated by the MOF, the SAT and the GAC on March 20, 2019 and implemented on April 1, 2019, (1) the tax rate of 16% applicable to the VAT taxable sale or import of goods by a taxpayer shall be adjusted to 13%; and the tax rate of 10% applicable thereto shall be adjusted to 9%; (2) the deduction rate of 10% applicable to any taxpayer’s purchase of agricultural products shall be adjusted to 9%; (3) where a taxpayer purchases the agricultural products used for the production or consigned processing of goods to which the tax rate of 13% applies, the amount of input tax shall be calculated at the deduction rate of 10%; (4) as for exported goods and labour services to which the tax rate of 16% applies and whose export tax refund rate is 16%, the export tax refund rate shall be adjusted to 13%; (5) as for exported goods and cross-border taxable acts to which the tax rate of 10% applies and whose export tax refund rate is 10%, the export tax refund rate shall be adjusted to 9%.

FOREIGN EXCHANGE

Pursuant to the Regulations on Foreign Exchange Control of the People’s Republic of China (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996, and last amended and implemented on August 5, 2008, payments under the current accounts, such as distribution of profits, interest payments, and foreign exchange transactions related to trade and services, may be freely converted into foreign currencies and paid without prior approval from the SAFE, provided certain procedural requirements are followed. In contrast, converting RMB into foreign currencies and exporting them from the PRC for capital account payments, such as direct investment, repayment of foreign currency loans, round-trip investment, and investment in securities outside the PRC, requires prior approval or registration from the SAFE or its local branches.

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Pursuant to the Administrative Provisions on Foreign Exchange Settlement, Sales and Payment (《結匯、售匯及付匯管理規定》) promulgated by the People’s Bank of China on June 20, 1996 and taking effect on July 1, 1996, no restrictions are imposed on foreign exchange convertibility under current accounts, while restrictions are imposed on foreign exchange transactions under capital accounts.

Pursuant to the Circular on Further Simplification and Improvement of the Foreign Exchange Control Policy over Direct Investment by the SAFE (《關於進一步簡化和改進直接投資外匯管理政策的通知》) promulgated on February 13, 2015, implemented on June 1, 2015 and partially repealed on December 30, 2019, banks directly audit and handle foreign exchange registrations for domestic direct investments and foreign exchange registrations for offshore direct investments on behalf of the SAFE, and the SAFE and its branches exercise indirect supervision over the foreign exchange registrations for direct investments through the banks.

Pursuant to the Circular of the State Administration of Foreign Exchange Concerning Reform of the Administrative Approaches to Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (“**Circular No. 19**”) promulgated on March 30, 2015, last amended and implemented on March 23, 2023, foreign-invested enterprises are allowed to use the RMB funds obtained from foreign exchange capital for equity investment. According to Circular No. 19, the foreign exchange capital in the capital account of a foreign-invested enterprise that has been confirmed by the SAFE for the rights and interests of monetary contribution (or registered by the bank for the entry of monetary contribution) can settle the foreign exchange at the bank based on the actual business needs of the enterprise. The voluntary exchange portion of foreign exchange capital of foreign-invested enterprises is provisionally set at 100%. The SAFE may adjust the above-mentioned proportion in a timely manner Pursuant to the international balance of payments position. In addition, Circular No. 19 and the Circular of the State Administration of Foreign Exchange on Reforming and Regulating the Administrative Policies over Foreign Exchange Settlement under the Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (“**Circular No. 16**”), issued by the SAFE on June 9, 2016, and last amended and implemented on December 4, 2023, stipulates that foreign-invested enterprises shall not use RMB funds derived from their foreign exchange capital contributions for expenditures outside their business scope or prohibited by national laws and regulations, securities investments, investment and wealth management products other than bank principal-protected products, extending loans to non-affiliated enterprises (except circumstances explicitly permitted by their business scope), or constructing or purchasing non-self-use real estate (except for real estate enterprises).

Pursuant to Notice of the State Administration of Foreign Exchange on Further Promoting the Facilitation of Cross-border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) promulgated on October 23, 2019, last amended and implemented on December 4, 2023, the restrictions on domestic equity investment of non-investment foreign-invested enterprises’ capital were lifted. Non-investment foreign-invested enterprises are allowed to make domestic equity investments with their capital in accordance with the law, provided that they do not violate the Negative List (《負面清單》) and the projects they invest in within the country are genuine and compliant.

APPENDIX IV

TAXATION AND FOREIGN EXCHANGE

Pursuant to the Notice on Optimising Foreign Exchange Management to Support Foreign-related Business Development (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) issued and implemented by SAFE on April 10, 2020, on the premise of ensuring that the use of funds is truly compliant and in accordance with the current management regulations on the use of income from capital accounts, eligible enterprises are allowed to use capital account income, such as capital funds, foreign debts and overseas listings, for domestic payments without having to provide proof of authenticity to the bank in advance one by one. Handling banks shall manage related business risks in accordance with the principle of prudent business conduct and conduct post-transaction sampling inspections on capital account income payment facilitation services processed in compliance with relevant requirements.

On December 24, 2025, the People’s Bank of China (PBOC) and the State Administration of Foreign Exchange (SAFE) issued the Notice on Issues Concerning the Fund Management of Domestic Enterprises Seeking Overseas Listings (“**the Notice**”), which shall come into force on April 1, 2026. Pursuant to the provisions of the Notice, the time limit for completing overseas listing registration is extended to 30 working days from the date of the first trading day or the completion of the over-allotment; the authority for registration is changed from the State Administration of Foreign Exchange to designated banks. Funds raised by domestic enterprises through overseas listings shall in principle be repatriated to China in a timely manner. Where the raised funds need to be retained offshore for purposes including outbound direct investment, overseas securities investment and overseas lending, the enterprise shall obtain approval or filing documents from the competent authorities prior to the completion of the overseas listing issuance or the over-allotment, and shall comply with the relevant regulatory provisions on cross-border capital management.

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SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

This Appendix summarises certain aspects of PRC laws and regulations which are relevant to our Company’s operations and business. This Appendix also contains a summary of laws and regulatory provisions of the Company Law. The principal objective of this summary is to provide [REDACTED] and [REDACTED] with an overview of the principal laws and regulatory provisions applicable to our Company. This summary is not intended to include all the information which is important to [REDACTED] and [REDACTED]. For a discussion of laws and regulations which are relevant to our Company’s business, please see “Regulatory Overview” in this document.

THE PRC LEGAL SYSTEM

The PRC legal system is based on the PRC Constitution (《中華人民共和國憲法》) (the “**Constitution**”) and is made up of written laws, administrative regulations, local regulations, separate regulations, rules and regulations of departments of the State Council, rules and regulations of local governments, autonomous regulations, separate regulations of autonomous regions, special administrative region law and international treaties and other regulatory documents signed by the PRC government. Court decisions do not constitute binding precedents, although they are used for the purposes of judicial reference and guidance.

According to the Constitution and the Legislation Law of the People’s Republic of China (《中華人民共和國立法法》) (the “**Legislation Law**”), which was last amended by the NPC on March 13, 2023 and became effective on March 15, 2023, the NPC and the SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing criminal and civil matters, state organs and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The people’s congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people’s congresses of cities divided into districts and their standing committees may formulate local regulations on matters such as urban and rural construction and management, environmental protection and historical and cultural protection based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. Where laws have other stipulations on matters of local regulations formulated by cities divided into districts, such stipulations shall prevail. The local regulations of cities divided into autonomous regions are subject to approval before implementation.

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The standing committees of the people’s congresses of provinces or autonomous regions shall examine the legality of local regulations submitted for approval, and such approval should be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. People’s congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in the light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned. The ministries, commissions, PBOC, the National Audit Office and institutions with administrative functions directly under the State Council may formulate rules and regulations within the jurisdiction of their respective departments based on the laws and the administrative regulations, decisions and rulings of the State Council.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations or rules may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of the rules enacted by the people’s governments of the provinces and autonomous regions is greater than that of the rules enacted by the people’s governments of the cities divided into districts within their respective administrative regions.

The NPC has the power to alter or annul any inappropriate laws enacted by the SCNPC, and to annul any autonomous regulations and separate regulations which have been approved by the SCNPC but which contravene the Constitution and the Legislation Law; the SCNPC has the power to annul administrative regulations that contravene the Constitution and laws, to annul local regulations that contravene the Constitution, laws and administrative regulations, and to annul autonomous regulations and separate regulations which have been approved by the standing committees of the people’s congresses of the relevant provinces, autonomous regions or municipalities directly under the Central Government, but which contravene the Constitution and the Legislation Law; the State Council has the power to alter or annul any inappropriate departmental rules and rules of local governments; the people’s congresses of provinces, autonomous regions and municipalities directly under the Central Government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees; the standing committees of the local people’s congresses have the power to annul inappropriate rules enacted by the people’s governments at the corresponding level; the people’s governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people’s governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret the laws is vested in the SCNPC. According to the Decision of the SCNPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed by the SCNPC on 10 June 1981 and came effective on the same date, if the scope prescribed by laws and decrees needs to be further defined or supplementary provisions need to be made, the SCNPC shall interpret them or make the stipulations with decrees. Issues involving the specific application of laws and decrees in the judicial work of the court shall be interpreted by the Supreme People’s Court. Issues involving the specific application of laws and decrees in the procuratorial work of the procuratorate shall be interpreted by the Supreme People’s Procuratorate. If there are principled differences in the interpretation of the Supreme

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People’s Court and the Supreme People’s Procuratorate, they shall be submitted to the SCNPC for interpretation or decision. Issues that do not involve the specific application of laws and decrees in judicial and procuratorial work shall be interpreted by the State Council and the competent departments.

Where the scope of local regulations needs to be further defined or additional stipulations need to be made, the standing committees of the people’s congresses of provinces, autonomous regions and municipalities directly under the Central Government which have enacted these regulations shall provide the interpretations or make the stipulations. Interpretation of issues involving the specific application of local regulations shall be provided by the competent departments of the people’s governments of provinces, autonomous regions and municipalities.

PRC JUDICIAL SYSTEM

According to the Constitution and the Law of Organisation of the People’s Courts of the PRC (《中華人民共和國人民法院組織法》) last amended by the SCNPC on October 26, 2018 and came effective on January 1, 2019, the people’s court is made up of the Supreme People’s Court, the local people’s courts, and special people’s courts. The local people’s courts are divided into 3 levels, namely the basic people’s courts, the intermediate people’s courts and the higher people’s courts. The basic people’s courts may set up certain people’s tribunals based on the status of the region, population and cases. The Supreme People’s Court shall be the highest judicial organ. The Supreme People’s Court shall supervise the judicial administration of the local people’s courts at all levels and of the special people’s courts. The people’s courts at higher levels shall supervise the judicial administration of the people’s courts at lower levels.

According to the Constitution and the Law of Organisation of the People’s Procuratorate of the PRC (《中華人民共和國人民檢察院組織法》) last amended by the SCNPC on October 26, 2018 and came effective on January 1, 2019, the people’s procuratorate is the law supervision organ of the state. The Supreme People’s Procuratorate shall be the highest procuratorial organ. The Supreme People’s Procuratorate shall direct the work of the local people’s procuratorates at all levels and of the special people’s procuratorates; the people’s procuratorates at higher levels shall direct the work of those at lower levels.

The people’s courts employ a two-tier appellate system, and judgments or rulings of the second instance at the people’s courts are final. A party may appeal against the judgment or ruling of the first instance of a local people’s courts. The people’s procuratorate may present a protest to the people’s courts at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people’s procuratorate within the stipulated period, the judgments or rulings of the people’s courts are final. Judgments or rulings of the second instance of the intermediate people’s courts, the higher people’s courts and the Supreme People’s Court and those of the first instance of the Supreme People’s Court are final. However, if the Supreme People’s Court or the people’s courts at the higher level finds any definite errors in a legally effective final judgment or ruling of the people’s court at a lower level, or if the chief judge of a people’s court at any level finds any definite errors in a legally effective final judgment or ruling of such court, the case can be retried according to judicial supervision procedures.

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The PRC Civil Procedure Law (《中華人民共和國民事訴訟法》) (the “**Civil Procedure Law**”) last amended by the SCNPC on September 1, 2023 and came effective on January 1, 2024 sets forth the requirements for instituting a civil action, the jurisdiction of the people’s courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Civil cases are generally heard by the courts where the defendants are located. The court of jurisdiction in a civil action may be chosen by agreement between the parties, provided that the court is located at a place that has direct connection with the dispute, such as the plaintiff’s or the defendant’s place of domicile, the place where the contract is performed or signed or the object of the action is located. However, the choice of the people’s court by the parties cannot be in conflict with the regulations of different jurisdictions and exclusive jurisdictions in any case.

A foreign individual, a person without nationality, a foreign enterprise and organisation is given the same litigation rights and obligations as a citizen, a legal person and other organisation of the PRC when initiating actions or defending against litigation at the people’s court. Should a foreign court limit the civil litigation rights of citizens, a legal person, and other organisations of the PRC, the PRC court may apply the same limitations to the civil litigation rights to citizens, enterprises and organisations of such foreign country. A foreign individual, a person without nationality, a foreign enterprise and organisation must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at the people’s court. In accordance with the international treaties to which the PRC is a signatory or participant or according to the principle of reciprocity, a people’s court and a foreign court may request each other to serve documents, conduct investigation and collect evidence and conduct other actions on its behalf. A people’s court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or public interests of the PRC.

All parties must comply with legally effective civil judgments and rulings. If any party to a civil action refuses to comply with a judgment or order made by a people’s court or an award made by an arbitration tribunal, the other party may apply to the people’s court for enforcement within 2 years. Suspension or disruption of the time limit for applying for such enforcement shall comply with the provisions of the applicable law concerning the suspension or disruption of the time-barring of actions.

When a party applies to a people’s court for enforcing an effective judgment or ruling by a people’s court against a party who is not located within the territory of the PRC or whose property is not within the PRC, the party may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognised and enforced by the people’s court according to the PRC enforcement procedures if the PRC has entered into, or acceded to, an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court’s examination according to the principle of reciprocity, unless among other exceptions, the people’s court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security, or for reasons of social and public interests.

