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### OVERVIEW

Established in 1995, we are a technology-driven provider of intelligent power distribution equipment and control systems, primarily serving data centers and power grid applications. Leveraging over three decades of deep-rooted industry expertise, we have grown into a leading provider of comprehensive high- and low-voltage switchgears in China. Our continuous technological innovation and extensive industry expertise have been fundamental to our growth. According to Frost & Sullivan, we ranked second in terms of revenue from assembled power distribution equipment solutions for the data center industry (a subsegment of communication industry) in 2025, with a market share of 3.3%. According to the same source, we ranked third in terms of revenue from assembled power distribution equipment solutions for the communication industry in 2025, with a market share of 3.6%.

We possess vertically integrated capabilities spanning the entire value chain, encompassing the design, R&D, manufacturing, quality testing, and after-sales maintenance of electrical products and systems. Anchored by our proprietary intelligent high- and low-voltage switchgears and associated components, we are dedicated to delivering systematic, end-to-end power solutions to our customers. We believe our full-lifecycle service model enables us to ensure stringent quality control, respond promptly to operational needs, and secure long-term customer trust. Our product portfolio primarily includes: (i) low-voltage switchgears; (ii) high-voltage switchgears; and (iii) other electrical products. With more than three decades of production experience and technological innovation, we have mastered key production processes and core technologies in power distribution and control system. Our solutions are widely deployed in smart grids scenarios. As critical infrastructure supporting advanced technologies such as 5G, computing power, and AI, our power equipment is experiencing an expanding range of application scenarios. While consolidating our established market presence in the smart grid sector, we have strategically expanded our footprint into the data center industry to deliver stable and reliable power solutions. Furthermore, our products are widely deployed across the transportation and industrial sectors. Leveraging our stringent quality control and systematic service capabilities, we have established strategic partnerships with a number of major multinational electrical equipment manufacturers. We have also successfully integrated into the supply chain of prominent automotive battery producers, and maintain long-term, stable collaborations with key industry players in the power and communication sectors, as well as several large state-owned enterprises in China.

We maintain a comprehensive R&D framework dedicated to the continuous innovation of intelligent high- and low-voltage switchgears. Our advanced electrical laboratory holds accreditation from the CNAS. Furthermore, our research facility has been designated as a Provincial Enterprise Technology Center and an Expert Workstation. Intellectual property rights are fundamental to our business. As of the Latest Practicable Date, our intellectual property portfolio comprised 30 granted invention patents, 49 granted utility model patents, one granted

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design patent, and 32 registered software copyrights, alongside three pending invention patent applications and nine pending utility model patent applications. In addition to our proprietary R&D initiatives, we actively contribute to industry standardization, having participated in the drafting or revision of 13 national and industry standards.

Our accomplishments and industry leadership have been widely recognized by competent authorities and industry associations. Notably, we have been designated as a National Little Giant Enterprise (國家級專精特新“小巨人”企業) and a High-Tech Enterprise (高新技術企業). For further details of our material awards and recognitions, please refer to the paragraph headed “—Awards and Recognitions” in this section.” These prestigious honors reflect our sustained commitment to and leadership in sustainable operations, technological innovation, specialized expertise, and regional industrial advancement.

### **Our Product Portfolio**

Through years of accumulated technological prowess and industry insights, our products are primarily deployed in smart grids and data centers scenarios. Our specific product offerings primarily include: (i) high-voltage switchgears; (ii) low-voltage switchgears; and (iii) other electrical products. Our products are widely applied in new infrastructure construction industry, power industry, construction industry, manufacturing industry and other industry.

#### ***High-Voltage Switchgears***

High-voltage switchgears are electrical equipment designed to receive, transmit, distribute, control, and protect high-voltage electricity (typically above 1kV) within a power system. Through internal circuit design, these switchgears distribute the main power supply to various branch circuits as required, while providing real-time monitoring and protection.

#### ***Low-Voltage Switchgears***

Low-voltage switchgears are electrical equipment designed to receive, transmit, distribute, control, and protect low-voltage electricity (typically 1kV and below). They are directly connected to end-use equipment and are typically used in conjunction with high-voltage switchgears. Together, high- and low-voltage switchgears are widely applied in new infrastructure construction industry, power industry, construction industry, manufacturing industry and other industry.

#### ***Other Electrical Products***

Our other electrical products mainly include densely insulated low-voltage AC busways, intelligent modular busway systems, prefabricated power modules and other electrical components.

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The densely insulated low-voltage AC busways are complete power distribution connection devices comprising bus conductors, insulated supports, connection units, and intelligent monitoring modules. They are utilized for transmitting electrical energy within low-voltage distribution systems. Key operational features include high current-carrying capacity, structural safety, compact size, low energy consumption, and ease of installation.

The intelligent modular busway systems are modular and intelligent low-voltage power distribution transmission systems consisting of bus conductors, insulation systems, and intelligent monitoring modules. Through an integrated design, these systems enable efficient power transmission, real-time status monitoring, and intelligent maintenance, serving as an advanced alternative to traditional cables. They are primarily applied in modular server rooms within data centers.

Prefabricated power modules are integrated power supply systems comprising high-voltage distribution units, transformers, low-voltage distribution units, UPS systems, and intelligent monitoring systems, which are connected via pre-fabricated copper busbars. Furthermore, these modules are designed to facilitate power transmission, distribution and management. They are primarily deployed in operational scenarios such as data centers and industrial facilities to deliver efficient and stable power distribution and management services.

### **Our Financial Performance**

During the Track Record Period, we achieved outstanding performance, demonstrating robust growth momentum and exceptional value creation capabilities.

In 2023, 2024 and 2025, our revenue was RMB520.8 million, RMB625.1 million and RMB655.1 million, respectively. From 2023 to 2025, our revenue grew at a compound annual growth rate (“CAGR”) of 12.2%. Benefiting from our sound cost control and ongoing optimization of operating expenses, our gross profit margin steadily improved through the Track Record Period, while our administrative expenses as percentages to our total revenue steadily optimized. Our gross profit was RMB182.0 million in 2023, RMB249.3 million in 2024 and RMB243.4 million in 2025, with our gross profit margin reaching 35.0%, 39.9% and 37.2% in the corresponding year, demonstrating our strong profitability and product competitiveness.

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### OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths contribute to our success:

#### Extensive Industry Application Scenarios and Comprehensive Solutions

We provide comprehensive solutions across diverse application scenarios, empowering enterprise customers in various industry sectors to enhance operational efficiency, ensure system safety, and drive intelligent transformation. Select application scenarios in the key industry sectors we serve include the following:

- *New Infrastructure Construction Sector.* Within this sector, our solutions are primarily applied in the communication industry, with a particular focus on data center and computing power center. We have deployed our solutions in large-scale data centers to ensure uninterrupted power supply and optimize energy efficiency. This deployment addresses the critical need for high reliability and low PUE in modern data processing and cloud computing facilities.
- *Power Sector.* We have implemented our solutions across power transmission networks to facilitate real-time monitoring and smart distribution. This significantly improves grid resilience and supports the efficient integration and utilization of clean energy sources.
- *Construction Sector.* We have applied our solutions to a wide range of building types and infrastructures, including but not limited to schools, industrial parks, hospitals, commercial and residential buildings. Our expertise in ensuring the safety and reliability of power supply and operational control systems is also critical for specialized infrastructure such as subway and light rail systems, which are paramount for supporting high-frequency and high-capacity urban commuting.
- *Manufacturing Sector.* We have equipped modern industrial facilities and smart factories with our automated control and energy management systems, which optimizes operational efficiency and reduces carbon footprints, thereby accelerating the transition towards smart manufacturing.
- *Other Sector.* Our revenue in this sector includes contributions from the NEV industry, such as those generated from NEV charging station operations. We also earn revenue from the sale of charging equipment, which is classified under other electrical products.

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### **High-Quality and Diversified Customer Base**

We serve a diversified customer base spanning multiple sectors. We have established long-term cooperation with, among others, state-owned grid companies, state-owned communications enterprises and international power industry participants. Our flagship customers hold prominent market-leading positions within their respective industries and maintain stringent quality control standards. Our inclusion as one of their qualified suppliers reflects the competitiveness of our integrated capabilities in R&D, manufacturing, quality control and customer service. Through our long-term cooperation with these customers, we have developed brand recognition and secured a stable market presence for our products in the smart grid and data center sectors.

### **Robust Full-Stack Technical Expertise and Extensive Industry Experience**

Our major products comprise complete intelligent high- and low-voltage switchgears and related components, covering a broad range of types and models, most of which are customized and manufactured according to specific customer requirements in respect of technical parameters, performance metrics and dimensional specifications. Given the project-based nature of such non-standard customization, our orders may entail significant variations in performance, parameters, structure and size, which requires our production processes to accommodate rapid and large-volume delivery. Drawing on over 30 years of industry experience, we have developed a proprietary model database that, as of December 31, 2025, encompassed over 3,000 standardized solutions covering various cabinet types and dimensions, busbar configurations and electrical design schemes. Where a customer order falls within our existing standardized configurations, our engineers can proceed directly to production planning with only minor project-specific adjustments, eliminating the need to undertake a full design cycle from scratch. Based on our internal records, this has reduced our average design cycle time for such orders by approximately 80% compared to orders requiring fully bespoke design. We believe our production scalability and delivery capabilities are important factors differentiating us from our competitors in a competitive market. According to Frost & Sullivan, we ranked second in terms of revenue from assembled power distribution equipment solutions for the data center industry (a subsegment of communication industry) in 2025, with a market share of 3.3%. According to the same source, we ranked third in terms of revenue from assembled power distribution equipment solutions for the communication industry in 2025, with a market share of 3.6%.

### **Execution of Smart Production Principles and End-to-End Quality Assurance**

We consistently adhere to smart production principles, and we have been enhancing automation, digitalization and intelligent manufacturing across our production lines, both in upgrades to existing lines and construction of new lines. As part of these efforts, we have

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successfully constructed and upgraded a 100,000-class cleanroom dedicated to intelligent gas-insulated switchgears and related automated production lines. We have also deployed intelligent robotic welding systems, automated run-in systems and AGV-based smart material preparation systems to automate key production stages. Furthermore, by adopting AI, IoT and big data analytics technologies, we have established an intelligent production platform capable of real-time monitoring and dynamic optimization. Supported by these advanced facilities, we have established the capability to support modular design and specialized production of our products. We have also implemented a short-cycle internal management system, which is designed to manage production issues in real-time and improve cross-department coordination.

We have developed a structured production process based on lean production management principles, tailored to our operational requirements and designed to achieve end-to-end management from customer requirements to final delivery. In accordance with the ISO9001 quality management system standards, we have innovated and implemented a “dual-recording visual inspection” process covering the entire production cycle. The process employs video documentation during raw material inspection, in-process production and final inspection, with key quality control data digitally archived to provide traceability and accountability for our products. We also operate specialized laboratories, including those for high-current temperature rise tests, power frequency withstand voltage and partial discharge tests, and lightning impulse tests. Equipped with an advanced testing equipment, these facilities provide critical support for performance validation, product optimization and commercialization of our R&D outcome, which we believe supports the stability and reliability of our products.

### **Visionary, Stable and Experienced Management Team with Collaborative Corporate Culture**

Our core management team, which possesses strong market expertise and in-depth industry insights, is instrumental to our continued success and growth. Our Controlling Shareholder, Mr. Zhou, is a forward-looking leader with over 20 years of experience in the electrical industry. His sharp business acumen and ability to integrate technological resources have enabled us to flexibly adapt to industry changes. Under his leadership, we have demonstrated strong strategic agility and execution capability, successfully capitalizing on industry transformations and transformed from a regional enterprise into a company with nationwide operations. Our core management team possesses an average of over 20 years of extensive industry expertise and demonstrates high stability, with three of our five senior management members having been with us for over 15 years, and the remaining having been with us for more than five years. The profound professional and industry knowledge accumulated by our management over the years has contributed significantly to our historical development and will continue to benefit our future growth. With deep market insight and a keen global vision, our leadership is well-positioned to navigate industry cycles and steer us through the evolving phases of our corporate development.

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Furthermore, a cohesive corporate culture serves as the bedrock of our long-term value creation. This culture is manifested in a consistent operational philosophy that prioritizes customer success, rewards individual initiative and dedication, embraces innovation, and emphasizes collective effort. In practice, these principles are reflected in our commitment to operational efficiency and continuous improvement. We strive to lower operating costs through process optimization and pass on the resulting benefits to our customers, while fostering an internal environment that encourages employee self-improvement and the pursuit of excellence. After over 20 years of development, our well-established corporate culture system has enabled us to maintain efficient decision-making and thorough execution across all levels of our organization, continuously creating greater value for our customers, employees, shareholders and society at large.

### **Adherence to High ESG Standards to Empower a Sustainable Future**

Amid growing global emphasis on sustainable development, we have fully embedded ESG principles into our corporate strategy and business operations. For further details of our ESG policies, governance structure and related initiatives, see “— Environmental, Social and Governance (ESG).”

- *Products.* We have developed a number of energy-efficient, environmentally friendly power distribution solutions, such as nitrogen-insulated ring main units. These products are designed to reduce energy consumption during their useful life, which we believe may assist our customers in their efforts to reduce greenhouse gas emissions. Furthermore, we prioritize the use of recyclable metal materials and eco-friendly raw materials in our production processes, and have incorporated green design principles to reduce our environmental impact at the product design stage.
- *Production and supply chain.* We have established an environmental management system spanning the full product lifecycle, and have implemented cleaner production techniques and energy management systems. As of the Latest Practicable Date, one of our production facilities have been designated as a National Green Factory by the Ministry of Industry and Information Technology and certified as a Zero-Carbon Factory (“零碳工廠”) by the China Quality Certification Center. We also evaluate our suppliers against ESG-related criteria as part of our supplier management process, with a view to promoting environmentally responsible practices across our supply chain.

We believe our ESG practices enhance our ability to meet the increasing sustainability requirements of our customers, particularly state-owned enterprises and large-scale energy users, and support our efforts to create long-term value for all stakeholders. Subject to risks and uncertainties, we intend to continue increasing our investment in green technology R&D and

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low-carbon production practices, aligning our business with PRC national strategies on energy conservation and emission reduction, and supporting the broader energy transition in the power distribution industry.

### OUR STRATEGIES

We are committed to becoming a leading provider of intelligent electrical and new energy equipment in China. To achieve this goal, we intend to pursue the following principal strategies.

#### CONTINUE DEEP INDUSTRY SPECIALIZATION AND EXPAND OUR PRODUCT PORTFOLIO

We intend to continue pursuing our strategy of deep specialization in the power distribution equipment industry. Leveraging our understanding of technology trends and evolving customer requirements, we plan to continue increasing our R&D investments to enrich and diversify our product portfolio. In particular, we plan to focus on: (i) the continuous upgrading and optimization of our current product offerings and technologies. We plan to carry out comprehensive performance and structural upgrades across our core product categories, including switchgears, ring main units, and integrated power supply modules. These upgrades are designed to enhance product functionality, improve operational reliability, and maintain our competitive edge in response to evolving market demands; and (ii) the development of new products and expansion of our product portfolio. To capture emerging market opportunities, we will focus on the research and development of next-generation intelligent products. Our R&D initiatives will target advanced gas-insulated equipment and specialized control systems for the rapidly growing energy storage sector, which will allow us to broaden our customer base and further strengthen our overall competitiveness.

Building on our extensive project experience gained through collaborations with industry-leading customers, our R&D team is able to identify industry challenges and translate technology advancements into practical product features. We intend to continue investing in intelligent and eco-friendly product technologies to support our long-term growth.

#### EXPAND PRODUCTION CAPACITY SYSTEMATICALLY AND ENHANCE SMART MANUFACTURING CAPABILITIES

We intend to continue optimizing and upgrading our production capabilities through equipment renewal, process re-engineering and workforce upskilling. Key initiatives include: (i) upgrading existing production lines and advancing smart manufacturing: introducing advanced automated assembly equipment and deploying digital management systems to achieve integrated and precise control across the production process, thereby replacing traditional manual operations

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and improving production efficiency; (ii) expanding the production capacity of our core power distribution products: establishing new automated production lines and upgrading manufacturing facilities equipped with advanced processing and testing equipment to meet the growing market demand and enhance product consistency; and (iii) scaling up our overall manufacturing capacity: constructing new production workshops and procuring specialized manufacturing equipment to significantly increase our output scale and strengthen our market competitiveness across diverse product categories. Through these initiatives, we aim to embed smart manufacturing principles into our daily operations and to continuously improving production efficiency, product consistency, and overall system reliability.

### **PURSUE STRATEGIC INVESTMENTS AND EXPAND OUR GLOBAL PRESENCE**

We intend to actively pursue strategic investment opportunities. By investing in or acquiring targets that are closely related to our upstream and downstream operations, we aim to strengthen and extend our industry value chain capabilities. In evaluating potential targets, we intend to prioritize businesses that complement our existing product portfolio or enhance our access to key customers and markets.

Starting from 2025, we expanded our global presence and generated an overseas revenue of RMB8.2 million, representing 1.3% of our total revenue for the same year. We have extended our business into Southeast Asia and the Middle East, and are actively seeking partnerships to promote our products in international markets. Over the past five years, we have completed our transformation from a regional enterprise to a nationwide manufacturer, and further evolved into a comprehensive solution provider for both data center and high-performance computing applications and power distribution systems. We believe this enhanced capabilities platform, together with our experience in developing standardized product lines suitable for international markets, provides a solid foundation for our continued global expansion.

### **CONTINUE TO ATTRACT, DEVELOP AND RETAIN TALENT**

We intend to continue strengthening our talent acquisition and development capabilities to support our business growth and innovation. Our key talent initiatives include: (i) broadening our recruitment channels and establishing long-term cooperation programs with universities, including internship bases and tailored training programs, to build a pipeline of qualified candidates; (ii) developing differentiated vocational training systems tailored to specific roles to support the professional development of key personnel across business functions; and (iii) implementing a comprehensive performance evaluation system with clearly defined promotion pathways and incentive mechanisms to encourage continuous value creation and business innovation. We believe that these measures will help us to attract, develop and retain the best people for our businesses.

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### OUR PRODUCTS AND SOLUTIONS

Since our inception, we have been dedicated to providing integrated assembled power distribution equipment solutions customized to address the specific requirements of our customers. We design, develop, manufacture and sell a broad and expanding range of power distribution equipment, with a primary focus on electrical switchgears, utilized for energy reception and distribution, as well as the management and protection of electrical system. Furthermore, leveraging our strong manufacturing capabilities, we also produce busway systems and prefabricated power modules.

During the Track Record Period, our product portfolio consisted of three principal segments: (i) High-voltage switchgears, comprising KYN series armored metal-enclosed switchgears, N<sub>2</sub>X-S green gas-insulated metal-enclosed switchgears and RM AirSeT gas-insulated switchgears; (ii) Low-voltage switchgears, comprising BlokSeT series switchgears, MLS low-voltage withdrawal switchgears, SLVA low-voltage switchgears, and JX(F) series control panel enclosures; and (iii) Other electrical products, comprising CMLJ series, CKGZ intelligent modular busway system, and prefabricated power modules.

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The following table sets forth a breakdown of our sales volume, revenue, gross profit, gross profit margin and average selling price by business segments for the years indicated.

| For the year ended December 31,              |         |              |                     |                       |                             |         |              |                     |                       |                             |         |              |                     |                       |         |         |      |      |
|----------------------------------------------|---------|--------------|---------------------|-----------------------|-----------------------------|---------|--------------|---------------------|-----------------------|-----------------------------|---------|--------------|---------------------|-----------------------|---------|---------|------|------|
| 2023                                         |         |              |                     |                       | 2024                        |         |              |                     |                       | 2025                        |         |              |                     |                       |         |         |      |      |
| Sales Volume <sup>(1)</sup>                  | Revenue | Gross Profit | Gross Profit Margin | Average Selling Price | Sales Volume <sup>(1)</sup> | Revenue | Gross Profit | Gross Profit Margin | Average Selling Price | Sales Volume <sup>(1)</sup> | Revenue | Gross Profit | Gross Profit Margin | Average Selling Price |         |         |      |      |
| Units                                        | RMB'000 | %            | RMB'000             | %                     | Units                       | RMB'000 | %            | RMB'000             | %                     | Units                       | RMB'000 | %            | RMB'000             | %                     | RMB'000 |         |      |      |
| High-voltage switchgear equipment. . . . .   | 2,782   | 146,990      | 28.2                | 40,113                | 27.3                        | 52.8    | 2,477        | 143,214             | 22.9                  | 40,980                      | 28.6    | 57.8         | 3,145               | 188,093               | 28.7    | 48,221  | 25.6 | 59.8 |
| Low-voltage switchgear equipment. . . . .    | 5,788   | 346,442      | 66.5                | 121,692               | 35.1                        | 59.9    | 6,125        | 424,146             | 67.9                  | 184,784                     | 43.6    | 69.2         | 5,447               | 361,589               | 55.2    | 154,225 | 42.7 | 66.4 |
| Other electrical products <sup>(2)</sup> . . | N/A     | 24,054       | 4.6                 | 17,127                | 71.2                        | N/A     | N/A          | 51,571              | 8.2                   | 19,502                      | 37.8    | N/A          | N/A                 | 98,821                | 15.1    | 35,339  | 35.8 | N/A  |
| Others <sup>(2)</sup> . . . . .              | N/A     | 3,327        | 0.7                 | 3,100                 | 93.2                        | N/A     | N/A          | 6,197               | 1.0                   | 3,990                       | 64.4    | N/A          | N/A                 | 6,640                 | 1.0     | 5,628   | 84.8 | N/A  |
| <b>Total</b> . . . . .                       | N/A     | 520,813      | 100.0               | 182,032               | 35.0                        | N/A     | N/A          | 625,128             | 100.0                 | 249,256                     | 39.9    | N/A          | N/A                 | 655,143               | 100.0   | 243,413 | 37.2 | N/A  |

Notes:

1. The sales volume of our high-voltage switchgear equipment and low-voltage switchgear equipment includes (i) products manufactured at our own production facilities; and (ii) products outsourced for contract manufacturing from third-party manufacturers and sold to our customers, and does not include a large quantity of small products with low price. For details of our production capacity relating to self-manufactured products only, see “Production Production Facilities” below.
2. The order patterns for other electrical products and others were highly customized and vary significantly in scale. As such, the sales volume and average selling price thereunder does not provide a meaningful insight into our overall sales performance.