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THE COMPANY LAW, OVERSEAS LISTING TRIAL MEASURES AND GUIDELINES FOR ARTICLES OF ASSOCIATION OF LISTED COMPANIES

A joint stock limited company established in the PRC seeking a listing on the Hong Kong Stock Exchange is mainly subject to the following laws and regulations of the PRC.

The Company Law (《中華人民共和國公司法》) was last amended by the SCNPC on December 29, 2023 and came into effect on July 1, 2024.

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Overseas Listing Trial Measures**”) and its five interpretative guidelines promulgated by the CSRC on February 17, 2023 and came into effect on March 31, 2023 were applicable to the direct and indirect overseas offering and listing of PRC domestic companies’ shares.

According to the Overseas Listing Trial Measures and its interpretative guidelines, a domestic company directly offering and listing overseas shall formulate its articles of association in line with the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the “**Guidelines for Articles of Association**”) last amended by the CSRC on March 28, 2025 and became effective on the same date in place of the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas which ceased to apply from March 31, 2023.

Set out below is a summary of the major provisions of the Company Law, the Overseas Listing Trial Measures and the Guidelines for Articles of Association [REDACTED].

General Provisions

“A joint stock limited company” means a corporate legal person established under the Company Law, whose registered capital is divided into shares of equal par value. The liability of its shareholders is limited to the extent of the shares held by them and the liability of a company is limited to the full value of all the property owned by it.

Companies engaged in business activities must obey the laws and regulations, observe social and business ethics, act in good faith, and accept the supervision of the government and the public. A company may invest in other companies. Where the laws stipulate that a company shall not be a contributor that is jointly and severally liable for the debts of the investee, such stipulation shall apply.

Establishment

A joint stock limited company may be established by promotion or subscription. A joint stock limited company may be established by a minimum of 1 but not more than 200 promoters, and more than half of the promoters shall have residence within the PRC.

The promoters of a joint stock company established by subscription shall convene an inaugural meeting of the company within 30 days after the share capital has been paid-up and shall notified each subscribers the date of the meeting or make an announcement in this regard 15 days before the meeting. The inaugural meeting may be held only with the presence of subscribers holding more than 50% of the

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voting shares. The convening and voting procedures for the inaugural meeting of a joint stock limited company established by promotion shall be stipulated in the articles of association or the agreement of the promoters. Powers to be exercised at the inaugural meeting include but not limited to the adoption of articles of association and the election of members of the board of directors and the board of supervisors of the company. The aforesaid matters shall be resolved by subscribers holding more than 50% of the voting rights of those present at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors shall apply to the registration authority for registration of the incorporation of the joint stock limited company. A company is formally established and has the status of a legal person after the business licence has been issued by the relevant registration authority.

Registered Shares

Under the Company Law, shareholders may make capital contributions in cash, or with non-monetary property that may be valued in money and legally transferred, such as contribution in kind or with intellectual property rights, land use rights, shareholding or claims.

The Overseas Listing Trial Measures provides that domestic companies that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

Under the Company Law, a joint stock limited company is required to maintain a register of shareholders, detailing the following information: (i) the name and domicile of each shareholder; (ii) the class and number of shares subscribed for by each shareholder; (iii) the serial number of shares if issued in paper form; and (iv) the date on which each shareholder acquired the shares.

Allotment and Issue of Shares

All issue of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. It may issue shares at par value or at a premium, but it may not issue shares below the par value.

Domestic companies offering and listing its securities overseas shall file with the CSRC in accordance with Overseas Listing Trial Measures, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholder information and other information. Where a domestic company seeks to offer and list securities overseas directly, the issuer shall file with the CSRC. If a domestic company is indirectly listed overseas, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC.

Increase in Share Capital

Under the Company Law, in the case of a joint stock limited company issuing new shares, resolutions shall be passed at the shareholders’ meeting in respect of the class and number of new shares, the issue price of the new shares, the commencement and end dates for the issuance of new shares and the class and number of the new shares proposed to be issued to existing shareholders, if any. If no par value stock is issued, more than half of the proceeds from the issuance of the shares shall be

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included into the registered capital. Additionally, if a company intends to make public offering of shares, it is required to complete the registration with the securities regulatory authority of the State Council and announce the documents.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law: (i) to prepare a balance sheet and a property list; (ii) the company makes a resolution at shareholders’ meeting to reduce its registered capital; (iii) the company shall inform its creditors within 10 days and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days after the approval of resolution of reducing registered capital by the shareholders’ meeting; (iv) the creditors shall have the right to require the company to repay its debts or provide corresponding guarantees within 30 days after receiving the notice or within 45 days after the announcement if the creditors have not received the notice; (v) when the company reduces its registered capital, it shall register the change with a company registration authority in accordance with the law.

When a company reduces its registered capital, it must reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless otherwise prescribed by any law, or agreed upon by all the shareholders of a limited liability company, or as specified in the articles of association of a joint stock limited company.

Share Buy-Back

Under the Company Law, a company shall not purchase its own shares, except for under any of the following circumstances: (i) reducing the registered capital of the company; (ii) merging with other company that holds the shares of the company; (iii) using the shares for employee stocks plan or equity incentives; (iv) with respect to shareholders voting against any resolution adopted at the shareholders’ meeting on the merger or division of the company, the right to demand the company to acquire the shares held by them; (v) using the shares for the conversion of convertible corporate bonds issued by the listed company; (vi) as required for maintenance of the corporate value and shareholders’ rights and interests of the listed company.

The purchase of shares of a company for reasons specified in the case of (i) to (ii) above shall be subject to the resolution of the shareholders’ meeting; the purchase of shares of a company for reasons specified in the case of (iii), (v) and (vi) above shall be subject to the resolution of the board meeting attended by more than two-thirds of the directors in accordance with the provisions of the articles of association or the authorisation from the shareholders’ meeting.

Following the purchase of the company’s shares by the company in accordance with the above provisions, such shares shall be cancelled within 10 days from the date of purchase in the case of item (i) above; such shares shall be transferred or cancelled within six months in the case of items (ii) and (iv) above; and the total numbers of share held by the company shall not exceed 10% of the total issued shares of such company, and shall be transferred or cancelled within 3 years in the case of items (iii), (v) and (vi) above.

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Listed companies making a share buyback shall perform their obligation of information disclosure according to the provisions of the Securities Law of the People’s Republic of China (《中華人民共和國證券法》) (the “**Securities Law**”). If a listed company purchases its shares under any of the circumstances stipulated in (iii), (v) or (vi) hereof, centralised trading shall be adopted publicly.

Transfer of Shares

Shares held by a shareholder may be transferred according to the law. Under the Company Law, a shareholder of a joint stock limited company should affect a transfer of his shares on securities exchange established according to the law or by any other means as required by the State Council. Registered shares may be transferred by endorsement of shareholders or by other means stipulated by laws or administrative regulations. After the transfer, a company shall record the name and address of the transferee in the register of shareholders. No changes of registration in the share register provided in the foregoing requirement shall be affected during a period of 20 days prior to the convening of shareholder’s meeting or 5 days prior to the record date for a company’s distribution of dividends. If any law, administrative regulation, or any provision by the securities regulatory authority of the State Council specifies otherwise for the modification of the register of shareholders of a listed company, such provisions should prevail.

Under the Company Law, shares issued by a company prior to the public offering of shares shall not be transferred within 1 year from the date on which the shares of the company are listed and traded on a securities exchange. The directors, supervisors and senior management of the company should declare to the company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year should not exceed 25% of the total shares they hold of the company, and the shares held by them shall not be transferred within 1 year from the date of the company’s listing on a securities exchange, nor within six months after their resignation from their positions with the company.

If the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee cannot exercise the pledge right within such restricted period.

Shareholders

Under the Company Law and Guidelines for Articles of Association, the rights of a shareholder include: (i) to receive distribution of dividends and other forms of benefits according to the number of shares held; (ii) to legally require, convene, preside over, participate in or appoint proxies to attend the shareholders’ meeting and exercise corresponding voting rights; (iii) to supervise operational activities of the company, provide suggestions or submit queries; (iv) to transfer, grant and pledge the company’s shares held according to the provisions of the laws, administrative regulations and the articles of association; (v) to inspect and copy the articles of association, the register of shareholders, minutes of shareholders’ meetings, resolutions of meetings of the board of directors and financial and accounting reports, eligible shareholders may inspect the accounting books and vouchers of the company according to laws; (vi) to participate in the distribution of the remaining assets of the company according to the proportion of shares held upon its termination or liquidation; (vii) to require the company to acquire the shares from shareholders voting against any resolutions adopted at the shareholders’ meeting concerning the merger and division of the company; (viii) other rights conferred by laws, administrative regulations, departmental rules or the articles of association.

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The obligations of a shareholder include the obligation to abide by the Company’s articles of association, to pay the subscription moneys in respect of the shares subscribed for and in accordance with the form of making capital contributions, to be liable for the company’s debts and liabilities to the extent of the amount of his or her subscribed shares and any other shareholders’ obligation specified in the company’s articles of association.

Shareholder’s Meetings

Under the Company Law and the Guidelines for Articles of Association, the shareholders’ meeting of a joint stock limited company is made up of all shareholders. The shareholders’ meeting is the organ of authority of a company, which exercises the following functions and powers: (i) to elect and replace directors and to decide on matters relating to the remuneration of directors; (ii) to examine and approve reports of the board of directors; (iii) to examine and approve the company’s profit distribution plans and loss recovery plans; (iv) to resolve on the increase or reduction of the company’s registered capital; (v) to resolve on the issuance of corporate bonds; (vi) to resolve on the merger, division, dissolution, liquidation or change of corporate form of the company; (vii) to amend the company’s articles of association; (viii) other functions and powers specified in provision of the articles of association.

Under the Company Law and Guidelines for Articles of Association, annual shareholders’ meetings are required to be held once every year. An extraordinary shareholders’ meeting is required to be held within 2 months after the occurrence of any of the following circumstances: (i) the number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number specified in the articles of association; (ii) when the unrecovered losses of a company amount to one-third of the total share capital; (iii) shareholders individually or jointly holding 10% or more of the company’s shares request; (iv) when deemed necessary by the board of directors; (v) the Audit Committee proposes to convene the meeting; (vi) other circumstances as stipulated in the articles of association.

Shareholders’ meetings shall be convened by the board of directors and preside over by the chairman of the board of directors. In the event that the chairman is incapable of performing or does not perform his/her duties, the meeting shall be preside over by the vice chairman of the board of directors. In the event that the vice chairman is incapable of performing or does not perform his/her duties, a director nominated by more than half of the directors shall preside over the meeting.

Where the board of directors is incapable of performing or does not perform its duties of convening the shareholders’ meeting, the Audit Committee shall convene and preside over such meeting in a timely manner. In case the Audit Committee fails to convene and preside over such meeting, shareholders individually or collectively holding 10% or more of the company’s shares for more than 90 days consecutively may unilaterally convene and preside over such meeting.

Where shareholders individually or collectively holding more than 10% of the company’s shares request the convening of an extraordinary shareholders’ meeting, the board of directors and the Audit Committee shall, within 10 days and 5 days respectively after receiving the request, decide whether to convene such extraordinary shareholders’ meeting and reply to the shareholders in writing.

Notice of shareholders’ meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. A notice of extraordinary shareholders’ meeting shall be given to all shareholders 15 days before the meeting.

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Shareholders individually or collectively holding more than 1% of the company's shares may put forward an interim proposal and submit it to the board of directors in writing 10 days before the shareholders' meeting. The board of directors shall notify other shareholders of such proposal within 2 days upon receipt of such proposal, and submit such interim proposal to the shareholders' meeting for consideration. However, this shall not apply if the interim proposal violates laws, administrative regulations or the Articles of Association, or if it falls outside the scope of the terms of reference for the shareholders' meeting.

Pursuant to the Company Law, if a shareholder appoints a proxy to attend a shareholders' meeting, he/she/it shall specify the matters to be represented by the proxy, the power of attorney and the term of the proxy. The proxy shall submit a written power of attorney issued by the shareholder to the company and exercise the voting rights within the scope of the authorisation. There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum for a shareholders' meeting.

Pursuant to the Company Law, shareholders present at a shareholders' meeting have 1 vote for each share they hold, except for the shareholders of classified shares. However, the company's shares held by the company itself are not entitled to any voting rights.

Pursuant to the Company Law and the Guidelines for Articles of Association, the cumulative voting system may be adopted for the election of directors at the shareholders' meeting in accordance with the provisions of the articles of association or the resolutions of the shareholders' meeting. Under the accumulative voting system, each share shall have the same number of voting rights as the number of directors to be elected at the shareholders' meeting, and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the Company Law and the Guidelines for Articles of Association, the passing of any resolution requires affirmative votes of shareholders representing more than half of the voting rights represented by the shareholders who attend the shareholders' meeting. Matters relating to the merger, division or dissolution of a company, increase or reduction of registered capital, change of corporate form or amendments to the articles of association must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Directors

Pursuant to the Company Law and the Guidelines for Articles of Association, a joint stock limited company should have a board of directors. A joint stock limited company of small scale or with a small number of shareholders may not establish a board of directors, but shall appoint one director to exercise the functions and powers of the board of directors as prescribed by the Company Law. The term of office of a director shall be stipulated in the articles of association, but each term of office shall not exceed 3 years. Directors may serve consecutive terms if re-elected.

Meetings of the board of directors shall be convened at least twice a year. All directors shall be noticed 10 days before the meeting for every meeting. The board of directors exercises the following functions and powers: (i) to convene shareholder's meetings and report its work to the shareholder's meetings; (ii) to implement the resolutions of the shareholder's meeting; (iii) to decide on a company's business plans and investment plans; (iv) to formulate a company's profit distribution plan and loss recovery plan; (v) to formulate proposals for the increase or reduction of a company's registered capital

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and the issue of corporate bonds; (vi) to formulate plans for merger, division, dissolution or change of corporate form of a company; (vii) to decide on the internal management structure of a company; (viii) to decide on the appointment or dismissal of the manager of a company and his/her remuneration; to decide on the appointment or dismissal of the deputy manager(s) and chief financial officer of a company based on the nomination of the manager and their remunerations; (ix) to formulate a company’s basic management system; and (x) other functions and powers specified in the articles of association or granted by the shareholders’ meeting.