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The following table sets forth a breakdown of our revenue by application industry provided both in absolute amount and as a percentage of our total revenue for the years presented.

|                                         | Year ended December 31, |              |                |              |                |              |
|-----------------------------------------|-------------------------|--------------|----------------|--------------|----------------|--------------|
|                                         | 2023                    |              | 2024           |              | 2025           |              |
|                                         | <i>RMB'000</i>          | <i>%</i>     | <i>RMB'000</i> | <i>%</i>     | <i>RMB'000</i> | <i>%</i>     |
| New Infrastructure Construction. . .    | 219,592                 | 42.2         | 324,071        | 51.8         | 371,428        | 56.7         |
| Including: Communication . . . . .      | 218,227                 | 41.9         | 321,526        | 51.4         | 370,312        | 56.5         |
| <i>Including: Data Center . . . . .</i> | 146,229                 | 28.1         | 200,188        | 32.0         | 223,448        | 34.1         |
| Power . . . . .                         | 149,731                 | 28.8         | 171,714        | 27.5         | 177,038        | 27.0         |
| Construction. . . . .                   | 66,290                  | 12.7         | 35,188         | 5.6          | 53,198         | 8.1          |
| Manufacturing . . . . .                 | 81,931                  | 15.7         | 87,823         | 14.1         | 46,845         | 7.2          |
| Others . . . . .                        | 3,269                   | 0.6          | 6,332          | 1.0          | 6,634          | 1.0          |
|                                         | <b>520,813</b>          | <b>100.0</b> | <b>625,128</b> | <b>100.0</b> | <b>655,143</b> | <b>100.0</b> |

### High-voltage Switchgears

High-voltage switchgears are critical systems that regulate, protect, and isolate power systems by integrating a range of control devices within a sealed enclosure.

We design, develop, manufacture and sell a comprehensive range of high-voltage switchgears, including metal-enclosed switchgears and gas-insulated switchgears across a range of rated voltage and rated current levels. Leveraging our proprietary expertise as well as patents and licenses from leading global manufacturers, our high-voltage switchgears enable our customers to protect and safely operate a high voltage power system without interruption. Our switchgears enhance operation reliability across power transmission and distribution networks, and have been deployed in power plants, cell towers, factories, data centers, transportation systems, and the State Grid infrastructure.

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### KYN series armored metal-enclosed switchgears



The latest generation of our KYN series switchgears are metal-enclosed switchgears primarily designed for indoor installation in power distribution systems with operating voltages greater than 1kV and a rated current of up to 4000A. These switchgears are widely deployed across substations, industrial facilities, power plants and commercial buildings. Our customers can customize the dimensions of the KYN switchgears to suit their spatial requirements without compromising any functionality.

Our KYN series is an intelligent equipment that can be configured with devices including an electric chassis vehicle, an electric grounding knife, and digital monitoring systems. These features enable telemetry, tele-signaling, tele-control, and tele-adjusting for power distribution, thereby enabling automated remote monitoring and management of the power distribution system.

Our KYN series incorporates withdrawable vacuum circuit breakers, which allows maintenance personnel to safely remove or replace the breakers while maintaining circuit continuity. This modular design maximizes continuity in electricity supply. The integrated mechanical and electrical interlocking systems mitigate the risk of hazardous conditions by restricting breaker racking operations when circuits are energized and preventing compartment access during live operation. Our KYN series is further equipped with dedicated earthing devices, which provide an additional layer of protection by ensuring safe discharge of residual energy prior to maintenance, thereby enhancing the safety of both operating personnel and the equipment.

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### N<sub>2</sub>X-S green gas-insulated metal-enclosed switchgears



Our N<sub>2</sub>X-S green gas-insulated metal-enclosed switchgears are designed as an environmentally solution for 12kV power distribution systems, utilizing nitrogen (N<sub>2</sub>) at low pressure as the insulating medium in place of sulfur hexafluoride (SF<sub>6</sub>). This design is intended to address regulatory requirements in jurisdictions imposing stringent carbon emission controls, as nitrogen is non-toxic, non-polluting, and has zero global warming potential. The N<sub>2</sub>X-S switchgears perform essential functions such as energy reception and distribution, system control, measurement, protection and fault monitoring, ensuring reliable operation across electrical networks.

Compared to traditional solid insulation, which may be subject to unpredictable degradation, nitrogen insulation offers enhanced stability and more predictable performance, thereby reducing the risks of partial discharge and environmental interference. This design contributes to operational stability and reduces maintenance requirements, alongside space optimization and energy conservation benefits. With its enhanced safety, long-term reliability, and environmental sustainability, the N<sub>2</sub>X-S switchgears provide a sustainable infrastructure solution compatible with evolving networks. Our N<sub>2</sub>X-S switchgears are engineered for seamless compatibility with evolving power networks and serves as a sustainable infrastructure solution.

Our N<sub>2</sub>X-S switchgears are designed based on advanced engineering concepts and produced using cutting-edge technology, including laser welding, laser cutting, and helium leak detection systems, ensuring manufacturing precision and product reliability. The fully sealed gas tank is laser-welded from 3mm stainless steel plates and is designed to withstand harsh operating environments, including high-altitude, high-humidity and high-dust conditions. Operating at a rated gas pressure of 0.02 MPa (absolute at 20°C) under zero-gauge pressure conditions, the gas tank is designed to deliver reliable insulation performance and breaking capability.

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Additionally, the system incorporates high-voltage interface insulation technology, whereby high-voltage components are insulated through a plug-in configuration to enhance operational safety and ease of maintenance. This approach integrates a reinforced structural build, broad environmental adaptability and intelligent operational monitoring, providing a comprehensive power distribution solution suitable for modern power distribution systems.

RM AirSeT gas-insulated switchgears



The RM AirSeT is an SF<sub>6</sub>-free gas-insulated high-voltage switchgear manufactured by us under license from Schneider Electric, suitable for distribution systems with rated voltages up to 12kV. It is widely used in substations, renewable distributed generation facilities, fast automatic power transfer systems, and overhead line feeders of infrastructure projects, government facilities, the electronics industry, transportation sector, and high-end commercial buildings.

The RM AirSeT is designed to remove the reliance on SF<sub>6</sub> or other greenhouse gases in high-voltage switchgear. This is expected to contribute to the reduction of CO<sub>2</sub> emissions and avoids the operational complexities associated with SF<sub>6</sub> gas recovery and regulatory compliance, resulting in more sustainable operations. The compact and modular structure of the RM AirSeT facilitates easy installation, expansion, and system adaptation.

Furthermore, the RM AirSeT incorporates digital capabilities, including advanced sensing technology and IoT connectivity, enabling real-time monitoring of electricity distribution. These features enable more efficient and cost-effective operation and maintenance. For details of our collaboration arrangement with Schneider Electric, see “— Procurement and Supply Chain Management — Collaboration agreements with Schneider Electric”.

### Low-voltage Switchgears

Low-voltage switchgears are a type of a core electrical equipment used in power systems for receiving, distributing, controlling, and protecting low-voltage electrical energy. Operating at rated voltages not exceeding 1kV, low-voltage switchgears integrate components including circuit breakers, earth leakage protectors, contactors, relays, busbars, and meters, within enclosed or semi-enclosed metal enclosures in accordance with electrical wiring requirements. This configuration enables precise power control and reliable overload and short-circuit protection for low-voltage power circuits.

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Low-voltage switchgears are primarily deployed at the distribution and consumption segments of the power system, serving diverse applications such as data centers, residential buildings, industrial production and infrastructure. Different types of low-voltage switchgears are designed to meet varied operational requirements.

### *BlokSeT Series*



The BlokSeT series is a low-voltage switchgear manufactured by us under a design license from Schneider Electric. The BlokSeT series has a rated current of 6300A and is designed to provide overload and short-circuit at ease. The BlokSeT series incorporates a 5mm-thick busbar design, which is intended to reduce copper usage and associated material costs under comparable load conditions. The busbar utilizes clamp connections designed to support high current-carrying capacity. The BlokSeT series adopts a unit busbar design utilizing fishplate connections, which is intended to reduce installation-related risks. The BlokSeT series can be configured with modules for automated protection digital metering and temperature. These modules are designed to facilitate the automation of signal transmission, status detection and switching control, and can be operated either locally or from a central backend system. Furthermore, the BlokSeT series has undergone rigorous testing under extreme conditions, including seismic resistance to intensity level 9, a 528-hour salt spray test on the complete unit, operation at altitudes up to 5,000 meters, a 240-hour condensation test, and Electromagnetic Compatibility (“EMC”) testing.

The BlokSeT’s series meets the high-performance and high-reliability requirements of data centers and holds a major market share in the data center sector. For details of our collaboration arrangement with Schneider Electric, see “— Procurement and Supply Chain Management — Collaboration agreements with Schneider Electric”.

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## BUSINESS

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### MLS low-voltage withdrawal switchgears



Our MLS low-voltage withdrawal switchgears are a core product within our power distribution portfolio, features high levels of operational reliability and space efficiency. The MLS switchgears are designed for power systems with a rated frequency of 50 Hz (or 60 Hz), rated voltage of 380 V (or 660 V), and rated current up to 6,300 A. The MLS switchgears serves a range of applications, including power distribution, motor control, lighting, and reactive power compensation. Featuring a highly compact design, it accommodates up to 36 drawer compartments per cabinet, ensuring significant space savings. Its C-section profiles with a 25 mm modular pitch allow for diverse structural configurations and flexible combinations. Our MLS switchgears has undergone rigorous testing under extreme conditions, including seismic resistance to intensity level of 9, a 200-hour salt spray test on the complete unit, operation at altitudes up to 5,000 meters, EMC trials, and a 240-hour condensation test. Furthermore, our MLS switchgears can be configured with modules for automated protection, digital metering, and temperature monitoring, facilitating the automation of signal transmission, status detection, and switching control, can be operated either locally or from a central backend system.

The MLS switchgears are manufactured using raw materials sourced primarily from established domestic supply chains in the PRC, which we believe provides us with a competitive cost structure as compared to certain comparable low-voltage switchgear products in the PRC market.

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## BUSINESS

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### SLVA low-voltage switchgears



Our SLVA low-voltage switchgears are designed to enhance equipment interchangeability, reduce operational and maintenance costs, and ensure power supply reliability through unified standards. The core design philosophy of the SLVA series is based on simplified product classification, unified structure architecture, functional adaptability, and streamlined maintenance. Key standardised parameters include cabinet dimensions, busbar connection interfaces and secondary terminal definitions. The SLVA series also supports optional features including compact cabinet designs, SVG reactive power compensation modules and communication interfaces. Both cabinet types and solutions are highly standardised.

We offer a full range of SLVA product series, including standard and compact and miniaturised designs. These series cover a full spectrum of SLVA configurations, such as incoming and outgoing feeders, reactive power compensation/SVG dynamic compensation units, and bus tie units. Our proprietary patented busbar layout design is designed to achieve a temperature rise lower than the level prescribed by the national standard. The design also meets short-time withstand current requirements, which is another critical performance indicator for switchgears.