Meetings of the board of directors shall be held only if more than half of the directors are present. If a director is unable to attend a board meeting, he/she may appoint another director by a power of attorney in writing specifying the scope of the authorisation for such director to attend the meeting on his/her behalf. If a resolution of the board of directors violates the laws, administrative regulations or the articles of association or the resolutions of the shareholders’ meeting, as a result of which the company suffers serious losses, the directors participating in the resolution shall be liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempt from such liability.

Pursuant to the Company Law, a person may not serve as a director of a company if he/she is: (i) a person without capacity or with restricted capacity for civil conduct; (ii) a person who has been sentenced to any criminal penalty due to an offence of corruption, bribery, encroachment of property, misappropriation of property, or disrupting the order of the socialist market economy, or has been deprived of political rights due to a crime, where a five-year period has not elapsed since the date of completion of the sentence; if he/she is pronounced for suspension of sentence, a 2-year period has not elapsed since the expiration of the suspension period; (iii) a person who was a director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise; (iv) a person who was the legal representative of a company or enterprise which had its business licence revoked or had been ordered to close down due to violation of the law, and who was personally liable, where less than 3 years have elapsed since the date of the revocation of the business licence or the order for closure of the company or enterprise; and (v) being listed as one of dishonest persons subject to enforcement by the people’s court due to his/her failure to pay off a relatively large amount of due debts.

The board of directors shall have 1 chairman, who shall be elected by more than half of the directors. The chairman shall exercise the following functions and powers (including but not limited to): (i) to preside over shareholders’ meetings, and convene and preside over meetings of the board of directors; (ii) to examine the implementation of resolutions of the board of directors; and (iii) to exercise other powers conferred by the board of directors.

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Board of Supervisors

Under the Company Law, a joint stock limited company may have a board of supervisors which shall comprise three members or more. The members of the board of supervisors shall include shareholders’ representatives and an appropriate proportion of employees’ representatives of the company, among which the proportion of the employees’ representatives shall not be lower than one third, and the actual proportion shall be stipulated in the articles of association. The employees’ representatives who serve as members of the board of supervisors shall be democratically elected by employees through the employees’ representative congress, employees’ congress or by other means.

The directors and senior management may not act concurrently as supervisors.

The board of supervisors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the board of supervisors are elected with approval of more than half of all the supervisors. The chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the chairman of the board of supervisors is incapable of performing or not performing his duties, the vice chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the vice chairman of the board of supervisors is incapable of performing or not performing his duties, a supervisor nominated by more than half of the supervisors shall convene and preside over the meetings of the board of supervisors.

Each term of office of a supervisor shall be three years. Upon expiration of a term, a supervisor shall be eligible for re-election and may serve consecutive terms. Where a re-election is not conducted in a timely manner upon the expiration of a supervisor’s term of office, or where the resignation of supervisors results in the number of supervisors falling below the statutory quorum, the outgoing supervisor shall continue to perform the duties of a supervisor in accordance with applicable laws, administrative regulations and the articles of association until a duly re-elected or newly appointed supervisor assumes office.

The board of supervisors exercises the following powers: (i) to review the company’s financial position; (ii) to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, administrative regulations, the articles of association or the resolutions of shareholders’ general meeting; (iii) when the acts of directors and senior management are harmful to the company’s interests, to require correction of those acts; (iv) to propose the convening of extraordinary shareholders’ general meetings and to convene and preside over shareholders’ general meetings when the board of directors fails to perform the duty of convening and presiding over shareholders’ general meeting under the Company Law; (v) to initiate proposals for resolutions to shareholders’ general meeting; (vi) to initiate proceedings against directors and senior management pursuant to Article 189 of the Company Law; and (vii) other powers specified in the articles of association.

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On December 27, 2024, the CSRC promulgated the Transitional arrangements relating to the implementation of the rules under the new Company Law (關於新《公司法》配套制度規則實施相關過渡期安排), as from January 1, 2026, where an enterprise applying for IPO and listing still has the board of supervisors or supervisors, it shall formulate a plan for the adjustment to its internal supervision bodies, and ensure that, before its listing, it shall, pursuant to the provisions of the Company Law and the Implementing Provisions, provide in its articles of association that an audit committee shall be established in the board of directors to exercise the functions and powers of the board of supervisors stipulated in the Company Law, without establishment of the board of supervisors or supervisors.

Senior Management

Pursuant to the Company Law, a company should have a manager who is appointed or removed by the board of directors. The manager is responsible to the board of directors and exercise his/her functions and powers according to the articles of association or the authorisation of the board of directors. The manager shall attend the meetings of the board of directors.

Pursuant to the Company Law, senior management shall refer to the manager, deputy manager(s), chief financial officer, secretary of the board of directors and other personnel as stipulated in the articles of association of the company.

Duties of Directors and Senior Management

Directors and senior management of the company are required under the Company Law to comply with the relevant laws, regulations and the articles of association, and have fiduciary and diligent duties to the company. Directors, and senior management are prohibited from abusing their powers to accept bribes or other unlawful income and from misappropriating the company’s properties.

Directors and senior management are prohibited from: (i) embezzling the company’s property or misappropriating of the company’s capital; (ii) depositing the company’s capital into accounts under his/her own name or the name of other individuals; (iii) giving bribes or accepting any other illegal proceeds by taking advantage of their powers; (iv) accept and possess commissions paid by a third party for transactions conducted with the company; (v) unauthorised divulgence of secrets of the company; or (vi) other acts in violation of their fiduciary duty to the company.

If any director or senior management directly or indirectly concludes a contract or conducts a transaction with the company, he/she should report the matters relating to the conclusion of the contract or transaction to the board of directors or shareholders’ meeting, subject to the approval by resolutions of the board of directors or the shareholders’ meeting according to the articles of association.

The provisions of the preceding paragraph shall apply if any near relatives of the directors or senior management, or any of the enterprises directly or indirectly controlled by the directors or senior management or any of their near relatives, and any related parties with any other related-party relationship with the directors or senior management, concludes a contract or conducts a transaction with the company.

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Directors or senior management shall not take advantage of their positions to seek any business opportunity that belongs to the company for themselves or any other person, except under any of the following circumstances: (i) where he/she has reported to the board of directors or the shareholders’ meeting and has been approved by resolutions of the board of directors or the shareholders’ meeting according to the articles of association; or (ii) where the company cannot make use of the business opportunity as stipulated by laws, administrative regulations or the articles of association.

Where any director or senior management fails to report to the board of directors or the shareholders’ meeting and obtain an approval by resolutions of the board of directors or the shareholders’ meeting according to the articles of association, he/she may not engage in any business that is similar to that of the company where he/she holds office for himself/herself or for any other person.

A director or senior management who contravenes any law, administrative regulation or the company’s articles of association in the performance of his/her duties resulting in any loss to the company shall be personally liable for compensation to the company.

Finance and Accounting

Pursuant to the Company Law, a company shall establish its financial and accounting systems according to the laws, administrative regulations and the regulations of the financial department of the State Council. At the end of each fiscal year, the company shall prepare a financial and accounting report which shall be audited by an accounting firm in accordance with the law. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial department of the State Council.

A joint stock limited company shall make its financial and accounting reports available at the company for inspection by the shareholders 20 days before the convening of an annual shareholders’ meeting. A joint stock limited company issuing its shares in public shall publish its financial and accounting reports.

When distributing each year’s after-tax profits, the company shall set aside 10% of its profits into its statutory reserve fund. The company can no longer withdraw statutory reserve fund if it has accumulated to more than 50% of the registered capital. If the statutory reserve fund of the company is insufficient to make up for the losses of the previous years, the current year profits shall be used to make up for such losses before making allocations to the statutory reserve in accordance with the preceding paragraph. After the company has made an allocation to the statutory reserve fund from its after-tax profit, it may also make an allocation to the discretionary reserve fund from its after-tax profit upon a resolution of the shareholders’ meeting.

A joint stock limited company may distribute profits in proportion to the number of shares held by its shareholders, except for profit distributions that are not in proportion to the number of shares held in accordance with the provisions of the articles of association of the joint stock limited company.

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The premium over the nominal value of the shares of a joint stock limited company from the issue of shares, the amount of share proceeds from the issuance of no-par shares that have not been credited to the registered capital and other incomes required by the financial department of the State Council to be treated as the capital reserve fund shall be accounted for as the capital reserve fund of the company.

The reserve fund of the company shall be used to make up losses of the company, expand the production and operation of the company or be converted to increase the capital of the company. Where the reserve fund of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. When the statutory reserve fund is converted to increase registered capital, the balance of the statutory reserve shall not be less than 25% of the registered capital before such conversion.

The company shall not keep accounting books other than those provided by law.

Appointment and Dismissal of Accounting Firms

Pursuant to the Company Law, the engagement or dismissal of an accounting firm responsible for the company’s auditing shall be determined by a shareholders’ meeting, the board of directors or the board of supervisors in accordance with the articles of association. The accounting firm should be allowed to make representations when the shareholders’ meeting, the board of directors or the board of supervisors conduct a vote on the dismissal of the accounting firm. The company shall provide true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm, and shall not refuse, conceal or falsely report.

The Guidelines for Articles of Association provides that the appointment and dismissal of accounting firms shall be determined by the shareholders’ meeting. The company shall guarantee to provide true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm, and shall not refuse, conceal or falsely report. The audit fee of the accounting firm shall be decided by the shareholders’ meeting.

Profit Distribution

Where a company distributes profits to shareholders in violation of the provisions of the Company Law, the shareholders shall refund the profits distributed to the company, and the shareholders and the directors, and senior management who are responsible for causing losses to the company shall bear compensation liability.

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Dissolution and Liquidation

Pursuant to the Company Law, a company shall be dissolved for the following reasons: (i) the business term stipulated in the articles of association has expired or other events of dissolution specified in the articles of association have occurred; (ii) the shareholders’ meeting resolves to dissolve the company; (iii) dissolution is necessary due to a merger or division of the company; (iv) the business licence is revoked, or the company is ordered to close down or is revoked in accordance with laws; and (v) where the company encounters serious difficulties in its operation and management, and its continuance shall cause a significant loss in the interest of shareholders, and where this cannot be resolved through other means, shareholders who hold more than 10% of the total shareholders’ voting rights of the company may present a petition to a people’s court for the dissolution of the company.

If any of the situations mentioned in the preceding paragraph arises, the company shall publicise the situations through the National Enterprise Credit Information Publicity System within ten days. Where the company is dissolved in accordance with item (i) above, it may carry on its existence by amending its articles of association or upon a resolution of the shareholders’ meeting, which must be approved by more than two-thirds of the voting rights held by the shareholders present at the shareholders’ meeting. Where the company is dissolved pursuant to items (i), (ii), (iv) or (v) above, it shall be liquidated. The directors, who are the liquidation obligors of the company, shall form a liquidation group to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution. The liquidation group shall be composed of the directors, unless it is otherwise provided for in the company’s articles of association or it is otherwise elected by resolutions of the shareholders’ meeting. The liquidation obligors shall be liable for compensation if they fail to fulfil their obligations of liquidation in a timely manner, and thus any loss is caused to the company or the creditors.

The liquidation group fails to be formed within the time limit or fails to carry out the liquidation after its formation, any interested party may apply to the people’s court to designate relevant persons to form a liquidation group for liquidation. The people’s court shall accept such application and organise a liquidation group to carry out the liquidation in a timely manner.

The liquidation group shall exercise the following functions and powers during the liquidation period: (i) to liquidate the company’s property, and prepare balance sheet and list of property, respectively; (ii) to notify creditors by notice or public announcement; (iii) to deal with the outstanding business of the company involved in the liquidation; (iv) to pay all outstanding taxes and taxes arising in the course of liquidation; (v) to liquidate claims and debts; (vi) to distribute the remaining property of the company after paying off debts; and (vii) to participate in civil litigations on behalf of the company.

The liquidation group shall notify the company’s creditors within ten days after its formation, and shall make a public announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their proofs of claim with the liquidation group within 30 days after the receipt of the notice or within 45 days after the issuance of the public announcement in the case of failing to receive such notice.

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The remaining property of the company after the payment of liquidation expenses, employees’ wages, social insurance expenses and statutory compensation, outstanding taxes and the company’s debts, shall be distributed to shareholders in proportion to their shareholdings by the company. During the liquidation period, the company shall continue to exist but shall not carry out any business activities unrelated to the liquidation. The company’s assets shall not be distributed to the shareholders before the liquidation in accordance with the preceding paragraph.

If the liquidation group, having thoroughly liquidated the company’s assets and having prepared a balance sheet and an inventory of properties, discovers that the company’s assets are insufficient to pay its debts in full, it shall file an application to a people’s court for bankruptcy liquidation. After the people’s court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the people’s court.

Upon completion of the liquidation, the liquidation group shall prepare a liquidation report to be submitted to the shareholders’ meeting or the people’s court for confirmation and submit it to the company registration authority to apply for deregistration of the company.

The members of the liquidation group performing their duties of liquidation are obliged to loyalty and diligence. Any member of the liquidation group who neglects to fulfil his/her liquidation duties, thus causing any loss to the company shall be liable for compensation; and any member of the liquidation group who cause any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

Where, after 3 years since the business licence of a company is revoked, or the company is ordered to close down or is revoked, the company fails to apply for its deregistration with the company registration authority, the said authority may announce the company’s deregistration through the National Enterprise Credit Information Publicity System for a period of no less than 60 days. If there is no objection after the announcement period expires, the company registration authority may deregister the company.