Our SLVA low-voltage switchgears can further integrate energy technology and automation software, and incorporate communication interfaces and intelligent monitoring functions. These capabilities facilitate the digital and modular transformation of low-voltage power distribution systems, consistent with our broader product strategy of developing smart switchgear cabinets.

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## BUSINESS

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### JX(F) Series Control Panel Enclosures



Our JX(F) series is a line of highly customizable, control panel enclosures designed and assembled to perform a wide array of electrical control and power distribution functions. Each unit is configured to specific client requirements, with components selected from an extensive portfolio of models, specifications and quantities to deliver purpose-built control configurations. The enclosures are constructed from cold-rolled steel or stainless steel, with housing finished through electrostatic powder coating. To ensure electrical conductivity, busbars and their contact surfaces are tin-plated, while other metal components undergo either powder coating or electroplating for corrosion resistance. Pre-fabricated knockout points on the top and bottom of each enclosure provide cable access, with operational components mounted on the front panel and other equipment installed internally on a mounting plate. A configurable hinge system allows left- or right-handed door opening. The JX(F) series is primarily deployed in industrial automation, infrastructure and commercial settings for electrical control and distribution applications.

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## BUSINESS

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### Other Electrical Products

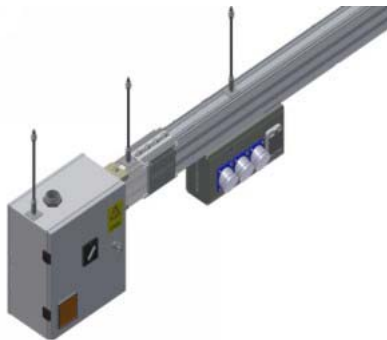
#### CMLJ Series



Our CMLJ series dense busway provide power distribution with a rated operational voltage of up to 1,000V and a frequency of 50Hz or 60Hz. The CMLJ series supports current range from 400A to 6300A in both three-phase four-wire (3P4W) and three-phase five-wire (3P5W) configurations, making it suitable for a range of industrial and commercial applications. With a compact form factor, the CMLJ series is deployed in data centres, commercial buildings, high-rise buildings, stadiums and convention centres to support power distribution in operationally demanding settings.

Our CMLJ series dense busway can be customized to operate under a variety of non-standard environmental conditions, which may include, but are not limited to, the following: (i) ambient temperatures from -5°C to +40°C, with a relative humidity tolerance of up to 90% at 20°C (capable of withstanding moderate condensation under temperature variations); (ii) installation at elevations of up to 2,000 meters above sea level; (iii) environments with heavy pollution, including air containing corrosive particles, water vapor, or salt fog; (iv) exposure to magnetic fields; (v) degradation caused by micro-organisms; and (vi) strong vibrations or mechanical shock.

#### CKGZ Intelligent Modular Busway System



Our CKGZ Intelligent Modular Busway System is designed for data center power distribution. The system aims to enhance energy efficiency in data centers while providing reliability, scalability and ease of maintenance. The CKGZ system utilises a flexible, overhead, plug- and-play suspension architecture integrated with real-time sensors replacing traditional rigid cable bundles. This architecture facilitates rapid and scalable deployment and reconfiguration without operational interruption. The intelligent monitoring capabilities of the systems deliver granular, per-rack data on current, power, energy consumption and thermal conditions to assist in detecting and mitigating the risk of system overload. This functionality enables data center operators to optimize load distribution and identify potential failures in advance, which is expected to improve overall power usage effectiveness and reducing total cost of ownership.

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- *Prefabricated Power Module*



Our Prefabricated Power Modules are integrated power distribution systems designed primarily for data centers, including artificial intelligence data centers (“AIDC”). Addressing the common limitations of traditional data center power setups, such as large spatial footprints, complex installation processes, and high energy consumption, our modules integrate power transformation, conversion, backup, and distribution into a single, factory-prefabricated architecture. Supporting continuous 380V AC power output, the system features high-density component integration and AI-assisted operation and maintenance to enable energy savings and carbon reduction. Through this product line, we have been selected as a designated “ecological partner” for AIDC projects by one of the three major state-owned telecommunication service providers in China.

## RESEARCH AND DEVELOPMENT

We are committed to maintaining a robust research and development environment to drive product innovation and ensure long-term competitiveness. As of December 31, 2025, we had 80 full-time R&D personnel, with the majority holding a bachelor’s degree or above. Our R&D professionals are embedded within our project teams to support continuous technological advancement. We continue to invest substantial capital in R&D and innovation. In 2023, 2024 and 2025, our R&D expenses were RMB19.9 million, RMB23.7 million and RMB23.8 million, respectively.

Our R&D efforts are supported by a seasoned team of industry experts. Key R&D personnel possess an average of over 20 years of experience in relevant industries, including electrical equipment and communications. Leveraging this extensive experience, our R&D leadership has spearheaded the development of numerous products, such as low-voltage drawer switchgears, metal-enclosed switchgears, integrated solar power charging systems, and intelligent modular busway systems. As of the Latest Practicable Date, our core R&D team has contributed to the filing of over 79 patents, including both invention and utility model patents, and has been recognized with multiple provincial and municipal awards for product excellence and innovation.

Building upon this established foundation, we are actively expanding our product portfolio to address emerging market opportunities. Our pole-mounted switchgears and transformers have already being sold and delivered to customers under secured orders. The further scale-up of production capacity for these products to meet growing demand is a key strategic focus, to be funded by the [REDACTED] from the [REDACTED].

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### Key Technologies

Leveraging our intellectual properties over a wide range of products, we are able to independently produce and manufacture the core components. This constitutes one of our core competitive advantages, allowing stringent control over our product quality and performance. Our key technologies include:

- ***3D simulation design of electrical switchgear and its manufacturing methods.*** Our integrated 3D simulation design and manufacturing methodology for electrical switchgear enables precise fulfillment of customer quality and delivery requirements while enhancing cost efficiency. By adopting standardized principles, we implement serialized product design with modular functional structures, utilizing 3D design software to establish comprehensive model libraries for both cabinet enclosures and common components, thereby providing intuitive visual installation guidance. All busbar-to-component connections employ pre-engineered 3D modules, fundamentally transforming production from traditional on-site measurement and sequential fabrication to parallel pre-engineered production. Furthermore, seamless integration between design drawings, programming, and CNC machining equipment eliminates human-machine translation errors, collectively reducing production cycles by 20%, minimizing design-production deviation, and significantly improving product quality.
- ***Solutions for temperature rise in high-current low-voltage switchgear.*** Our solution addresses thermal management in low-voltage frame circuit breaker applications at high-current of 2500A and above. The optimized design adopts vertical busbar routing for switch outgoing lines, replacing the traditional horizontal folded connections between upper and lower terminals with vertical straight-through connections. This structural reconfiguration reduces the obstruction of internal airflow within the switchgear, improving ventilation efficiency while simultaneously decreasing connections points, copper busbar usage, loop resistance and overall heat generation. Airflow simulation technology determines the optimal inlet and outlet vent positions on the rear panel. By leveraging the aerodynamically driven chimney effect, convective airflow is enhanced to accelerate heat dissipation through air exchange between the interior and exterior of the cabinet. Integrated with conductive and radiative thermal management measures, this solution effectively overcomes limitations in high-current temperature rise performance. This design enables low-voltage switchgear to achieve a rated current of 2500A without forced ventilation. The redesigned busbar configuration achieves reductions in copper usage, with the 2500A incoming feeder cabinet requiring 20kg less copper busbars compared to the previous design, and the 2500A tie cabinet realizing a 25kg reduction in copper consumption. When forced ventilation is applied, the maximum current rating reaches 7500A.

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- ***Solutions for short-time withstand current capacity in low-voltage switchgear.*** Short-time withstand current is a critical technical parameter for low-voltage switchgear, significantly influencing both structural design and production cost. Our proprietary solution employs theoretical modeling to optimize busbar support spacing and phase-to-phase clearances. A key innovation involves intentionally staggering the linear alignment of the three-phase conductive paths in the busbar design, combined with specialized reinforcement measures for busbar supports. Through extensive validation testing and data analysis, we have developed a comprehensive short time withstand current solution, ensuring the entire assembly meets stringent performance requirements. As a result, our low-voltage switchgear assemblies achieve industry-leading short-time withstand current ratings of 150kA, while simultaneously reducing consumption in copper busbar and structural supports, delivering cost efficiencies.
- ***Mechanical interlocking protection technology.*** Our proprietary mechanical interlocking technology establishes critical safety protocols. The device enforces mandatory earthing switch closure as a pre-condition for rear compartment access. When the rear compartment is open, the earthing switch operation is naturally closed and not operatable by the operating handle. When the cable end of the equipment is charged or the trolley is in the working position, the earthing switch operation hole is closed and cannot be opened, thus the earthing switch cannot be closed by the operation handle, and the back door cannot be opened, which effectively ensures the safety of personnel and realises the five precautions in the DL/T404 standard of preventing the electrified closing of the earthing switch and preventing inadvertent entry into the electrified intervals. The interlock has changed the original interlocking system of the earthing switch. The interlock has changed the original passive limit protection to active prevention structure, which improves the service life of the interlock and the safety of the equipment. In addition, when the device fails to open the rear compartment, special tools can be used to manually remove the lock tongue to open for maintenance, safe and convenient operation.
- ***Quality assurance technology for high-voltage switchgear production.*** To enhance quality control efficiency and reduce manual inspection workload, specialized testing equipment has been developed for critical manufacturing steps:
  - During the cabinet shell assembly, the inspection of external dimensions is carried out through the quality door, so that when the cabinet size exceeds the standard, the point of exceeding the standard can light up the lamp at the corresponding place of the quality door, which dispenses with the traditional inspection method of manually pulling the diagonal of the cabinet.

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- Static contact installation within contact boxes presents inherent inspection challenges due to confined accessibility. We designed a specialized detection handcart to evaluate the spatial position of static contact and guide rail. The solution provides calibrated visual indication of engagement depth between finger cluster contacts and static contacts, while implementing automated verification protocols. Non-conforming installations trigger persistent red illumination at corresponding contact points, with compliant engagements activating green verification signals. The cart simultaneously detects vertical and lateral positioning deviations beyond specified thresholds, activating directional displacement indicators to identify non-conformance vectors. This methodology facilitates efficient assessment of static contact installation quality.
- ***Interlocking mechanism for drawer low-voltage switchgear.*** Our integrated design combines the circuit breaker operating mechanism with the drawer interlocking system through precision CNC machining, ensuring that when the circuit breaker is closed in the connected position, the interlock mechanically secures the drawer firmly within the compartment, preventing withdrawal. Similarly, the circuit breaker closure in the test position activates mechanical restraint locking the drawer in place, preventing advancement to the connected position and eliminating the risk of live insertion/withdrawal. This compact and standardized solution enhances space utilization within the drawer, accommodates various drawer sizes with excellent interchangeability, and features a simple, cost-effective structure. The system also promotes reliable primary contact engagement in operational drawers, significantly improving equipment safety during service.
- ***Solutions for temperature rise in high-current high-voltage switchgear.*** The integrated thermal control system employs eddy-current suppression technology to minimize partition heating, incorporates ventilated contact bushings for enhanced heat dissipation, and utilizes embossed conductive joints to reduce contact resistance, effectively leveraging all three heat transfer mechanisms (convection, conduction, and radiation) combined with aerodynamic chimney-effect ventilation to significantly mitigate structural heating in high-current switchgear configurations. This comprehensive approach enables a natural-convection 2500A-rated design with a substantial operational margin, while the forced-air-cooled variant reliably supports 3150-4000A current capacities, maintaining all temperature rises through optimized passive cooling architecture and optional active ventilation.

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### R&D Framework

We have established an R&D framework primarily based on in-house R&D capabilities. During the Track Record Period, we did not engage in any collaborative R&D arrangements with third parties, and all of our product development was conducted independently. Our R&D process follows a structured project-based model governed by our R&D center, with our general manager retaining final approval authority over project establishment.

Upon project approval, a dedicated project team is assembled under the leadership of an appointed project manager. In addition to our dedicated R&D personnel, we selectively second staff from other functional departments to participate in specific R&D projects, with their contributions allocated by reference to actual working hours devoted to the relevant projects. The project team is responsible for analyzing project requirements, preparing technical statements and production plans, executing project deliverables, and conducting periodic evaluations to monitor quality and adherence to project timelines. Upon project completion, a dedicated inspection team conducts a comprehensive acceptance review to determine formal project completion.

Our strategic R&D objectives focus on creating a pipeline of next-generation products, enhancing operational efficiency, and driving technological breakthroughs. We regularly assess and refine our R&D processes, incorporating feedback from project evaluations and industry best practices. Our R&D efforts not only meet current market demands but also anticipate future trends, solidifying our position as a leading providers of power distribution equipment and control systems.

### PRODUCTION

We primarily adopt a bespoke production model. Due to significant variations in customer requirements for electrical switchgear across different application scenarios, we customize our electrical switchgear for each order. Upon receipt of a customer order, our sales team transmits specifications to our production center, which develops a production plan based on order requirements, inventory materials, and production capacity. Our technical department then prepares electrical and mechanical design plans and establishes a bill of materials (“**BOM**”) in our enterprise resource management (“**ERP**”) system, confirming the required raw materials and electrical components. The procurement department purchases the corresponding raw materials and electrical components based on the confirmed BOM. Meanwhile, the production department strictly follows the design plans for sheet metal processing, busbar fabrication, and cabinet assembly. Following receipt of the electrical components and raw material into inventory, the switchgear assembly commences. The production process undergoes inspection control and final testing, and the product is packaged and stored in inventory upon passing the tests.

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The entire production process is coordinated by the production, technical, quality control, R&D, and materials control teams to ensure strict adherence to process cards, production drawings, and standard specifications. We established product identification and traceability procedures to ensure that every stage from input to output is ‘process-compliant, documented, and traceable.’ During the product formation and delivery process, we established quality control processes for the handling, storage, packaging, and delivery of our products to ensure comprehensive monitoring of the entire product lifecycle. The entire production cycle of electrical switchgear is approximately 15 to 45 days.

### **Production Equipment and Machinery**

Our advanced production facilities are essential for enhancing product quality and cost competitiveness. Most of our machines and equipment are highly automated, which allows us to enhance production efficiency and reduce labor costs. We design, customize and integrate a variety of advanced techniques into our production processes. Our key processes include automated assembly, precision welding, and testing conducted in a CNAS-accredited laboratory. These facilities support machining accuracy and product performance stability. A full-range quality monitoring system is implemented from raw material intake to finished product shipment.

The sheet metal processing center features equipment including, among others, flexible intelligent manufacturing units, robotic bending systems, laser processing units, and laser welding units. The busbar processing center is equipped with CNC punching and shearing units, CNC bending units, and CNC arc machining centers.

To expand our production capacity for green gas-insulated metal-enclosed switchgears, we established a new cleanroom and an automated production line that utilizes robotic systems for core processes, including busbar installation and mechanism assembly. A manufacturing execution system is implemented to automatically collect and analyze process parameters from key testing equipment. The operation is supported by a 5G-based Industrial Internet platform, which facilitates real-time data acquisition for equipment monitoring and predictive maintenance. These investments have resulted in increased production efficiency and enhanced product quality control.

As of the Latest Practicable Date, our specialized production lines consisted of a fully automated secondary wiring system, an intelligent ring main unit production line, an intelligent vacuum circuit breaker line, and low-voltage drawer assembly lines.

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Quality assurance is supported by a CNAS-accredited laboratory containing high-current temperature rise test systems, power frequency withstand voltage/partial discharge detection platforms, and lightning impulse test platforms. We have additional sets of inspection equipment perform mechanical characteristic tests, voltage withstand tests, and circuit resistance measurements.

### Production Facilities

As of the Latest Practicable Date, we had two production facilities, one in Yangzhong city, Jiangsu Province, and one in Fuzhou city, Fujian Province. The following table provides a summary of our two production facilities as of the Latest Practicable Date:

| Production Facilities                                       | Site Area        | Primary Products                                                                  | Production Commencement |
|-------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------|-------------------------|
|                                                             | (Square meters)  |                                                                                   | (Year)                  |
| <b>Fuqing (Fuzhou)</b><br><b>Production Base. . . . .</b>   | <b>45,198.14</b> | High-voltage switchgears, low-voltage switchgears and other electrical products . | 2021                    |
| <b>Xinba (Yangzhong)</b><br><b>Production Base. . . . .</b> | <b>4,112.91</b>  | other electrical products                                                         | 2025                    |

The following table sets forth our production capacity, production volume and capacity utilization rate of our production facilities during the Track Record Period. The production volume and production capacity set forth below only represent our switchgear products (including high-voltage and low-voltage switchgears). We have excluded other electrical products from the table below, as their units of measurement differ from those of switchgears and cannot be meaningfully aggregated. The production volume set forth below only represents products manufactured at our own production facilities and does not include products procured from third-party manufacturers for resale to our customers. As a result, the production volume below is not directly comparable to the sales volume set forth in the table in “— OUR PRODUCTS” above, which includes both self-manufactured products and products procured from third parties.

|                                                              | For the Year ended December 31, |       |       |
|--------------------------------------------------------------|---------------------------------|-------|-------|
|                                                              | 2023                            | 2024  | 2025  |
| <b>Production volume (units) . . . . .</b>                   | 7,375                           | 7,255 | 7,110 |
| <b>Production capacity (units)<sup>(1)</sup> . . . . .</b>   | 8,600                           | 9,500 | 9,500 |
| <b>Capacity utilization rate (%)<sup>(2)</sup> . . . . .</b> | 85.76                           | 76.37 | 74.84 |

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*Notes:*

1. Refers to the maximum output or production capability under ideal conditions where the facilities operate with no major breakdowns.
2. The utilization rate is calculated by dividing the actual production volume by the designed production capacity for the period indicated actual production volume does not include the product outsourced for contract manufacturing.

For the year ended 31 December 2023, 2024 and 2025, our production capacity for switchgears was 8,600 units, 9,500 units and 9,500 units, respectively. The increase in our designed production capacity from 2023 to 2024 was primarily attributable to an expansion in production floor area. As of December 31, 2025, our total designed production capacity remained stable at 9,500 units, as our newly established Yangzhong facility in 2025 is dedicated to the production of other electrical products, which are excluded from this capacity calculation.

## LOGISTICS AND INVENTORY MANAGEMENT

### Logistics and Warehouse

We have warehouses in Fuqing primarily for storage of copper busbars and electrical components. Raw materials are delivered to us directly by suppliers or through third-party logistics service providers. We also engage qualified third-party logistics service providers for the delivery of all finished goods from our production facilities to locations specified by our customers. These logistics service providers shall adhere to our strict transportation standards, and we conduct periodic evaluations of their compliance and performance to ensure seamless product delivery. To the best of our knowledge, all of these logistics service providers are Independent Third Parties.

### Inventory Management

We attach great importance to our inventory health, assigning dedicated staff to provide management with regular reports on the status of inventory. We take inventory level into consideration when formulating procurement plans.

Our inventories mainly include raw materials, work in process, finished goods, goods in transit and turnover materials. We have various policies in place to ensure effective inventory management, such as stocking up raw materials when prices are low, maintaining a safety stock to compensate for any unexpected increase in demand or delay in supply and tracking and monitoring the flow of goods and inventory levels through our warehouse management system. For the years ended December 31, 2023, 2024 and 2025, our inventory turnover days were 98 days, 74 days, and 83 days, respectively.

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### QUALITY CONTROL AND AFTER-SALES SERVICE

#### Quality Control Management

We are highly committed to product quality and safety, considering them vital to our operation. We have established a strict quality management and risk control system spanning across the entire product life cycle, from design and procurement to production, sales and maintenance. By leveraging digital intelligence, such as mechanism simulation and failure analysis, we ensure comprehensive and end-to-end product quality. Our key quality control measures include:

- *Quality management in R&D.* Based on integrated product development principles, we have established a robust R&D management process featuring comprehensive project tracking, real-time alerts, and stringent quality control to ensure customer requirements are met with high standards.
- *Supply Chain and Inventory Quality Control.* We implement strict supplier management protocols and incoming quality assurance procedures in compliance with CCC certifications to prevent the use of substandard raw materials. Furthermore, our warehouse management team collaborates with the procurement team to maintain optimal safety inventory levels, ensuring sufficient buffer for unexpected demand fluctuations and after-sales services.
- *Quality Management in Production.* We enforce a rigorous three-tier in-process quality engineering procedure. The first line of defense is self-examination by production workers; the second is peer-examination by appointed team members and production managers; the third is professional inspection to ascertain compliance with design plans and our Parts Inspection Protocols. This ensures timely, closed-loop management of any anomalies.
- *Delivery and Shipment Inspections.* We implement stringent internal delivery protocols via our ERP system to prevent damage to work-in-progress during internal transportation. Prior to final delivery, thorough shipment inspections are conducted to ensure all products meet customer specifications.

#### After-Sales Service, Warranty and Product Liability

We attach great importance to responsible marketing and customer satisfaction. We have formulated an internal “After Sales Service Management System” and instituted a standard, tiered customer complaint resolution process to swiftly address reported quality issues.

We generally provide a warranty period ranging from one to six years from the acceptance of the contracted goods. During this warranty period, if the buyer proves that the goods possess defects or fail to comply with contract provisions, we are responsible for all costs related to

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product maintenance and component replacement. We are committed to a rapid response mechanism: upon receiving a malfunction notification, we will respond within one hour and arrive at the site for repairs within 12 hours, subject to actual distance. If the malfunctioning equipment cannot be repaired within 24 hours, we undertake to replace the product free of charge within the warranty period.

Furthermore, we have developed a standard product return procedure allowing customers to cancel orders for non-conforming goods. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material product returns from our customers.

## SALES AND MARKETING

Our strategy to solidify and expand our market position is centered on consistently meeting the sophisticated demands of a diverse client base. This is executed through a direct sales model, which is fundamental to maintaining close client relationships and ensuring superior service quality. The majority of our contracts are secured through open competitive bidding processes. Our customer engagement is distinguished by a solution-oriented approach that begins with in-depth technical collaboration at the project design phase. A critical component of this approach is our capability for customized product development, where we work closely with clients to tailor solutions to their specific operational requirements, followed by rigorous validation before formalizing definitive supply agreements.