Overseas Listing

Pursuant to the Overseas Listing Trial Measures, where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within 3 working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within 3 working days after the completion of the issuance. If an issuer issues and is listed in other overseas markets after overseas issuance and listing, it shall be filed in accordance with the provisions of paragraph 1 of Article 16 of the Overseas Listing Trial Measure.

Pursuant to the Overseas Listing Trial Measures, in case of active or compulsory termination of listing, the issuer shall report the specific situation to the CSRC within 3 working days from the date of occurrence and announcement of the relevant matters.

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SECURITIES LAW AND REGULATIONS

In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions within the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee, and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offering of securities by PRC domestic companies in the mainland China or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. On March 29, 1998, the State Council consolidated the above 2 departments and reformed the CSRC.

The Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》), which was promulgated by the State Council on April 22, 1993 and came into effect on the same date, provides the application and approval procedures for public offering of shares, trading in shares, the acquisition of listed companies, the deposit, settlement and transfer of listed shares, the disclosure of information, investigation and penalties with respect to a listed company, and the arbitration of disputes.

The Regulations of the State Council Concerning the Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》), which was promulgated by the State Council on December 25, 1995 and came into effect on the same date, mainly provides for the issue, subscription, trading and payment of dividends of domestic listed foreign shares, as well as the disclosure of information of joint stock limited companies with domestic listed foreign shares.

The Securities Law, which was last amended by the SCNPC on December 28, 2019 and came into effect on March 1, 2020, provides a series of provisions regulating, among other things, the issue and trading of securities, the acquisition of listed companies, stock exchanges, securities companies and the duties and responsibilities of the State Council’s securities regulatory authorities within the PRC, and comprehensively regulates activities within the PRC securities market. The Securities Law provides that a domestic enterprise must comply with the relevant provisions of the State Council in issuing securities directly or indirectly outside the PRC or listing and trading its securities outside the PRC. Currently, the issue and trading of foreign issued shares are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

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ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

Under the Arbitration Law of the People’s Republic of China (《中華人民共和國仲裁法》) (the “**Arbitration Law**”), which was last amended by the SCNPC on September 12, 2025 and will come into effect on March 1, 2026, the Arbitration Law is applicable to foreign-related economic disputes, in which all parties have entered into a written agreement to submit the matters for arbitration to an arbitration body constituted in accordance with the Arbitration Law. An arbitration body may formulate arbitration rules in accordance with the relevant regulations of the Arbitration Law and the Civil Procedure Law, with reference to the model arbitration regulations promulgated by the PRC Arbitration Association. Where the parties have agreed to settle disputes by means of arbitration, the people’s court shall refuse to take legal action brought by a party in the people’s court, except where the arbitration agreement is invalid or otherwise provided by law.

Under the Arbitration Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people’s court for enforcement according to the Civil Procedure Law. A people’s court may refuse to enforce a foreign arbitration award if there is evidence to prove that such arbitration award falls under any of the following circumstances: there is no arbitration agreement, the respondent has not been notified by the appointed arbitrator or of the arbitration proceedings or failed to state its opinion due to other reasons for which the respondent was not responsible, the composition of the arbitral tribunal or the arbitration procedures are not in compliance with the arbitration rules, the matters awarded are beyond the scope of the arbitration agreement or the jurisdiction of the arbitration body. For arbitral awards rendered outside the territory of the People’s Republic of China that have become legally effective and require recognition and enforcement by a people’s court, the parties may apply directly to the intermediate people’s court at the place of residence of the party against whom enforcement is sought or where his property is located. If the place of residence of the party against whom enforcement is sought or his property is not within the territory of the People’s Republic of China, the parties may apply to the intermediate people’s court at the place of residence of the applicant or at a location with a proper connection to the dispute subject to the award. The people’s court shall handle such cases in accordance with international treaties concluded or acceded to by the People’s Republic of China, or pursuant to the principle of reciprocity.

Pursuant to the Arrangements of the Supreme People’s Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》), which was promulgated by the Supreme People’s Court on January 24, 2000 and came into effect on February 1, 2000, and the Supplementary Arrangements of the Supreme People’s Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》), which was promulgated by the Supreme People’s Court on November 26, 2020 and came into effect on November 27, 2020 and May 19, 2021, awards made by arbitral authorities within the PRC can be applied for enforcement in Hong Kong, and Hong Kong arbitration awards can also be applied for enforcement within the PRC.

APPENDIX VI

SUMMARY OF ARTICLES OF ASSOCIATION

This appendix summarises the principal provisions of the Company’s Articles of Association which shall take effect on the date the H-shares are [REDACTED]. The main purpose of this appendix is to provide an overview of the Company’s Articles of Association for [REDACTED] and [REDACTED], so it may not contain all the data that is important to [REDACTED] and [REDACTED].

SHARES

Issuance of Shares

The shares of the Company shall take the form of stock certificates, which shall be in registered form.

The issuance of shares by the Company shall comply with the principles of openness, fairness and impartiality. Each share of the same class shall carry equal rights.

Shares of the same class issued in the same issuance shall be issued on the same terms and at the same price per share. Each subscriber shall pay the same price per share subscribed for.

Increase, Reduction and Repurchase of Shares

The Company may, in light of its operational and development needs and in accordance with the provisions of laws, regulations and the securities regulatory rules of the place where the Company’s shares are listed, adopt any of the following methods to increase its capital upon a resolution adopted by the shareholders’ meeting:

- (1) Issuing shares to non-specific persons;
- (2) Issuing shares to specific persons;
- (3) Offering or issuing new shares by way of rights issue or bonus issue to existing shareholders;
- (4) Converting capital reserves into share capital;
- (5) Such other methods as approved by laws, administrative regulations, the securities regulatory authority of the place where the Company’s shares are listed, the Stock Exchange of Hong Kong Limited and the China Securities Regulatory Commission.

When the Company issues new shares to increase its registered capital, shareholders shall not have pre-emptive subscription rights, unless otherwise stipulated in these Articles of Association or determined by a resolution of the meeting of shareholders.

The Company may reduce its registered capital, and such reduction shall be handled in accordance with the procedures stipulated in the Company Law, the Listing Rules, the securities regulatory rules of the place where the Company’s shares are listed and other relevant provisions as well as these Articles of Association.

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The Company may repurchase its own shares under any of the following circumstances in accordance with the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association:

- (1) Reducing the Company's registered capital;
- (2) Merging with another company that holds shares of the Company;
- (3) Using the shares for employee share ownership plans or equity incentive plans;
- (4) A shareholder demanding the Company to repurchase his/her shares because he/she dissents from a resolution on merger or division of the Company adopted by the meeting of shareholders;
- (5) Using the shares to convert convertible corporate bonds issued by the Company;
- (6) Being necessary for the Company to maintain its corporate value and shareholders' rights and interests;
- (7) Such other circumstances as permitted by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, etc.

Save for the circumstances mentioned above, the Company shall not conduct transactions involving the purchase or sale of its own shares.

Transfer of Shares

The shares of the Company shall be transferred in accordance with the law, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed.

The company does not accept its own shares as collateral for a pledge.

Directors and senior management personnel of the company shall report to the company the shares they hold in the company and any changes therein. During their term of office, which is determined upon assuming their positions, the number of shares they may transfer each year shall not exceed 25% of the total number of shares they hold in the company. Within six months after leaving office, such personnel shall not transfer any shares they hold in the company. Where laws, regulations, the CSRC, or the securities regulatory rules of the place where the Company's shares are listed provide other provisions regarding restrictions on H-share transfers, such provisions shall prevail.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

Shareholders

The Company shall establish a share register on the basis of the documents provided by the securities registration and clearing institution, which shall be conclusive evidence of the holding of the Company's shares by shareholders.

APPENDIX VI

SUMMARY OF ARTICLES OF ASSOCIATION

Shareholders shall enjoy rights and bear obligations according to the class of shares held by them; shareholders holding the same class of shares shall enjoy equal rights and bear the same obligations.

Shareholders of the Company shall enjoy the following rights:

- (1) Obtaining dividends and other forms of profit distribution in accordance with the proportion of shares held by them;
- (2) Legally requesting, convening, calling, presiding over, attending or appointing a proxy to attend the shareholders' meeting, and exercising the corresponding rights to speak and vote, unless required to waive voting rights on individual matters in accordance with the Listing Rules;
- (3) Supervising the business operation of the Company and putting forward suggestions or inquiries;
- (4) Transferring, gifting or pledging the shares held by them in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association;
- (5) Inspecting and copying these Articles of Association, the share register, the minutes of shareholders' meetings, the resolutions of the Board of Directors and the financial accounting reports;
- (6) Participating in the distribution of the remaining assets of the Company in accordance with the proportion of shares held by them upon the termination or liquidation of the Company;
- (7) Requesting the Company to repurchase his/her shares if he/she objects to the resolution of the shareholders' meeting on the merger or division of the Company;
- (8) Other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or these Articles of Association.

Shareholders of the Company shall bear the following obligations:

- (1) Abide by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association;
- (2) Pay the share capital in accordance with the shares subscribed and the method of capital contribution;
- (3) Except for the circumstances stipulated by laws, regulations and the securities regulatory rules of the place where the Company's shares are listed, shall not withdraw their share capital;
- (4) Shall not abuse shareholder rights to damage the interests of the Company or other shareholders; shall not abuse the independent legal person status of the Company and the limited liability of shareholders to damage the interests of the creditors of the Company;

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- (5) Other obligations that shall be borne in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.

Shareholders and connected parties of the Company shall not occupy or transfer the funds, assets and other resources of the Company.

If a shareholder of the Company abuses his/her shareholder rights, or a shareholder and its connected parties cause losses to the Company or other shareholders due to occupation or transfer of the Company's assets, they shall be liable for compensation in accordance with the law.

If a shareholder of the Company abuses the independent legal person status of the Company and the limited liability of shareholders to evade debts and seriously damage the interests of the creditors of the Company, he/she shall be jointly and severally liable for the debts of the Company.

General Provisions on Shareholders' Meeting

The meeting of shareholders of the Company shall be composed of all shareholders. As the highest authority of the Company, the meeting of shareholders shall exercise the following powers in accordance with the law:

- (1) Elect and replace directors who are not representatives of employees, and determine matters relating to the remuneration of such directors;
- (2) Examine and approve the report of the Board of Directors;
- (3) Examine and approve the Company's profit distribution plan and loss compensation plan;
- (4) Adopt resolutions on the increase or decrease of the Company's registered capital;
- (5) Adopt resolutions on the issuance of corporate bonds by the Company;
- (6) Adopt resolutions on the merger, division, dissolution, liquidation or change of the Company's corporate form;
- (7) Amend these Articles of Association;
- (8) Adopt resolutions on the engagement or dismissal of the accounting firm undertaking the Company's audit business;
- (9) Examine and approve the guarantee matters stipulated in Article 56;
- (10) Examine and approve matters where the Company purchases or sells major assets exceeding 30% of the Company's latest audited total assets within one year;
- (11) Examine and approve matters relating to the change of the purpose of raised funds;
- (12) Examine and approve equity incentive plans and employee stock ownership plans;

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- (13) Examine and approve connected transactions that require decision by the meeting of shareholders;
- (14) Examine and approve other matters that shall be decided by the meeting of shareholders in accordance with the provisions of laws, administrative regulations, departmental rules, the Listing Rules, the securities regulatory rules of the place where the Company's shares are listed or these Articles of Association.

The meeting of shareholders may authorise the Board of Directors to adopt resolutions on the issuance of corporate bonds.

The Company shall strictly convene extraordinary meetings of shareholders and annual meetings of shareholders in accordance with the provisions of laws and regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, business rules and these Articles of Association, so as to ensure that shareholders can exercise their rights in accordance with the law. The annual meeting of shareholders shall be held once per fiscal year and shall be convened within 6 months after the end of the preceding fiscal year. Extraordinary meetings of shareholders shall be held irregularly. If any circumstance requiring the convening of an extraordinary meeting of shareholders as stipulated in the Company Law occurs, such meeting shall be convened within 2 months.

The Company shall convene an extraordinary shareholders' meeting within two months from the date on which any of the following events occurs:

- (1) The number of directors falls below the number required by the Company Law or two-thirds of the number specified in these Articles of Association;
- (2) The accumulated losses of the Company not yet recovered reach one-third of the total paid-in share capital;
- (3) A shareholder or shareholders separately or collectively holding 10% or more of the Company's shares (excluding treasury shares) so request;
- (4) The Board of Directors deems it necessary;
- (5) The Audit Committee proposes to convene a meeting;
- (6) Such other circumstances as stipulated by laws, administrative regulations, departmental rules, the Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, or these Articles of Association.

General Provisions on Shareholders' Meeting

The Board of Directors shall convene the meeting of shareholders on time within the prescribed time limit.

With the consent of more than half of all independent directors, the independent directors shall have the right to propose to the Board of Directors the convening of an extraordinary meeting of shareholders. In respect of the proposal of the independent directors for convening an extraordinary meeting of shareholders, the Board of Directors shall, in accordance with the provisions of laws,

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administrative regulations, the Listing Rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association, give a written feedback opinion on agreeing or disagreeing to convene the extraordinary meeting of shareholders within 10 days from the date of receiving the proposal.

If the Board of Directors agrees to convene the extraordinary meeting of shareholders, it shall issue a notice convening the meeting of shareholders within 5 days from the date of adopting the resolution of the Board of Directors; if the Board of Directors disagrees to convene the extraordinary meeting of shareholders, it shall explain the reasons and make an announcement.

The Chairman of the Board of Directors shall have the right to propose to the Board of Directors the convening of an extraordinary meeting of shareholders. In respect of the proposal of the Chairman of the Board of Directors for convening an extraordinary meeting of shareholders, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations and these Articles of Association, give a written feedback opinion on agreeing or disagreeing to convene the extraordinary meeting of shareholders within 10 days from the date of receiving the proposal.

If the Board of Directors agrees to convene the extraordinary meeting of shareholders, it shall issue a notice convening the meeting of shareholders within 5 days from the date of adopting the resolution of the Board of Directors; if the Board of Directors disagrees to convene the extraordinary meeting of shareholders, it shall explain the reasons and make an announcement.

The Audit Committee shall have the right to propose to the Board of Directors the convening of an extraordinary meeting of shareholders and shall submit a written proposal to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association, give a written feedback opinion on agreeing or disagreeing to convene the extraordinary meeting of shareholders within 10 days from the date of receiving the proposal.

If the Board of Directors agrees to convene the extraordinary meeting of shareholders, it shall issue a notice convening the meeting of shareholders within 5 days from the date of adopting the resolution of the Board of Directors, and any change to the original proposal in the notice shall be subject to the consent of the Audit Committee.

If the Board of Directors disagrees to convene the extraordinary meeting of shareholders, or fails to give feedback within 10 days from the date of receiving the proposal, it shall be deemed that the Board of Directors is unable to perform or fails to perform the duty of convening the meeting of shareholders, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders holding 10% or more (excluding treasury shares) of the issued voting shares of the Company alone or in aggregate shall have the right to request the Board of Directors to convene an extraordinary meeting of shareholders and include proposals in the meeting agenda, and shall submit a written request to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association, give a written feedback opinion on agreeing or disagreeing to convene the extraordinary meeting of shareholders within 10 days from the date of receiving the request.

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If the Board of Directors agrees to convene the extraordinary meeting of shareholders, it shall issue a notice convening the meeting of shareholders within 5 days from the date of adopting the resolution of the Board of Directors, and any change to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Board of Directors disagrees to convene the extraordinary meeting of shareholders, or fails to give feedback within 10 days from the date of receiving the request, shareholders holding 10% or more (excluding treasury shares) of the issued voting shares of the Company alone or in aggregate shall have the right to propose to the Audit Committee the convening of an extraordinary meeting of shareholders and shall submit a written request to the Audit Committee.

If the Audit Committee agrees to convene the extraordinary meeting of shareholders, it shall issue a notice convening the meeting of shareholders within 5 days from the date of receiving the request, and any change to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Audit Committee fails to issue the notice of the meeting of shareholders within the prescribed time limit, it shall be deemed that the Audit Committee fails to convene and preside over the meeting of shareholders, and shareholders holding 10% or more (excluding treasury shares) of the issued voting shares of the Company alone or in aggregate for a consecutive period of more than 90 days may convene and preside over the meeting on their own.

Proposals and Notices of the Shareholders' Meeting

The content of a proposal for a meeting of shareholders shall fall within the scope of the powers of the meeting of shareholders, have a clear agenda item and specific resolution matters, and comply with the relevant provisions of laws, administrative regulations, the Listing Rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.

When the Company convenes a meeting of shareholders, the Board of Directors, the Audit Committee, and shareholders holding 1% or more of the issued voting shares of the Company alone or in aggregate shall have the right to submit proposals to the Company.

Shareholders holding 1% or more of the issued voting shares of the Company alone or in aggregate may submit a temporary proposal in writing to the convener 10 days before the convening of the meeting of shareholders. The convener shall issue a supplementary notice of the meeting of shareholders within 2 days from the date of receiving the proposal and submit the temporary proposal to the meeting of shareholders for deliberation. However, this shall not apply if the temporary proposal violates the provisions of laws, administrative regulations, the Listing Rules, the securities regulatory rules of the place where the Company's shares are listed or these Articles of Association, or does not fall within the scope of the powers of the meeting of shareholders.

Except for the circumstances specified in the preceding paragraph, the convener shall not modify the proposals listed in the notice of the meeting of shareholders or add new proposals after issuing the notice.

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The convener shall notify each shareholder of the time, place and matters to be deliberated of the meeting 21 days (including by way of announcement) before the convening of the annual meeting of shareholders, and 15 days (including by way of announcement) before the convening of the extraordinary meeting of shareholders.

The notice of the meeting of shareholders shall include the following contents:

- (1) The time, place and duration of the meeting;
- (2) The matters and proposals to be submitted to the meeting for deliberation;
- (3) A prominent written statement that: all shareholders have the right to attend the meeting of shareholders and may appoint a proxy in writing to attend the meeting and participate in voting, and the shareholder's proxy need not be a shareholder of the Company;
- (4) The record date for shareholders entitled to attend the meeting of shareholders;
- (5) The name and telephone number of the permanent contact person for meeting affairs;
- (6) Other requirements stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.

Convening of Shareholders' meeting

The Board of Directors of the Company and other conveners shall take necessary measures to ensure the normal order of the meeting of shareholders. Measures shall be taken to stop acts that interfere with the meeting of shareholders, cause trouble and infringe upon the legitimate rights and interests of shareholders, and such acts shall be promptly reported to the relevant departments for investigation and punishment.

All shareholders of the Company or their proxies registered in the share register on the record date shall have the right to attend the meeting of shareholders and exercise voting rights (including the right to speak and vote at the meeting of shareholders) in accordance with the relevant laws, regulations, the Listing Rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association. The Company and the convener shall not refuse such right for any reason, unless individual shareholders are required to waive voting rights on specific matters in accordance with the securities regulatory rules of the place where the Company's shares are listed. Pursuant to the applicable laws, regulations and the Listing Rules, if any shareholder is required to waive voting rights on a certain resolution matter, or any shareholder is restricted to only vote in favour of (or against) a certain resolution matter, any votes cast by such shareholder or their representatives in violation of the relevant provisions or restrictions shall not be counted.

A shareholder may attend the meeting of shareholders in person, or entrust one or more proxies to attend, speak and vote on their behalf. Each shareholder is entitled to appoint one or more proxies, provided that the proxy(s) need not be a shareholder of the Company.

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The meeting of shareholders shall be presided over by the Chairman of the Board of Directors. If the Chairman of the Board of Directors is unable to perform his/her duties or fails to perform his/her duties, the meeting shall be presided over by a director jointly elected by more than half of the directors.

A meeting of shareholders convened by the Audit Committee on its own shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable to perform his/her duties or fails to perform his/her duties, the meeting shall be presided over by a member of the Audit Committee jointly elected by more than half of the members of the Audit Committee.

A meeting of shareholders convened by shareholders on their own shall be presided over by the convener or a representative elected by the convener.

If the chairperson of the meeting violates the rules of procedure and renders the meeting of shareholders unable to proceed, the meeting of shareholders may elect a person to act as the chairperson of the meeting and continue the meeting with the consent of more than half of the voting rights held by the shareholders attending the meeting of shareholders.

Resolutions of the meeting of shareholders shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution of the meeting of shareholders shall be adopted by more than half of the voting rights held by the shareholders attending the meeting.

A special resolution of the meeting of shareholders shall be adopted by more than two-thirds of the voting rights held by the shareholders attending the meeting.

The term “shareholders” as used in this Article includes shareholders attending the meeting of shareholders through proxies, i.e., including shareholder proxies.

The following matters shall be adopted by the meeting of shareholders by ordinary resolution:

- (1) Work reports of the Board of Directors;
- (2) Profit distribution proposals and loss recovery proposals formulated by the Board of Directors;
- (3) Appointment and removal of members of the Board of Directors and their remuneration and payment methods;
- (4) Engagement, dismissal and remuneration of accounting firms;
- (5) All other matters that are not required to be adopted by special resolution pursuant to laws, administrative regulations, the Listing Rules, the securities regulatory rules of the place where the Shares are listed, or these Articles of Association.

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The following matters shall be adopted by a special resolution of the meeting of shareholders:

- (1) Increase or decrease of the Company’s registered capital;
- (2) The division, spin-off, merger, dissolution, liquidation and voluntary winding-up of the Company;
- (3) Amendment of these Articles of Association;
- (4) Matters where the Company purchases or sells major assets or provides guarantees to others in an amount exceeding 30% of the Company’s latest audited total assets within one year;
- (5) Changes to the rights attached to class shares shall be approved by a special resolution (excluding treasury shares) of the shareholders holding the class shares with the relevant rights;
- (6) Equity incentive plans;
- (7) Other matters stipulated by laws, administrative regulations, the Listing Rules, the securities regulatory rules of the place where the Company’s shares are listed or these Articles of Association, as well as matters that the meeting of shareholders determines through an ordinary resolution will have a significant impact on the Company and thus need to be adopted by a special resolution.

Shareholders shall exercise voting rights according to the number of voting shares held by them, and each share held shall have one voting right.

Shares of the Company held by the Company itself shall have no voting rights, and such shares shall not be included in the total number of voting shares attending the meeting of shareholders.

BOARD OF DIRECTORS

Directors

Directors may include executive directors and independent directors.

A person shall not serve as a director of the Company if he/she falls under any of the following circumstances:

- (1) Being incompetent for civil conduct or having limited capacity for civil conduct;
- (2) Having been sentenced to criminal punishment for embezzlement, bribery, seizure of property, misappropriation of property or disruption of the socialist market economy; or having been deprived of political rights due to a crime, and less than 5 years have passed since the expiration of the deprivation; or having been sentenced to probation, and less than 2 years have passed since the expiration of the probation period;

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- (3) Having served as a director, factory director or manager of a company or enterprise that has undergone bankruptcy liquidation, and being personally liable for the bankruptcy of such company or enterprise, and less than 3 years have passed since the completion of the bankruptcy liquidation of such company or enterprise;
- (4) Having served as the legal representative of a company or enterprise whose business licence has been revoked or which has been ordered to close down due to illegal acts, and being personally liable for such revocation or closure, and less than 3 years have passed since the revocation of the business licence or the order to close down of such company or enterprise;
- (5) Being listed as a person subject to enforcement for breach of trust by a people's court due to failure to repay relatively large personal debts that are due;
- (6) Having been imposed with a securities market entry ban by the CSRC or identified as an inappropriate person, and the period of such ban or identification has not expired;
- (7) Having been subject to disciplinary sanctions by the National Equities Exchange and Quotations or the stock exchange identifying him/her as unfit to serve as a director or senior management personnel of a company, and the period of such disciplinary sanction has not expired;
- (8) Other circumstances stipulated by laws, administrative regulations, departmental rules, the Listing Rules, the regulatory rules of the place where the Company's shares are listed or the relevant regulatory authorities.

Any election, appointment or engagement of a director in violation of the provisions of this Article shall be invalid. If a director falls under any of the circumstances specified in this Article during his/her term of office, the Company shall remove him/her from office and terminate his/her performance of duties.

Directors shall be elected or removed by the meeting of shareholders, and the term of office of a director shall be three years.

Subject to the provisions of the Listing Rules, a director may be re-elected upon the expiration of his/her term of office.

The term of office of a director shall commence on the date of assumption of office and expire on the date of expiration of the term of office of the current Board of Directors. If a director's term of office expires and no re-election is conducted in a timely manner, the original director shall continue to perform the duties of a director in accordance with the provisions of laws, administrative regulations, departmental rules, the Listing Rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association before the newly elected director assumes office.

Without violating the applicable laws and the securities regulatory rules of the place where the Company's shares are listed, any person appointed by the Board of Directors as a director to fill a temporary vacancy or increase the number of the Board of Directors shall hold office from the date of assumption of office until the first annual meeting of shareholders after the appointment, and shall be eligible for re-election at that time.

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A director may concurrently serve as the general manager or other senior management personnel, provided that the total number of directors concurrently holding senior management positions and directors who are representatives of employees shall not exceed half of the total number of directors of the Company.

Directors shall owe the following fiduciary duties to the Company:

- (1) Shall not occupy the Company's property or misappropriate the Company's funds;
- (2) Shall not deposit the Company's funds in an account opened in his/her own name or in the name of any other individual;
- (3) Shall not accept bribes or other illegal income by virtue of his/her powers;
- (4) Shall not directly or indirectly enter into a contract or conduct a transaction with the Company without reporting to the Board of Directors or the meeting of shareholders and obtaining the approval of the Board of Directors or the meeting of shareholders in accordance with the provisions of these Articles of Association;
- (5) Shall not use his/her position to seek business opportunities that should belong to the Company for himself/herself or others, except where such business opportunity is reported to the Board of Directors or the meeting of shareholders and approved by the meeting of shareholders, or the Company is unable to utilise such business opportunity in accordance with the provisions of laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed or these Articles of Association;
- (6) Shall not engage in business similar to that of the Company for himself/herself or others without reporting to the Board of Directors or the meeting of shareholders and obtaining the approval of the meeting of shareholders;
- (7) Shall not accept commissions from transactions between others and the Company for his/her own benefit;
- (8) Shall not disclose the Company's secrets without authorisation;
- (9) Shall not use his/her connected relationship to damage the interests of the Company;
- (10) Other fiduciary duties stipulated by laws, administrative regulations, departmental rules, the Listing Rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.

Any income obtained by a director in violation of the provisions of this Article shall belong to the Company; if any loss is caused to the Company, the director shall be liable for compensation.

The provisions of Item (4) of Paragraph 2 of this Article shall apply to transactions entered into between the close relatives of a director, enterprises directly or indirectly controlled by a director or his/her close relatives, and connected persons having other connected relationships with a director, and the Company.

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Directors shall owe the following duties of care to the Company:

- (1) Shall exercise the rights conferred by the Company cautiously, earnestly and diligently to ensure that the Company’s business activities comply with the requirements of national laws, administrative regulations and various national economic policies, and that the business activities do not exceed the business scope specified in the business licence;
- (2) Shall treat all shareholders fairly;
- (3) Shall promptly understand the business operation and management status of the Company;
- (4) Shall sign a written confirmation opinion on the Company’s periodic reports. He/she shall ensure that the information disclosed by the Company is true, accurate and complete, and shall not entrust others to sign on his/her behalf or refuse to sign for any reason. If a director is unable to guarantee the truthfulness, accuracy and completeness of the content of the periodic report or has objections thereto, he/she shall explain the specific reasons and make an announcement;
- (5) Shall truthfully provide relevant information and materials to the Audit Committee and shall not obstruct the Audit Committee from exercising its powers;
- (6) Other duties of care stipulated by laws, administrative regulations, departmental rules, the Listing Rules, the securities regulatory rules of the place where the Company’s shares are listed and these Articles of Association.