The effective execution of this model is supported by our dedicated commercial team, comprising 118 sales and marketing professionals as of December 31, 2025. This team is responsible for the end-to-end process management, ensuring precise contract fulfillment, on-specification delivery, and comprehensive after-sales support. Importantly, the success of this integrated strategy is evidenced by the strong brand reputation and industry influence we have cultivated. This reputation is the direct result of our long-term, in-depth collaborations with leading enterprises across our key sectors, and it now serves as a sustainable platform that reinforces our client acquisition efforts and drives ongoing business growth.

### Open Tender

We generate a significant portion of our revenue from contracts secured through competitive bidding. For the years ended December 31, 2023, 2024 and 2025, we successfully secured 76, 62 and 58 open tenders, representing a tender success rate of approximately 33.8%, 23.5% and 23.0%, respectively. Such decrease in our success rate in 2024 and 2025 compared to 2023 primarily attributable to our active participation in a larger number of biddings to expand our market presence, with our total number of submitted bids increasing from 225 in 2023 to 264 and 252 in 2024 and 2025, respectively.

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Our bidding activities primarily involve (i) open tenders organized by major state-owned enterprises, including leading power grid and communications operators; and (ii) project-specific tenders initiated by end-user clients. Instead of relying on broad marketing campaigns, we adopt a targeted approach to identify tender opportunities by leveraging our established industry network and referrals from international brand partners.

Prior to tender participation, we are often required by key customers to pass rigorous pre-qualification processes. The assessment criteria typically encompass (i) requisite product certifications and type-test reports; (ii) proven supply track records; (iii) compliance with facility and equipment standards; and (iv) satisfactory on-site factory audits.

Upon successful bidding in open tenders, we typically enter into framework supply agreements with major customers for a term of one to two years, securing procurement quotas for designated regions. Actual purchase orders are subsequently placed by their local subsidiaries based on specific project needs. We generally deliver products within 20 to 45 days upon order confirmation. To ensure quality compliance, certain customers may conduct pre-delivery factory inspections or arrange third-party product sampling prior to final acceptance.

## COMPETITION

Assembled power distribution equipment solutions are widely applied across China’s power, manufacturing, construction, and new infrastructure construction industries. The market is characterized by a high degree of fragmentation. According to Frost & Sullivan, the top five market participants accounted for an aggregate revenue market share of approximately 20.0% in 2025. The overall market size declined from RMB202.9 billion in 2021 to RMB186.9 billion in 2025, representing a compound annual growth rate (CAGR) of -2.0%. We compete with numerous domestic players, many of which possess extensive sales networks, strong industry experience, and substantial technological resources.

Despite the overall market contraction, high-growth sub-segments have emerged. The market for these solutions within the communication industry (a subsegment of new infrastructure) grew from RMB6.4 billion in 2021 to RMB10.3 billion in 2025, at a CAGR of 12.6%. Within this, the data center industry subsegment grew from RMB3.6 billion to RMB6.7 billion over the same period, at a CAGR of 16.8%. We have strategically concentrated its sales and R&D resources on the data center and communication industries. According to Frost & Sullivan, the Company ranked second with a 3.3% revenue market share in the data center subsegment for assembled power distribution equipment solutions in 2025. In the broader communication industry, the Company ranked third with a 3.6% market share in 2025.

Our business model, which encompasses the entire value chain for assembled power distribution equipment solutions, operates in a competitive environment. Competition exists from other providers of similar solutions and may intensify from new market entrants, including established technology companies with significant financial, technological, and distribution advantages. Our competitive position is influenced by a range of factors, such as the breadth and

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depth of its product offerings, pricing, technological capabilities, quality control, third-party partnerships, marketing effectiveness, and brand strength. For further details, refer to the “Industry Overview” section.

### INTELLECTUAL PROPERTY

Our intellectual property rights are key to our success and competitiveness. We rely on a combination of patents, copyrights, trademarks, trade secret protection and confidentiality agreements with customers, suppliers and employees to protect our intellectual property rights. We have also adopted a comprehensive set of internal rules for intellectual property management and require our employees to sign non-disclosure agreements. These guidelines set out the obligations of our employees and create a reporting mechanism in connection with the protection of our intellectual property. Any commissioned research, commissioned development, cooperative research, or cooperative development undertaken with an external entity shall be governed by a written agreement. Such agreement must contain explicit provisions for the protection of intellectual property rights. As of the Latest Practicable Date, we owned 79 patents, 15 registered trademarks and 32 software copyrights. See “Appendix IV — Statutory and General Information — Further Information about our Business — Our Material Intellectual Property Rights.”

During the Track Record Period and up to the Latest Practicable Date, we were not involved in any legal proceedings in relation to infringement of any intellectual property rights which would have any material adverse impacts on our business, financial condition and results of operations. See “Risk Factors — Risks Relating to Our Business and Industry — Our business depends on our ability to protect our intellectual property rights, and we may be subject to intellectual property infringement by third parties.”

### OUR CUSTOMERS

#### Top Customers

Our customers primarily consist of state-owned infrastructure companies, electrical equipment manufacturers, and manufacturing companies. For the years ended December 31, 2023, 2024, and 2025, revenue generated from our largest customer accounted for 28.7%, 32.7% and 36.4% of our total revenue, respectively. In the same periods, our sales to the five largest customers in aggregate accounted for 72.7%, 81.7% and 82.9% of our total revenue, respectively.

To the best of our knowledge, all of our five largest customers for each period during the Track Record Period are independent third parties. None of our Directors, their respective associates, or any Shareholders (which to the best knowledge of our directors owned more than 5% of our issued Shares as of the Latest Practicable Date), has any interest in any of our five largest customers for each period during the Track Record Period. Furthermore, during the Track Record Period, there was no overlap between our top five customers and our top five suppliers.

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The following tables set forth details of our top five customers for each period during the Track Record Period in terms of revenue:

***For the year ended December 31, 2023***

| Customer             | Background                                                                                                                                                                          | Major products purchased from us                                  | Credit terms | Commencement year of business relationship | Payment method                                                       | Revenue        | % of our total revenue for the year |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|--------------|--------------------------------------------|----------------------------------------------------------------------|----------------|-------------------------------------|
|                      |                                                                                                                                                                                     |                                                                   |              |                                            |                                                                      | RMB'000        |                                     |
| Customer A . .       | A state-owned company engaged in power transmission and power supply business, headquartered in China, with registered capital of RMB1,304,520 million                              | High-voltage switchgears, low-voltage switchgears and accessories | 90 Days      | 2010                                       | Bank transfer and bank acceptance bills                              | 149,237        | 28.7%                               |
| Customer B . .       | A state-owned company engaged in basic communications services, headquartered in China, with registered capital of RMB213,100 million                                               | Low-voltage switchgears and high-voltage switchgears              | 30 Days      | 2018                                       | Bank transfer, bank acceptance bills and commercial acceptance bills | 148,985        | 28.6%                               |
| Customer C . .       | A state-owned company primarily engaged in the manufacturing of power distribution and control equipment, headquartered in China, with registered capital of RMB1,219 million       | Low-voltage switchgears                                           | 30 Days      | 2019                                       | Bank transfer                                                        | 49,864         | 9.6%                                |
| Customer D . .       | A company primarily engaged in synthetic fiber manufacturing, headquartered in China, with registered capital of RMB5,000 million                                                   | Low-voltage switchgears and high-voltage switchgears              | 90 Days      | 2012                                       | Bank transfer and bank acceptance bills                              | 16,388         | 3.1%                                |
| Customer E . .       | A state-owned company primarily engaged in power grid automation equipment and distribution network automation, headquartered in China, with registered capital of RMB1,019 million | Low-voltage switchgears and high-voltage switchgears              | 30 Days      | 2023                                       | Bank transfer and bank acceptance bills                              | 13,915         | 2.7%                                |
| <b>Total . . . .</b> |                                                                                                                                                                                     |                                                                   |              |                                            |                                                                      | <b>378,389</b> | <b>72.7%</b>                        |

*Note:*

- (1) For the years ended December 31, 2023, 2024 and 2025, we made arm’s-length purchases of electrical components amounting to approximately RMB21,239, RMB53,097 and RMB8,850, respectively, from a subsidiary of Customer A. Such amounts were immaterial and did not render it a top five supplier during the Track Record Period.

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*For the year ended December 31, 2024*

| Customer             | Background                                                                                                                                                                                           | Major products purchased from us                                                      | Credit terms | Commencement year of business relationship | Payment method                                                       | Revenue        | % of our total revenue for the year |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|--------------|--------------------------------------------|----------------------------------------------------------------------|----------------|-------------------------------------|
|                      |                                                                                                                                                                                                      |                                                                                       |              |                                            |                                                                      | RMB'000        |                                     |
| Customer B.          | A state-owned company engaged in basic communications services, headquartered in China, with registered capital of RMB213,100 million                                                                | Low-voltage switchgears, accessories and high-voltage switchgears                     | 30 Days      | 2018                                       | Bank transfer, bank acceptance bills and commercial acceptance bills | 204,570        | 32.7%                               |
| Customer A.          | A state-owned company engaged in power transmission and power supply business, headquartered in China, with registered capital of RMB1,304,520 million                                               | High-voltage switchgears, low-voltage switchgears and accessories                     | 90 Days      | 2010                                       | Bank transfer and bank acceptance bills                              | 175,480        | 28.1%                               |
| Customer C.          | A state-owned company primarily engaged in the manufacturing of power distribution and control equipment, headquartered in China, with registered capital of RMB1,219 million                        | Low-voltage switchgears                                                               | 30 Days      | 2019                                       | Bank transfer                                                        | 79,701         | 12.7%                               |
| Customer G.          | A company primarily engaged in the sales of specialty chemicals, coal and products, technical services, and technology development, headquartered in China, with registered capital of RMB30 million | Low-voltage switchgears                                                               | 15 Days      | 2023                                       | Bank transfer                                                        | 25,384         | 4.1%                                |
| Customer F.          | A state-owned company engaged in basic communications services, headquartered in China, with registered capital of RMB300,000 million                                                                | Low-voltage switchgears, high-voltage switchgears and integrated power supply modules | 30 Days      | 2017                                       | Bank transfer                                                        | 25,367         | 4.1%                                |
| <b>Total . . . .</b> |                                                                                                                                                                                                      |                                                                                       |              |                                            |                                                                      | <b>510,502</b> | <b>81.7%</b>                        |

*Note:*

- (1) For the years ended December 31, 2023, 2024 and 2025, we made arm’s-length purchases of electrical components amounting to approximately RMB21,239, RMB53,097 and RMB8,850, respectively, from a subsidiary of Customer A. Such amounts were immaterial and did not render it a top five supplier during the Track Record Period.