Board of Directors

The company has a Board of Directors comprising eight directors, including one chairman and three independent directors, all of whom shall be elected by the shareholders’ general meeting.

The Board of Directors shall exercise the following powers:

- (1) Convene the meeting of shareholders and submit a report to the meeting of shareholders;
- (2) Implement the resolutions of the meeting of shareholders;
- (3) Determine the Company’s business plans and investment plans;
- (4) Formulate the Company’s profit distribution plans and loss compensation plans;
- (5) Formulate plans for the Company to increase or decrease registered capital, issue bonds or other securities and list them;
- (6) Formulate plans for the Company’s major acquisitions, repurchase of the Company’s own shares, or merger, division, dissolution and change of the Company’s form;

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- (7) Within the scope of authorisation by the meeting of shareholders, decide on matters such as the Company’s external investments, acquisition and sale of assets, asset mortgages, external guarantee matters, entrusted financial management, connected transactions, and external donations;
- (8) Determine the establishment of the Company’s internal management institutions and special committees of the Board of Directors;
- (9) Decide on the appointment or dismissal of the Company’s general manager and secretary of the Board of Directors, and determine matters relating to their remuneration, rewards and punishments; upon the recommendation of the general manager, appoint or dismiss the Company’s deputy general managers, chief financial officers (finance directors) and other senior management personnel, and determine matters relating to their remuneration, rewards and punishments;
- (10) Formulate and revise the Company’s basic management systems;
- (11) Formulate plans for the amendment of these Articles of Association;
- (12) Manage the Company’s information disclosure matters and disclose periodic reports and interim reports in accordance with the law;
- (13) Submit to the meeting of shareholders proposals for the engagement or replacement of the accounting firm undertaking the Company’s audit business;
- (14) Listen to the work report of the Company’s general manager and inspect the work of the general manager;
- (15) Other powers conferred by laws, administrative regulations, departmental rules, the Listing Rules, the securities regulatory rules of the place where the Company’s shares are listed, these Articles of Association or the meeting of shareholders.

Meeting of the Board of Directors may be convened only if more than half of the directors are present. Except as otherwise stipulated by laws, administrative regulations, departmental rules, the Listing Rules of the Stock Exchange of Hong Kong Limited, other securities regulatory rules of the place where the Company’s shares are listed and these Articles of Association, a resolution of the Board of Directors must be adopted by more than half of all directors.

Voting on resolutions of the Board of Directors shall be conducted on a one-person-one-vote basis.

Independent Directors

The Company shall have independent directors. Unless otherwise provided in this Section, the provisions of these Articles of Association regarding the qualifications and duties of directors shall apply to independent directors. Independent directors shall perform their duties diligently in accordance with laws, administrative regulations, the rules of the China Securities Regulatory Commission, the securities regulatory rules of the place where the Company’s shares are listed, and these Articles of

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Association. They shall play a role in participating in decision-making, providing checks and balances, and offering professional advice within the Board of Directors, so as to safeguard the overall interests of the Company and protect the legitimate rights and interests of minority shareholders.

Special Committees of the Board of Directors

The Board of Directors of the Company shall establish an Audit Committee to exercise the powers of the supervisory board as stipulated in the Company Law.

The Audit Committee shall be responsible for reviewing the Company’s financial information and its disclosure, supervising and evaluating internal and external audit work and internal control.

The Board of Directors of the Company shall establish such other special committees as the nomination committee and the remuneration and appraisal committee, which shall perform their duties in accordance with these Articles of Association and the authorisation of the board of directors. Proposals made by the special committees shall be submitted to the board of directors for review and decision. The working rules and procedures of the special committees shall be formulated by the board of directors.

Senior executives

The Company shall have one General Manager, who shall be nominated by the Chairman of the Board of Directors and appointed or dismissed by the Board of Directors.

The Company may have several Deputy General Managers, who shall be appointed or dismissed by the Board of Directors.

The General Manager shall be accountable to the Board of Directors and exercise the following powers:

- (1) Preside over the Company’s production, operation and management, organise the implementation of the Board of Directors’ resolutions, and submit work reports to the Board of Directors;
- (2) Organise the implementation of the Company’s annual business plans and investment plans;
- (3) Formulate proposals for the establishment of the Company’s internal management institutions;
- (4) Formulate the Company’s basic management systems;
- (5) Formulate the Company’s specific rules and regulations;
- (6) Submit proposals to the Board of Directors for the appointment or dismissal of the Company’s Deputy General Managers and Chief Financial Officer (Finance Director);
- (7) Decide on the appointment or dismissal of responsible management personnel other than those to be appointed or dismissed by the Board of Directors;

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- (8) Be responsible for approving external investment and external financing matters that do not fall within the approval authority of the Board of Directors or the Meeting of Shareholders;
- (9) Other powers conferred by these Articles of Association and the Board of Directors.

The General Manager shall attend meetings of the Board of Directors.

The Company shall appoint a Secretary of the Board of Directors as the person in charge of information disclosure, who shall be responsible for the Company's information disclosure matters, the preparation of meetings of the meeting of shareholders and the Board of Directors, the custody of documents, as well as the management of the Company's shareholder information and investor relations management, among other duties.

FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial Accounting System

The Company formulate its financial and accounting systems in accordance with the provisions of laws, administrative regulations and the relevant requirements of the relevant state authorities.

The Company shall submit, disclose and/or present to shareholders annual reports, interim reports, earnings announcements and other documents in accordance with the laws and regulations of the place of listing, the securities regulatory rules of the place where the Company's shares are listed and other regulatory documents. The aforementioned annual reports, interim reports, earnings announcements and other documents shall be prepared and announced in accordance with the provisions of relevant laws, administrative regulations, departmental rules, the Listing Rules and the securities regulatory authority of the place where the Company's shares are listed.

The Company shall not establish any separate accounting books in addition to the statutory accounting books. No funds of the Company shall be deposited in any account opened in the name of any individual.

Profit Distribution

When the Company distributes the after-tax profits of the current year, it shall allocate 10% of the profits to the Company's statutory reserve fund. The Company may stop allocating to the statutory reserve fund when the accumulated amount of the statutory reserve fund accounts for 50% or more of the Company's registered capital.

Where the Company's statutory reserve fund is insufficient to cover the losses of previous years, the current year's profits shall first be used to cover the losses before allocating the statutory reserve fund in accordance with the provisions of the preceding paragraph.

After allocating the statutory reserve fund from after-tax profits, the Company may also allocate a discretionary reserve fund from after-tax profits upon resolution of the meeting of shareholders.

The remaining after-tax profits of the Company after covering losses and allocating reserve funds shall be distributed in proportion to the shares held by shareholders, unless otherwise stipulated in these Articles of Association.

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Shares of the Company held by the Company itself shall not participate in the profit distribution.

The Company shall appoint one or more receiving agents in Hong Kong for holders of H shares. The receiving agent(s) shall collect and hold dividends and other monies payable by the Company in respect of the H shares on behalf of the relevant H shareholders pending payment to such H shareholders. The receiving agent(s) appointed by the Company shall comply with the requirements of laws, regulations and the securities regulatory rules of the place where the Company’s shares are listed.

Internal Audit

The Company adopts an internal audit system, which specifies the leadership system, responsibilities and powers, staffing, funding guarantee, application of audit results and accountability of internal audit work.

The Company’s internal audit system shall be implemented upon approval by the Board of Directors and disclosed to the public.

The Company’s internal audit institution shall conduct supervision and inspection on the Company’s business activities, risk management, internal control, financial information and other matters.

Engagement of Accounting Firms

The Company engages accounting firms that meet the requirements of the Securities Law, the Listing Rules and the securities regulatory rules of the place where the Company’s shares are listed to conduct audit of financial statements, verification of net assets and other relevant consulting services. The term of engagement is one year and may be renewed.

The engagement, dismissal or replacement of accounting firms by the Company must be decided by the meeting of shareholders. The Board of Directors shall not appoint an accounting firm prior to a decision by the meeting of shareholders.

When the Company dismisses or does not renew the engagement of an accounting firm, it shall give 30 days’ prior notice to the accounting firm. When the meeting of shareholders votes on the dismissal of the accounting firm, the accounting firm shall be allowed to present its opinions.

If an accounting firm resigns, it shall explain to the meeting of shareholders whether there is any improper circumstance in the Company.

MERGER, DIVISION, INCREASE OF CAPITAL, REDUCTION OF CAPITAL, DISSOLUTION AND LIQUIDATION

Merger, Division, Increase of Capital and Reduction of Capital

The merger of the Company may be effected by way of merger by absorption or merger by new establishment.

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SUMMARY OF ARTICLES OF ASSOCIATION

A merger whereby one company absorbs another or other companies is a merger by absorption, and the absorbed company or companies shall be dissolved. A merger whereby two or more companies merge to establish a new company is a merger by new establishment, and all merging parties shall be dissolved.

In the event of a merger of the Company, the merging parties shall enter into a merger agreement and prepare a balance sheet and a detailed inventory of assets. The Company shall notify its creditors within 10 days from the date on which the merger resolution is adopted, and make a public announcement in a newspaper, or through the National Enterprise Credit Information Publicity System and the media designated in these Articles of Association within 30 days. Creditors may, within 30 days from the date of receipt of the notice, or within 45 days from the date of the public announcement if no notice is received, demand the Company to repay its debts or provide a corresponding guarantee. If the securities regulatory rules of the place where the Company's shares are listed provide otherwise, the relevant parties shall also comply with such rules.

Upon merger of the Company, the claims and debts of all merging parties shall be succeeded by the surviving company or the newly established company after the merger.

In the event of a division of the Company, its assets shall be divided accordingly.

In the event of a division of the Company, the Company shall prepare a balance sheet and a detailed inventory of assets. The Company shall notify its creditors within 10 days from the date on which the division resolution is adopted, and make a public announcement in a newspaper, or through the National Enterprise Credit Information Publicity System and the media designated in these Articles of Association within 30 days. If the securities regulatory rules of the place where the Company's shares are listed provide otherwise, the relevant parties shall also comply with such rules.

The debts incurred by the Company before division shall be jointly and severally liable by the companies established after the division, unless otherwise agreed in a written agreement reached between the Company and its creditors prior to the division regarding the settlement of debts.

If the Company intends to reduce its registered capital, it shall prepare a balance sheet and a detailed inventory of assets.

The Company shall notify its creditors within 10 days from the date on which the resolution to reduce registered capital is adopted by the meeting of shareholders, and make a public announcement in a newspaper, or through the National Enterprise Credit Information Publicity System and the media designated in these Articles of Association within 30 days. If the securities regulatory rules of the place where the Company's shares are listed provide otherwise, the relevant parties shall also comply with such rules. Creditors shall have the right, within 30 days from the date of receipt of the notice, or within 45 days from the date of the public announcement if no notice is received, to demand the Company to repay its debts or provide a corresponding guarantee.

When the Company reduces its registered capital, the capital contributions or shares shall be reduced correspondingly in proportion to the capital contributions or shares held by shareholders, unless otherwise provided by law or these Articles of Association.

APPENDIX VI

SUMMARY OF ARTICLES OF ASSOCIATION

Dissolution and Liquidation

The Company shall be dissolved for any of the following reasons:

- (1) Any other ground for dissolution specified in these Articles of Association occurs;
- (2) A resolution on dissolution is adopted by the meeting of shareholders;
- (3) Dissolution is required due to merger or division of the Company;
- (4) Its business licence is revoked, it is ordered to close down or is dissolved in accordance with the law;
- (5) The Company encounters serious difficulties in its operation and management, and continued existence will cause substantial losses to the interests of shareholders, which cannot be resolved by other means. Shareholders holding 10% or more of the voting rights may petition the people’s court to dissolve the Company.

Where any ground for dissolution specified in the preceding paragraph occurs, the Company shall publicise such ground through the National Enterprise Credit Information Publicity System and the media designated in these Articles of Association within 10 days. If the securities regulatory rules of the place where the Company’s shares are listed provide otherwise, the relevant parties shall also comply with such rules.

Amendment of the Articles of Association

The Company shall amend these Articles of Association under any of the following circumstances:

- (1) After the Company Law, relevant laws, administrative regulations, the Listing Rules or the regulatory rules of the place where the Company’s shares are listed are amended, the provisions herein conflict with the amended laws, administrative regulations, the Listing Rules or the regulatory rules of the place where the Company’s shares are listed;
- (2) Changes in the Company’s circumstances are inconsistent with the matters recorded in these Articles of Association;
- (3) The meeting of shareholders decides to amend the Articles of Association.

Where any amendment to the Articles of Association adopted by resolution of the meeting of shareholders is subject to examination and approval by the competent authority, it shall be submitted to the original competent authority for approval; where it involves any company registration matter, the amendment registration shall be handled in accordance with the law.

APPENDIX VII

STATUTORY AND GENERAL INFORMATION

1. FURTHER INFORMATION ABOUT OUR GROUP

A. Incorporation

On 2 December 2003, the predecessor of our Company, Zhuhai Huacheng, was established as a limited liability company in the PRC. Our Company was established through the conversion of Zhuhai Huacheng from a limited liability company into a joint stock company on 6 April 2016. Our Company completed the listing of its shares on the NEEQ (stock code: 839031) on 15 August 2016. Our Company then voluntarily delisted from the NEEQ on 1 April 2026. Please refer to the paragraph headed “History, Development and Corporate Structure — Major Shareholding Changes Concerning our Company” in this document for further details.

Our registered address and principal place of business is at No. 27, Technology 6th Road, Innovation Coast, High-tech Zone, Zhuhai City, Guangdong Province, the PRC. We have established a place of business in Hong Kong at 40th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on [●] 2026. Mr. Lo Chung Yeung Matthew (盧仲陽), our joint company secretary, is the authorised representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong under Part 16 of the Companies Ordinance. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong.

As our Company was established in the PRC, we are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and the Articles of Association is set out in Appendices V and VI to this document, respectively.

B. Changes in the Share Capital of our Company

On 27 April 2026, our then Shareholders resolved to subdivide each of our shares of nominal value of RMB1.00 each into 10 Shares of nominal value of RMB0.10 each, such that following such Share subdivision, the registered share capital of our Company became RMB44,015,999 divided into 440,159,990 Unlisted Shares of nominal value of RMB0.10 each, effective immediately from the date of passing of the relevant resolution at the Shareholders’ meeting.

Save as disclosed above and in the paragraph headed “History, Development and Corporate Structure — Major Shareholding Changes Concerning our Company” in this document, there has been no alteration in the share capital of our Company within two years immediately preceding the date of this document.

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STATUTORY AND GENERAL INFORMATION

C. Changes in the Share Capital of Our Subsidiaries

The following subsidiaries of our Company were incorporated within two years immediately preceding the date of this document:

Name of subsidiary	Place of Incorporation	Date of Incorporation	Initial registered capital/ share capital
Huacheng Philippines	The Philippines	4 August 2025	PhP12,000,000
Hefei Yongchu (<i>Note</i>)	PRC	7 August 2025	RMB100,000
Xinjiang Zhida	PRC	9 January 2026	RMB10,000,000
Hainan Huacheng	PRC	11 March 2026	RMB5,000,000

Note: Hefei Yongchu was in the process of deregistration as at the Latest Practicable Date.

Save as disclosed above, there had been no changes in the share capital of our subsidiaries within two years immediately preceding the date of this document.

D. Resolutions Passed by Our Shareholders at General Meeting of Our Company in relation to the [REDACTED]

At the general meeting of our Company held on 27 April 2026, the following resolutions, among others, were duly passed by our Shareholders:

- (1) Each shares of our Company with nominal value of RMB1.00 will be subdivided into 10 Shares with nominal value of RMB0.10 immediately from the date of passing of the relevant resolution at the Shareholders’ meeting;
- (2) the [REDACTED] by our Company of H Shares of nominal value of RMB0.10 each and such H Shares be [REDACTED] on the Stock Exchange;
- (3) the number of H Shares to be [REDACTED] pursuant to the [REDACTED] before the exercise of the [REDACTED] shall not exceed [REDACTED] of the enlarged share capital of our Company upon completion of the [REDACTED], and the [REDACTED] shall not exceed [REDACTED] of the above number of H Shares to be [REDACTED];
- (4) subject to the completion of the [REDACTED], the Articles of Association to become effective on the [REDACTED] shall be conditionally adopted, and our Board and its authorised person have been authorised to amend the Articles of Association in accordance with the requirements of the relevant domestic and foreign laws and regulations and/or in accordance with any requirements and comments from relevant domestic and foreign government and regulatory authorities; and
- (5) our Board and its authorised person have been authorised to handle all matters relating to, among other things, the [REDACTED], the [REDACTED] and [REDACTED] of the H Shares.

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STATUTORY AND GENERAL INFORMATION

E. Restriction on Share Repurchases

For details of the restrictions on share repurchases by our Company, please refer to the section headed “Appendix VI — Summary of Articles of Association” in this document.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of Our Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this document and are or may be material:

- (1) a share transfer agreement dated 2 December 2025 entered into by our Company and Mr. Shi Huawei (施華威) (“**Mr. Shi**”) as purchasers, and Mr. Zhang Senhua (張森華) (“**Mr. Zhang**”) and Mr. Leong Ka Hou (梁嘉豪) (“**Mr. Leong**”) and as vendors, in relation to the acquisition by (i) our Company as to 25.5% issued shares in Macau Henghai from Mr. Zhang and 25.5% issued shares in Macau Henghai from Mr. Leong, each at the consideration of US\$0.5; and (ii) Mr. Shi as to 11.5% issued shares in Macau Henghai from Mr. Zhang and 11.5% issued shares in Macau Henghai from Mr. Leong, each at the consideration of US\$0.23;
- (2) the Deed of Indemnity; and
- (3) the [REDACTED].

B. Our Material Intellectual Property Rights

As at the Latest Practicable Date, our Group had registered, or has applied for the registration of the following intellectual property rights which were material to our Group’s business.

Trademarks

As at the Latest Practicable Date, we had registered the following trademarks which we considered to be material to our business:

No.	Trademark	Class	Place of registration	Registered owner	Registration number	Validity Period
1.		42	PRC	Our Company	34249362	28 August 2019 — 27 August 2029
2.		37	PRC	Our Company	68181741	28 January 2024 — 27 January 2034

As at the Latest Practicable Date, we had made an application for the registration of the following trademark which we considered to be material to our business:

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No.	Trademark	Classes	Place of application	Applicant	Trademark number/ Application number	Application date
1.		42	Hong Kong	Our Company	307156918	12 January 2026
2.		37	Hong Kong	Our Company	307156837	12 January 2026
3.		9	PRC	Our Company	90170079	10 February 2026
4.		37, 39, 40, 42	PRC	Our Company	90170090 90170091 90170092 90170078	10 February 2026
5.		9, 39, 40	PRC	Our Company	90170088 90170086 90170085	10 February 2026

Patents

As at the Latest Practicable Date, we had registered the following patents in the PRC which we considered to be material to our business:

No.	Description	Registered owner	Patent No.	Patent Category	Application Date
1.	A photovoltaic energy storage system (一種光伏儲能系統)	The Company	ZL201821631946.8	Utility model	8 October 2018
2.	A multifunctional fan control box for substation buildings (一種用於變電站建築的多功能風機電控箱)	The Company	ZL201821665399.5	Utility model	15 October 2018
3.	A stowing and deploying device for unmanned boats (一種無人船收放裝置)	The Company	ZL202223436126.2	Utility model	21 December 2022
4.	A scene construction system based on transmission line path planning (基於輸電線路路徑規劃的場景構建系統)	The Company	ZL202310393695.3	Invention	13 April 2023
5.	A framed flexible photovoltaic support structure (一種構架式光伏柔性支架結構)	The Company	ZL202322230238.0	Utility model	17 August 2023
6.	An airborne LiDAR (一種機載激光雷達)	The Company	ZL202322340763.8	Utility model	29 August 2023

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No.	Description	Registered owner	Patent No.	Patent Category	Application Date
7.	A dual-pillar inverter water-surface operation and maintenance platform (一種雙柱式逆變器水上運維平台)	The Company	ZL202322477779.3	Utility model	12 September 2023
8.	A compact photovoltaic module container convenient for access (一種便於存取的緊湊型光伏組件貨櫃)	The Company	ZL202322637181.6	Utility model	27 September 2023
9.	A high-load, large-span flexible photovoltaic support structure (一種高承載大跨度的光伏柔性支架結構)	The Company	ZL202311375314.5	Invention	23 October 2023
10.	An intelligent sensing and vibration-reducing method for a flexible photovoltaic system (一種光伏柔性系統的智能感應減振方法)	The Company	ZL202311763715.8	Invention	21 December 2023
11.	A flexible photovoltaic support and flexible photovoltaic system (一種光伏柔性支架及光伏柔性系統)	The Company	ZL202420087165.6	Utility model	12 January 2024
12.	A method for automatic photovoltaic piling and intelligent calculation based on a 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)	The Company	ZL202410788399.8	Invention	19 June 2024
13.	A multi-node photovoltaic-storage-direct-current flexible system and energy storage scheduling method thereof (多節點的光儲直柔系統及其儲能調度方法)	The Company	ZL202411207084.6	Invention	30 August 2024
14.	An AI-based photovoltaic-storage-direct-current flexible system and scheduling detection method thereof (基於人工智能的光儲直柔系統及其調度檢測方法)	The Company	ZL202411215446.6	Invention	2 September 2024
15.	A VBA-based automatic management system for power engineering design data (一種基於VBA的電力工程設計數據自動化管理系統)	The Company	ZL202411266849.3	Invention	11 September 2024

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No.	Description	Registered owner	Patent No.	Patent Category	Application Date
16.	An energy consumption monitoring and evaluation system for collector lines in photovoltaic field area (一種光伏場區集電線路的能耗監測評估系統)	The Company	ZL202411313491.5	Invention	20 September 2024
17.	A flat-to-sloping roof photovoltaic power generation system for buildings based on flexible support (一種基於柔性支架的建築平改坡光伏發電系統)	The Company	ZL202411839816.3	Invention	13 December 2024
18.	A prefabricated box-type substation foundation (一種預製箱變基礎)	The Company	ZL202520065807.7	Utility Model	10 January 2025
19.	An intelligent Selection and Calculation Method for Current and Voltage Transformers in Power Stations (一種電站的電流、電壓互感器的智能選型與計算方法)	The Company	ZL202510773586.3	Invention	11 June 2025
20.	A Method, Device, Electronic Equipment, Storage Medium, and Programme Product for Batch Intelligent Processing of CAD Drawing Catalogues (一種CAD圖紙目錄批量智能處理方法、裝置、電子設備、介質及程序產品)	The Company	ZL202511197548.4	Invention	26 August 2025
21.	A Method, Device, Electronic Equipment, Medium, and Programme Product for Intelligent Conversion and Processing of GIS Data (一種GIS數據智能轉換處理方法、裝置、電子設備、介質及程序產品)	The Company	ZL202511197545.0	Invention	26 August 2025
22.	A Method, Device, Electronic Equipment, Medium, and Programme Product for Material Information Identification and Statistics Based on CAD Export (一種基於CAD導出的材料信息識別統計方法、裝置、電子設備、介質及程序產品)	The Company	ZL202511197552.0	Invention	26 August 2025

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No.	Description	Registered owner	Patent No.	Patent Category	Application Date
23.	A Method, Device, Electronic Equipment, Medium, and Programme Product for Intelligent Design of Transmission Tower Unequal Legs (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)	The Company	ZL202511197549.9	Invention	26 August 2025
24.	An Automatic Identification Method and System for Non-Deployable Areas of Wind Farms Based on AI Visual Recognition (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)	The Company	ZL202511822413.2	Invention	5 December 2025
25.	An AI-based method and system for the automatic placement of wind turbines (一種基於人工智慧的風機點位自動佈置方法及系統)	The Company	ZL202511841258.9	Invention	9 December 2025

As at the Latest Practicable Date, we had made an application for the registration of the following patents in the PRC which we considered to be material to our business:

No.	Description	Applicant	Application number	Patent Category	Application Date
1.	A typhoon-resistant single-pile dual-column photovoltaic support structure (一種防颱風單樁雙立柱光伏支架結構)	The Company	202522608951.3	Utility model	9 December 2025
2.	Detection module (檢測模塊)	The Company	202630050392.6	Design	29 January 2026
3.	Information base station (信息基站)	The Company	202630050389.4	Design	29 January 2026
4.	A wind turbine deployment model AI automatic labeling method and system (一種風機部署模型AI自動標註方法及系統)	The Company	202610313347.4	Invention	16 March 2026
5.	A power trenchless towed pipe back-reaming internal reinforcement structure and reinforcement device (一種電力非開挖拖管回擴孔內加固結構及加固裝置)	The Company	202620483433.5	Utility model	13 April 2026
6.	A photovoltaic panel vibration monitoring method and system based on AI and heterogeneous fusion network communication (基於AI和異構融合網絡通信的光伏板振動監測方法及系統)	The Company	202610500364.9	Invention	16 April 2026

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STATUTORY AND GENERAL INFORMATION

Copyrights

As at the Latest Practicable Date, we had registered the following copyrights in the PRC which we considered to be material to our business:

No.	Name of copyright	Registered owner	Type	Registration number	Registration date
1.	Overhead Transmission Line Surveying and Mapping System V4.5 (架空送電線路測量繪圖系統V4.5)	The Company	Software copyright (軟件著作權)	2015SR087194	21 May 2015
2.	Huacheng Integrated Energy Big Data Platform Software V1.0 (華成綜合能源大數據平台軟件V1.0)	The Company	Software copyright (軟件著作權)	2024SR0023171	04 January 2024
3.	Huacheng PV Operation and Maintenance Monitoring Platform Software V1.0 (華成光伏運維監控平台軟件V1.0)	The Company	Software copyright (軟件著作權)	2024SR0023531	04 January 2024
4.	Huacheng Virtual Power Plant Composite Platform Software V1.0 (華成虛擬電廠複合平台軟件V1.0)	The Company	Software copyright (軟件著作權)	2024SR0023869	04 January 2024
5.	Flexible PV Automatic Piling Software V1.0 (柔性光伏自動布樁軟件V1.0)	The Company	Software copyright (軟件著作權)	2025SR0131064	20 January 2025
6.	PV Power Station Intelligent Operation and Maintenance Management Platform [Abbreviation: PV Intelligent O&M] V1.0 (光伏電站智能運維管理平台[簡稱：光伏智能運維] V1.0)	The Company	Software copyright (軟件著作權)	2025SR0932525	05 June 2025

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Domain Names

As at the Latest Practicable Date, we had registered the following domain names which we considered to be material to our business:

No.	Domain name	Register owner	Date of registration
1	zhhdl.com	The Company	18 August 2009
2	zhcenergy.com	The Company	11 June 2020
3	macpowertechnology.com	The Company	13 July 2020
4	gdhenergy.com	The Company	15 November 2024
5	gdhdl.cn	The Company	9 December 2024

Save as disclosed above, as of the Latest Practicable Date, there were no other trademarks, domains, copyrights, intellectual property rights, or industrial property rights which are or may be material in relation to our business.

3. FURTHER INFORMATION ABOUT OUR DIRECTORS

A. Particulars of Directors’ Contracts

We have entered into a service contract with each of our Directors. The principal terms of these service contracts comprise (a) the term of the service; (b) termination clause; and (c) a dispute resolution provision. Pursuant to the service contract, the remuneration of our Directors shall be determined in accordance with our Directors’ remuneration and compensation policies and approval from our Shareholders. Pursuant to the service contract, our Directors are appointed for a term of three years from the date of approval by the Shareholders at the general meeting of our Company, and are eligible for re-election upon expiry of their term of office.

Save as disclosed above, none of the Directors has or is proposed to enter into a service contract with any member of our Group, other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation).