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*For the year ended December 31, 2025*

| Customer      | Background                                                                                                                                                                    | Major products<br>purchased from us                  | Credit terms | Commencement<br>year of business<br>relationship | Payment method                                                       | Revenue        | % of our<br>total revenue<br>for the year |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|--------------|--------------------------------------------------|----------------------------------------------------------------------|----------------|-------------------------------------------|
|               |                                                                                                                                                                               |                                                      |              |                                                  |                                                                      | RMB'000        |                                           |
| Customer B.   | A state-owned company engaged in basic communications services, headquartered in China, with registered capital of RMB213,100 million                                         | High-voltage switchgears                             | 30 Days      | 2018                                             | Bank transfer, bank acceptance bills and commercial acceptance bills | 238,542        | 36.4%                                     |
| Customer A.   | A state-owned company engaged in power transmission and power supply business, headquartered in China, with registered capital of RMB1,304,520 million                        | Low-voltage switchgears and high-voltage switchgears | 90 Days      | 2010                                             | Bank transfer, bank acceptance bills and commercial acceptance bills | 176,459        | 26.9%                                     |
| Customer C.   | A state-owned company primarily engaged in the manufacturing of power distribution and control equipment, headquartered in China, with registered capital of RMB1,219 million | Low-voltage switchgears                              | 30 Days      | 2019                                             | Bank transfer                                                        | 80,648         | 12.3%                                     |
| Customer F.   | A state-owned company engaged in basic communications services, headquartered in China, with registered capital of RMB300,000 million                                         | Low-voltage switchgears and accessories              | 30 Days      | 2017                                             | Bank transfer                                                        | 31,337         | 4.8%                                      |
| Customer H.   | A state-owned company primarily engaged in construction engineering survey and construction, headquartered in China, with registered capital of RMB41,026 million             | Low-voltage switchgears and high-voltage switchgears | 30 Days      | 2020                                             | Bank transfer                                                        | 15,927         | 2.5%                                      |
| Total . . . . |                                                                                                                                                                               |                                                      |              |                                                  |                                                                      | <u>542,913</u> | <u>82.9%</u>                              |

*Note:*

- (1) For the years ended December 31, 2023, 2024 and 2025, we made arm’s-length purchases of electrical components amounting to approximately RMB21,239, RMB53,097 and RMB8,850, respectively, from a subsidiary of Customer A. Such amounts were immaterial and did not render it a top five supplier during the Track Record Period.

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- (2) In the table above, “milestone payments” generally refer to progressive payments made at different stages of a project, typically including prepayment, delivery, preliminary acceptance, and final acceptance; “back-to-back payments” refer to the arrangement where the customer settles our payments upon receiving corresponding funds from their end-users; and “retention money” refers to a certain percentage of the contract value (typically 3% to 10%) withheld by customers to secure product quality during the warranty period.

### **Agreements with Major Customers**

Set forth below is a summary of salient terms with our major customers:

#### ***Duration***

The term varies subject to technical specifications and model designation of the products. Typically, the term of the agreements ranges from one to two years without options for renewal.

#### ***Specifications***

The product specifications in our sales contracts include model, brand, operating voltage, operating current, AC/DC, and cabinet style.

#### ***Credit terms and payment***

Payment terms shall be determined on a customer-by-customer basis, taking into account the nature of the commercial relationship and the customer’s creditworthiness. For long-standing customers with a proven track record, we may offer extended credit terms or preferential payment schedules.

#### ***Delivery***

We are responsible for delivering our products to our customers’ designated location.

#### ***Product returns***

In the event of any discrepancy in the quantity, specification, or quality of the products, our customers shall be entitled to require replacement of the non-conforming products or to reject them in their entirety, subject to such non-conformity being inspected and confirmed by our quality assurance team upon the submission of a representative sample.

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### *Dispute resolution*

In most instances, when a dispute arises in connection to the agreements, the parties shall first seek to resolve the matter through good faith discussions and negotiations. If unresolved, the dispute shall be referred to arbitration under with the seat of arbitration in a mutually agreed jurisdiction. Notwithstanding the foregoing, either party reserves the right to seek injunctive or equitable relief through the courts where appropriate.

### *Liability*

Product liability shall be governed by the specific terms applicable to each product category, including any warranties separately agreed upon in writing. We can be held liable for product defect and untimely delivery under our agreements with customers. Liability for indirect or consequential damages is excluded to the fullest extent permitted by law.

### *Termination*

Our customers are typically entitled to terminate the agreement upon prior written notice. Termination may occur either (i) upon the occurrence of specified events (e.g., execution of a new agreement, issuance of a stop-supply notice, or fulfillment of the purchase quota), or (ii) in the event of our uncured material breach.

During the Track Record Period, we did not experience any material breach of agreements with our customers and any material services and products return from our customers.

We endeavor to grow alongside our customers’ success. In our ongoing efforts to enhance customer satisfaction and improve service quality, we maintain dedicated customer service and support centers to provide advice to customers on how to best utilize our services and products, improve the user experiences of our services and products and share our industry know-how and insights with them. As of December 31, 2025, we maintained six customer service and support centers in six cities. The customer service and support centers are also responsible for addressing complaints and concerns from our customers and providing solutions to mitigate any unsatisfactory experience. We had not experienced any material customer complaints during the Track Record Period.

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### Customer Concentration

Our customers primarily consist of state-owned infrastructure companies, electrical equipment manufacturers, and construction and manufacturing companies. For the years ended December 31, 2023, 2024, and 2025, revenue generated from our five largest customers in aggregate accounted for 72.7%, 81.7% and 82.9% of our total revenue, respectively. Particularly, revenue from Customer A and Customer B contributed to a majority of our revenue throughout the Track Record Period. Despite the customer concentration, our Directors are of the view that (i) the risk that Customer A and Customer B will terminate or otherwise materially and adversely change our cooperation relationship is remote, and (ii) the risk of reliance on Customer A and Customer B would not impact our suitability for the [REDACTED], after having considered the following factors:

- The concentration in our customers reflects the structure of our customer base, which primarily comprises large-scale enterprises in sectors such as power infrastructure, data centers, and industrial manufacturing. Customer A is one of the two large-scale state-owned enterprise in the power transmission and electricity supply industry in China, with a market share approximately 70% in terms of electricity market-based trading volume in 2025 according to Frost & Sullivan. Customer B is one of the three large-scale state-owned enterprises in the communication services industry in China and has a large and fast-expanding data center business. Given their dominant positions in the market, it is not uncommon for leading providers of power distribution equipment and control systems to have a relatively high level of reliance on Customer A and Customer B, according to Frost & Sullivan. As such, the risk of reliance is not specific to us but all the companies in the same line of business;
- We have maintained stable relationships with Customer A and Customer B through consistent product quality, technical support, and adherence to customized requirements. During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with Customer A and Customer B;
- As illustrated in the paragraphs headed “Our Solutions” above, the products and solutions we provide to Customer A and Customer B are highly bespoke and customized, and we work closely with these customers to ensure our products and solutions can satisfy their stringent technical and operational standards. Smaller suppliers or new entrants to the market may hardly satisfy such requirements;
- Customer A and Customer B primarily procure raw materials through an open tender process. When affiliates of Customer A and Customer B launch a tender, we believe that we are more likely to be awarded contracts given our long-standing relationships and proven record of good quality, and will continue to procure raw materials from us;

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- We continue to diversify our customer portfolio by expanding our presence in the data center sector, while enhancing value-added services to deepen engagement with existing key accounts.

### Pricing

We price our products based on various factors, including costs of the materials, production costs, order volumes, delivery requirements, warranty services, market conditions, payment methods and specifications of products required by customers. We closely monitor fluctuations in prices of main material and related raw materials, and actively work to reduce procurement and production costs, and reassess product pricing levels when necessary.

## PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

### Raw Materials and Procurement

We procure a variety of materials necessary for the production of our electrical switchgear products sourced from suppliers in China, primarily including electrical components, copper, aluminum and steel.

We carefully select the most suitable raw materials for our products according to the procurement plans. Our procurement plans are formulated based upon design requirements, brand reputations, production schedules, inventory levels, supplier lead time and product lifetime. After the procurement plans are approved, our supply chain management department will conduct a price inquiry, evaluating potential suppliers on criteria including price, quality and delivery timelines. We typically establish a reasonable price with our suppliers through a process of inquiry, based on thorough market research. We also mitigate the impact of potential price increases by building long-term relationships with our suppliers, maintaining close communication and conducting secondary source evaluations. During the Track Record Period and up to the Latest Practicable Date, we have not adopted any hedging policies for fluctuations in the prices of raw materials.

### Suppliers

During the Track Record Period, our engaged suppliers primarily include raw material suppliers, equipment suppliers and service providers for assembly services. Apart from raw materials, we also have a demand for electrical components such as gas compartment, circuit breaker, frequency converter, and intermediate relay. To ensure supply chain stability, we maintain a list of long-term suppliers matched to each product. Supplier selection is conducted rigorously based on criteria including technological capability, supply capacity, product quality, pricing, corporate history, workforce size, ratio of technical quality staff, ISO 9001 certification, social

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responsibility, financial performance, industry position, and relevant experience. Furthermore, we perform annual assessments of supplier performance across quality, delivery, pricing, and service execution to ensure ongoing compliance with our standards. A database tracks underperforming suppliers, while a qualified supplier list is established for each type of raw material.

### **Supplier management**

Our procurement and supply chain management is governed by a structured strategy centered on the “production by sales, order by production” model, supplemented by the maintenance of safety stock for commonly used raw materials to balance efficiency with operational resilience. This entire process operates within a stringent, system-driven framework for procurement control, the cornerstone of which is our rigorous supplier management protocol.

*Supplier Qualification and Ongoing Management.* The admission of any new supplier is contingent upon a comprehensive, multi-departmental evaluation conducted by our Procurement Management Center, Technical Department, and Quality Control Department. Following this initial assessment, prospective suppliers must successfully complete a qualification process involving sample inspections and trial use. Our evaluation holistically considers a supplier’s capability to meet our technical and quality standards, pricing, payment terms, and overall market reputation. Beyond the onboarding stage, we conduct regular performance reviews of existing suppliers, focusing on product quality, service delivery, and cost-effectiveness. Suppliers are required to promptly address any deficiencies identified, and those failing to meet our standards are mandated to implement corrective actions.

*Strategic Sourcing and Supply Chain Resilience.* We strategically cultivate long-term cooperative relationships with reputable manufacturers to ensure a stable supply base aligned with market demand. For day-to-day procurement, material selection from our qualified supplier list is typically made through a process of enquiry, price comparison, and quality assessment. Our operations are not dependent on any single supplier. Throughout the Track Record Period, we have maintained a diversified supplier base to mitigate over-reliance risk. We believe that suitable alternative suppliers are available in the market, and therefore, replacing a current supplier would not present a significant operational difficulty.

### **Collaboration and licensing arrangements**

During the Track Record Period, we have maintained sustainable relationships with certain suppliers, namely, Schneider Electric and ABB. Pursuant to our cooperation agreements (including licensing agreements) with Schneider Electric and ABB, they have granted us licenses to manufacture designated types of switchgears, enabling us to utilize their proprietary technologies and production authorizations. The arrangements deliver operational flexibility and mitigate our

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R&D risks, and have been instrumental in securing the stable supply of specialized products and supporting our manufacturing continuity. Set out below are the details of our collaboration with Schneider Electric and ABB.

### *Collaboration agreements with Schneider Electric*

We entered into collaboration agreements (including licensing agreements) with Schneider Electric in relation to the licensed production of certain of our products. Set forth below is a summary of salient terms with Schneider Electric:

#### *Duration*

The term varies subject to technical specifications and model designation of the licensed products under collaboration. Typically, the collaboration is effective for an initial term of two year to three years with options for renewal.