B. Remuneration of Directors

Save as disclosed in the section headed “Directors and Senior Management — Remuneration of Directors and Senior Management” in this document, none of the Directors received other remuneration from our Group for each of the FY2023, FY2024 and FY2025.

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4. DISCLOSURE OF INTERESTS

A. Interests and short positions of our Directors and the chief executive of our Company in the shares, underlying shares or debentures of our Company and our associated corporations following the [REDACTED]

Immediately following completion of the [REDACTED], and taking no account of any Shares which may be [REDACTED] and [REDACTED] pursuant to the exercise of the [REDACTED], the interests and short positions of our Directors and the chief executive of our Company in the shares, underlying shares or debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, once the H Shares are [REDACTED], will be as follows:

Interests in Shares of our Company

Name	Position	Nature of interest	Description of Shares	Number of Shares held/interested (Note 1)	Immediately following completion of the [REDACTED]	
					Approximate percentage of shareholding in the relevant class (Note 2)	Approximate percentage of shareholding in the total share capital of our Company (Note 3)
Mr. Ren	Executive Director and chairman of our Board	Beneficial owner	Unlisted Shares	226,996,000	[REDACTED]	[REDACTED]
		Interest in a controlled corporation (Note 4)	Unlisted Shares	80,000,000	[REDACTED]	[REDACTED]
		Interest of spouse (Note 5)	Unlisted Shares	60,000,000	[REDACTED]	[REDACTED]

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Notes:

- (1) All interests stated are long positions in the Shares.
- (2) The calculation is based on the total number of 440,159,990 Unlisted Shares in issue as at the Latest Practicable Date.
- (3) The calculation is based on the total number of (i) 440,159,990 Unlisted Shares in issue; and (ii) [REDACTED] H Shares in issue immediately following completion of the [REDACTED] and assuming that the [REDACTED] is not exercised at all.
- (4) These Unlisted Shares are held as to 60,000,000 Unlisted Shares by Zhuhai Jierong and 20,000,000 Unlisted Shares by Zhuhai Jiehua.

Zhuhai Jierong is a limited partnership established in the PRC. The general partner of Zhuhai Jierong is Mr. Ren who holds approximately 12.68% of its partnership interest, and none of the limited partners of Zhuhai Jierong holds more than one-third of the partnership interest of Zhuhai Jierong.

Zhuhai Jiehua is limited partnership established in the PRC. The general partner of Zhuhai Jiehua is Mr. Ren who holds approximately 18.28% of its partnership interest, and none of the limited partners of Zhuhai Jiehua holds more than one-third of the partnership interest of Zhuhai Jiehua.

By virtue of the SFO, Mr. Ren is deemed to be interested in the Unlisted Shares held by each of Zhuhai Jierong and Zhuhai Jiehua.

- (5) These Unlisted Shares are held by Zhuhai Zhichen. Zhuhai Zhichen is owned as to approximately 1.67% by Mr. Ren and 66.67% by Ms. Xu, the spouse of Mr. Ren. None of the other shareholders of Zhuhai Zhichen holds more than 30% equity interest in Zhuhai Zhichen. By virtue of the SFO, Ms. Xu is deemed to be interested in the Unlisted Shares held by Zhuhai Zhichen. Furthermore, Mr. Ren is deemed to be interested in the same number of Unlisted Shares in which Ms. Xu is interested.

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B. Interest discloseable under the SFO and substantial shareholders

Save as disclosed in the section headed “Persons Having Notifiable Interests Under the SFO” in this document, immediately following completion of the [REDACTED], and taking no account of any Shares which may be [REDACTED] and [REDACTED] pursuant to the exercise of the [REDACTED], other than a Director or chief executive of our Company whose interests are disclosed under the sub-paragraph headed “A. Interests and short positions of our Directors and the chief executive of our Company in the shares, underlying shares or debentures of our Company and our associated corporations following the [REDACTED]” above, our Directors are not aware of any other person who will have an interest or short position in our Shares or the underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

In addition to the above and so far as our Directors are aware, immediately following completion of the [REDACTED], the following persons (other than our Company, and any subsidiaries of our Group) will, directly or indirectly, be interested in 10% or more of the issued voting shares of our subsidiaries:

Name of our subsidiary	Name of substantial shareholder of such subsidiary	Approximate percentage of interest in the subsidiary
Zhuhai Henghai	Mr. Leong Ka Hou (梁嘉豪)	40%
Macau Henghai (<i>Note</i>)	Mr. Shi Huawei (施華威)	23%
	Mr. Leong Ka Hou (梁嘉豪)	13%
	Mr. Zhang Huasen (張森華)	13%

Note: As at the Latest Practicable Date, the acquisition of Macau Henghai had not yet been completed. We expect this acquisition to be legally completed prior to [REDACTED].

C. Disclaimers

Save as disclosed in this appendix and the section headed “[REDACTED]”:

- (1) none of our Directors nor our chief executive has any interest or short position in the shares, underlying shares or debentures of our Company or any of its associated corporation within the meaning of Part XV of the SFO, which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, in each case once the H Shares are [REDACTED];

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- (2) the Directors are not aware of any person (not being a Director or chief executive of our Company) who, immediately following completion of the [REDACTED], and taking no account of any Shares which may be [REDACTED] and [REDACTED] pursuant to the exercise of the [REDACTED], will have an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who will, either directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group;
- (3) none of our Directors nor any of the persons whose name are listed in the paragraph headed “5. Other Information — G. Qualification of Experts” in this section has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this document been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (4) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group; and
- (5) save in connection with the [REDACTED], none of the parties listed in the paragraph headed “5. Other Information — G. Qualification of Experts” in this section below:
 - (i) is interested legally or beneficially in any securities of any member of our Group; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

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5. OTHER INFORMATION

A. Tax and other indemnities

Mr. Ren (the “Indemnifier”) has entered into the Deed of Indemnity with and in favour of our Company (for itself and on behalf of our subsidiaries stated therein) to provide indemnities in respect of, among other things, the following matters:

Tax liabilities

The Indemnifier undertakes to fully indemnify our Company (for itself and on behalf of our subsidiaries stated therein) against tax liabilities (including all fines, penalties, costs, charges, expenses and interests incidental or relating to taxation) which might be payable by any member of our Group in respect of any income, profits, gains, transactions, events, matters or things earned, accrued, received, entered into or occurring on or before the [REDACTED], whether alone or in conjunction with any other circumstances whenever occurring and whether or not such tax liabilities are chargeable against or attributable to any other person, firm, company or corporation, and whether or not such tax liabilities shall be paid or payable before or after the [REDACTED].

The Indemnifier is under no liability under the Deed of Indemnity in respect of any taxation:

- (a) to the extent that provision has been made for such taxation in the audited accounts of any member of our Group for any accounting period up to 31 December 2025;
- (b) to the extent that such taxation liability is incurred in the ordinary course of business of any member of our Group after 31 December 2025 or relates thereto;
- (c) to the extent that such taxation liability is incurred in any transaction which any member of our Group engages in after the [REDACTED] or relates thereto;
- (d) to the extent that such taxation liability is incurred as a consequence of or in connection with any legally binding agreement or commitment entered into or created by any member of our Group on or before 31 December 2025;
- (e) to the extent that such taxation liability is incurred solely because of or in connection with any act or omission by any member of our Group after the [REDACTED]; or
- (f) to the extent that such taxation liability is incurred solely because of or in connection with any act or omission by any member of our Group after the [REDACTED]; or

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- (g) to the extent that such taxation liability is incurred solely as a consequence of any retrospective amendment or change in the applicable laws, rules or regulations or the interpretations thereof by any relevant taxation authority coming into force after the [REDACTED] or as a consequence of any increase in the applicable taxation rates after the [REDACTED] with retrospective effect.

Non-compliance

The Indemnifier undertakes to fully indemnify our Company (for itself and on behalf of our subsidiaries stated therein) against all claims, losses, demands, litigations, damages, costs, expenses, fees, penalties or other liabilities which any member of our Group may incur or suffer arising from or in connection with the failure of our Group to observe relevant laws, regulations or rules concerning the non-compliance incidents of our Group.

The Indemnifier undertakes to fully indemnify our Company (for itself and on behalf of our subsidiaries stated therein) against all claims, losses, demands, litigations, damages, costs, expenses, fees, penalties or other liabilities which any member of our Group may incur or suffer arising from or in connection with any legal actions, litigations, arbitrations, claims, demands, investigations, legal proceedings or judgements (including but not limited to the incidents listed out therein).

B. Estate Duty

Our Directors have been advised by our PRC Legal Advisers that no material liability for estate duty under the laws of the PRC is likely to fall on our Company or its subsidiaries.

C. Litigation

As at the Latest Practicable Date, no member of our Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Company, that would have a material adverse effect on our results of operations or financial condition of our Company.

D. Sole Sponsor

The Sole Sponsor has made an application on behalf of our Company to the [REDACTED] for the [REDACTED] of, and [REDACTED], the H Shares to be [REDACTED] as mentioned in this document and any H Shares which may be [REDACTED] upon the exercise of the [REDACTED], on the Stock Exchange. All necessary arrangements have been made to enable the securities to be admitted into [REDACTED].

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules. The sponsor's fee payable to the Sole Sponsor in connection with the [REDACTED] payable by our Company is HK\$4.3 million.

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E. Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses.

F. Promoters

The promoters as at the time of our Company’s conversion into a joint stock company with limited liability on 6 April 2016 are Mr. Ren, Zhuhai Zhichen, Zhuhai Jierong, and Zhuhai Jiehua.

Within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor is any proposed to be paid, allotted or given to any promoters in connection with the [REDACTED] and the related transactions described in this document.

G. Qualification of Experts

The following are the qualifications of the experts who have given opinions or advice which are contained in this document:

Name	Qualification
Lego Corporate Finance Limited	Licensed corporation under the SFO to carry out type 6 (advising on corporate finance) regulated activity under the SFO
DeHeng Law Offices	Qualified PRC lawyers
Deloitte Touche Tohmatsu	Certified Public Accountants under Professional Accountant Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant
Vincorn Consulting and Appraisal Limited	Property Valuer

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H. Consents of Experts

Each of the experts named in the paragraph headed “5. Other Information — G. Qualification of Experts” in this section above has given and has not withdrawn their respective written consents to the [REDACTED] of this document with the inclusion of their report and/or letter and/or legal opinion and/or opinion and/or confirmations and/or summary thereof (as the case may be) and the references to their names included herein in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of the experts named above had any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

I. Taxation of Holders of H Shares

The [REDACTED], purchase and transfer of H Shares are subject to Hong Kong stamp duty if such [REDACTED], purchase and transfer are effected on the H Share register of members of our Company, including in circumstances where such transaction is effected on the Stock Exchange. The current rate charged on each of the purchaser and seller is 0.1% of the consideration or, if higher, the fair value of the Shares being sold or transferred. Profits from [REDACTED] the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

J. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since 31 December 2025, being the latest balance sheet date of our consolidated financial statements as set out in the Accountant’s Report in Appendix I to this document and up to the date of this document.

K. Binding Effect

This document shall have the effect, if an [REDACTED] is made in pursuant hereof, of rendering all persons concerned [REDACTED] all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (WUMP) Ordinance so far as applicable.

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L. Miscellaneous

Save as disclosed in this appendix and in the sections headed “History, Development and Corporate Structure”, “Financial Information” and “[REDACTED]”:

- (1) within the two years immediately preceding the date of this document:
 - (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;
 - (ii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any capital of our Company or any of our subsidiaries; and
 - (iii) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company or any of our subsidiaries.
- (2) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.
- (3) there are no founder, management or deferred shares, convertible debt securities or any debentures in our Company or any of our subsidiaries.
- (4) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document.
- (5) there is no arrangement under which future dividends are waived or agreed to be waived.
- (6) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights.
- (7) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong.
- (8) save for the H Shares to be [REDACTED] in connection with the [REDACTED], none of our equity and debt securities is [REDACTED] or [REDACTED] in any other stock exchange nor is any [REDACTED] or [REDACTED] being or proposed to be sought.

M. Bilingual Document

The English language and Chinese language versions of this document are being [REDACTED] separately, [REDACTED] upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

APPENDIX VIII

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) the written consents referred to in “Appendix VII — Statutory and General Information — 5. Other Information — H. Consents of Experts” of this document; and
- (b) a copy of each of the material contracts referred to in “Appendix VII — Statutory and General Information — 2. Further Information about our Business — A. Summary of Our Material Contracts” of this document.

2. DOCUMENTS AVAILABLE ON DISPLAY

Electronic copies of the following documents will be available on display on the website of the Stock Exchange at www.hkexnews.hk and our Company at www.zhhcdl.com during a period of 14 days from the date of this document:

- 1. the Articles of Association in Chinese;
- 2. the Accountant’s Report from Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this document;
- 3. the audited consolidated financial statements of our Group for the years ended 31 December 2023, 2024 and 2025;
- 4. the report from Deloitte Touche Tohmatsu relating to the unaudited [REDACTED] financial information of our Group, the text of which is set out in Appendix II to this document;
- 5. the letter, summary of valuations and valuation certificates prepared by Vincorn Consulting and Appraisal Limited relating to the property interests of our Group, the texts of which are set out in Appendix III to this document;
- 6. the material contracts referred to in “Appendix VII — Statutory and General Information — 2. Further Information about our Business — A. Summary of Our Material Contracts” of this document;
- 7. the written consents referred to in “Appendix VII — Statutory and General Information — 5. Other Information — H. Consents of Experts” of this document;
- 8. the service contracts referred to in “Appendix VII — Statutory and General Information — 3. Further Information about Our Directors” of this document;
- 9. the legal opinions issued by Deheng Law Offices, our PRC Legal Advisers, in respect of, among other things, the general corporate matters and property interests of our Group under the PRC law;

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**DOCUMENTS DELIVERED TO THE REGISTRAR OF
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10. the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., the summary of which is set out in the section headed “Industry Overview”; and
11. a copy of the following PRC laws, together with unofficial English translations:
 - (i) the PRC Company Law;
 - (ii) the PRC Securities Law; and
 - (iii) the Overseas Listing Trial Measures.