#### *Scope of work*

Schneider Electric provides specified core materials and authorizes us to manufacture and distribute certain designated products within the PRC, following prescribed terms and conditions regulated by Schneider Electric.

#### *Design and Intellectual Property*

The ownership of the intellectual property used by each party during the course of their cooperation shall remain unchanged. We shall receive non-exclusive and non-transferrable licenses of relevant technologies, trademarks of Schneider Electric and documentation strictly for licensed products under collaboration following the instructions and guidelines of Schneider Electric.

#### *Production, Personnel and Facilities*

We shall shoulder the responsibilities for the provision of production facilities, equipment and personnel, and Schneider Electric shall provide technical support, including training, guidance, protocols and quality control standards.

#### *Supervision and quality control*

Schneider Electric has the right to supervise the production process at our facilities to ensure the quality and standard of our products. Only upon successful completion of the quality check of the first batch of our products, release for licensed products under collaboration shall commence.

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|                                             |                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i><b>Procurement of raw materials</b></i>  | Schneider Electric would provide the core materials required for production, ensuring consistency and quality, or Schneider Electric would make specific requests on the type and cost of materials to be procured and managed by us through designated qualified suppliers.                                                                                                                                    |
| <i><b>Minimum purchase requirements</b></i> | There is typically no minimum purchase requirements set out in the agreement.                                                                                                                                                                                                                                                                                                                                   |
| <i><b>Payment</b></i>                       | Consideration for procurement of raw materials shall be paid to Schneider Electric on agreed basis, and typically, Schneider Electric will release upon receipt of payment.                                                                                                                                                                                                                                     |
| <i><b>Collaboration fee/License fee</b></i> | There is no collaboration fee or license fee.                                                                                                                                                                                                                                                                                                                                                                   |
| <i><b>Dispute resolution</b></i>            | The indemnified party must promptly notify the indemnifying party. The two parties must reach a settlement, compromise, or discharge of the claim.                                                                                                                                                                                                                                                              |
| <i><b>Liability</b></i>                     | No party shall be liable to the other party, with the only exception of the indemnification obligations related to product liability.                                                                                                                                                                                                                                                                           |
| <i><b>Termination</b></i>                   | In most cases, either party may terminate the agreement by writing upon giving a notice period. Immediate termination may occur in cases of material breach, expiry of the licensing agreements, failure to achieve the minimum purchase requirements, insolvency or winding-up, failure to reach agreement on the updated prescribed terms and conditions, or failure to meet quality or delivery obligations. |

For the years ended December 31, 2023, 2024 and 2025, the sales of our products or services to Schneider Electric amounted to RMB0.1 million, RMB4.6 million and RMB7.0 million, respectively, primarily driven by their demand for our customized finished products. During the same periods, our total procurement from Schneider Electric amounted to RMB45.8 million, RMB68.4 million and RMB60.4 million, respectively, representing 16.2%, 20.9% and 16.5% of our total procurement. Furthermore, in 2023, 2024 and 2025, revenue derived from products incorporating Schneider Electric’s licensed technology amounted to RMB205.0 million, RMB268.9 million and RMB285.4 million, respectively, accounting for 39.4%, 43.0% and 43.6% of our total revenue for the same periods.

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### *Collaboration agreements with ABB*

We entered into collaboration agreements (including licensing agreements) with ABB in relation to the licensed production of certain of our products. Set forth below is a summary of salient terms with ABB:

#### *Duration*

The term varies subject to technical specifications and model designation of the licensed products under collaboration. Typically, the collaboration is effective for an initial term of one year to two years with options for renewal.

#### *Scope of work*

ABB provides specified core materials and authorizes us to manufacture and distribute certain designated products, within the PRC. We will be responsible for issuing purchase orders, and the provision of on-site installation support and maintenance services.

#### *Design and Intellectual Property*

The ownership of the intellectual property used by each party during the course of their cooperation shall remain unchanged. We shall receive non-exclusive and non-transferrable licenses of relevant technologies, trademarks of ABB and documentation strictly for licensed products under collaboration following the instructions and guidelines of ABB.

#### *Production, Personnel and Facilities*

We shall shoulder the responsibilities for the provision of production facilities, equipment and personnel, and ABB shall provide technical support, including training, guidance, protocols and quality control standards.

#### *Supervision and quality control*

ABB supervises the production process by assigning technical to regularly station at our facilities to ensure the quality and standard of our products.

#### *Procurement of raw materials*

ABB would provide the core materials required for production, ensuring consistency and quality, or ABB would make specific requests on the type and cost of materials to be procured and managed by us through designated qualified suppliers.

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|                                             |                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><i>Minimum purchase requirements</i></b> | There is typically no minimum purchase requirements set out in the agreement.                                                                                                                                                                                                                                                                                                                                        |
| <b><i>Payment</i></b>                       | <p>Consideration for procurement of raw materials shall be paid to ABB on agreed basis, and typically, ABB will release upon receipt of payment.</p> <p>ABB can impose late payment penalties.</p>                                                                                                                                                                                                                   |
| <b><i>Collaboration fee/License fee</i></b> | We shall pay the collaboration fee for specific product models within 30 days of the effective date of the collaboration agreements, or within 30 days upon receipt of invoices.                                                                                                                                                                                                                                     |
| <b><i>Dispute resolution</i></b>            | The indemnified party must promptly notify the indemnifying party. The two parties must reach a settlement, compromise, or discharge of the claim.                                                                                                                                                                                                                                                                   |
| <b><i>Liability</i></b>                     | No party shall be liable to the other party, with the only exception of the indemnification obligations related to product liability.                                                                                                                                                                                                                                                                                |
| <b><i>Termination</i></b>                   | (i) Either party may terminate upon no less than 180 days’ prior written notification; (ii) The collaboration shall be automatically terminated upon expiry of the licensed intellectual property rights granted by ABB; and (iii) Immediate termination may occur in cases of the following including, among others, material breach, insolvency or winding-up, or failure to meet quality or delivery obligations. |

For the years ended December 31, 2023, 2024 and 2025, we did not engage in any sales of our products or services to ABB. During the same periods, our total procurement from ABB amounted to RMB0.2 million, RMB0.3 million and RMB0.4 million, respectively, representing 0.08%, 0.08% and 0.12% of our total procurement. Furthermore, in 2023, 2024 and 2025, revenue derived from products manufactured under ABB’s licenses amounted to RMB24.7 million, RMB35.0 million and RMB7.9 million, respectively, accounting for 4.7%, 5.6% and 1.2% of our total revenue for the same periods.

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### *Non-reliance on Schneider Electric and ABB*

Although Schneider Electric and ABB were among our significant suppliers and brand partners during the Track Record Period, our Directors are of the view that (i) the risk that Schneider Electric and ABB will terminate or otherwise materially and adversely change our cooperation relationship is remote, and (ii) the risk of reliance on Schneider Electric and ABB would not impact our suitability for the [REDACTED], after having considered the following factors:

- (i) *Mutual substitutability.* Our collaboration arrangements with Schneider Electric and ABB cover overlapping product categories of switchgear and power distribution equipment. In the event of disruption in our relationship with either party, we have the existing framework and capability to reallocate production capacity to the other brand partner’s licensed products or to our proprietary brand products;
- (ii) *Non-exclusive arrangements.* The licenses granted by both Schneider Electric and ABB are non-exclusive and non-transferable, and neither arrangement restricts us from entering into similar collaborations with other international or domestic brand owners;
- (iii) *Availability of alternative supply sources.* The core materials and components procured from Schneider Electric and ABB are standard electrical components that are also available from other reputable manufacturers in the market;
- (iv) *Independent R&D capabilities.* We possess 79 patents and utility models as of the Latest Practicable Date, and have developed proprietary know-how in switchgear system design, integration and testing independent of the technologies licensed from either party;
- (v) *Long-standing and stable relationships.* We have maintained continuous collaborative relationships with Schneider Electric since December 2014 and ABB since 2011, and both sets of collaboration agreements have been renewed without material adverse changes in terms, indicating stable and mutually beneficial partnerships; and
- (vi) *Mutually beneficial relationships.* Our collaborations with Schneider Electric and ABB are built on a foundation of mutual benefit. While we leverage their global brand recognition and advanced technological components to enhance our product portfolio, they rely on our established localized production capabilities, extensive distribution network, and deep understanding of the domestic market to effectively serve local end-users. We shall procure the core materials from them to manufacture and sell the

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products incorporating their licensed technology. This synergistic partnership significantly increases the switching costs for both brand partners, further securing the stability of our cooperation.

Subject to risks and uncertainties, in the event that our collaboration with either Schneider Electric or ABB were terminated or materially altered, we may experience a transitional period during which our product mix, revenue and profitability could be adversely affected. See “Risk Factors — Termination of our business and licensing relationships with Schneider Electric and ABB may materially adversely affect our competitiveness and business operations.”

### **Top Suppliers**

Our suppliers primarily consist of raw materials suppliers and providers of electrical components and metal materials. For the years ended December 31, 2023, 2024, and 2025, purchases from our largest supplier accounted for 19.5%, 20.9% and 19.3% of our total purchases, respectively. In the same periods, purchases from our five largest suppliers in aggregate accounted for 52.2%, 48.5% and 49.2% of our total purchases, respectively.

Our Directors confirm that our five largest suppliers for each period during the Track Record Period were independent third parties and none of our Directors, their respective close associates, or any Shareholders (which to the best knowledge of our Directors owned more than 5% of our issued Shares as of the Latest Practicable Date) had any interest, directly or indirectly, in any of our five largest suppliers for each period during the Track Record Period. Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we had not experienced any material interruptions, disputes, or delays in relation to the supply of suppliers.

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

***For the year ended December 31, 2023***

| Supplier       | Background                                                                                                                                                                                                   | Products purchased                           | Credit terms | Commencement<br>year of business<br>relationship | Payment method                       | Procurement<br>amount | % of total<br>procurement<br>for the year |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|--------------|--------------------------------------------------|--------------------------------------|-----------------------|-------------------------------------------|
|                |                                                                                                                                                                                                              |                                              |              |                                                  |                                      | RMB'000               |                                           |
| Supplier A . . | A company engaged in non-ferrous metal smelting and rolling processing, headquartered in Ningbo, Zhejiang, with registered capital of RMB250 million                                                         | Copper busbars                               | 30 days      | 2013                                             | Bank transfer                        | 55,096                | 19.5%                                     |
| Supplier B . . | A company engaged in investment management and electrical equipment sales, headquartered in Beijing, with registered capital of USD44.5 million                                                              | Circuit breakers, busways, complete cabinets | 150 days     | 2010                                             | Bank transfer, bank acceptance bills | 45,839                | 16.2%                                     |
| Supplier C . . | A company engaged in industrial automation system engineering development, industrial fluid equipment and electrical product sales, headquartered in Fuzhou, Fujian, with registered capital of RMB5 million | Circuit breakers                             | 30 days      | 2015                                             | Bank transfer                        | 19,339                | 6.8%                                      |
| Supplier D . . | A company engaged in wholesale of industrial electrical products, headquartered in Fuzhou, Fujian, with registered capital of RMB4 million                                                                   | Circuit breakers                             | 30 days      | 2006                                             | Bank acceptance bills                | 14,762                | 5.2%                                      |
| Supplier E . . | A company engaged in import and export trading of textiles, hardware, chemical products and metal materials, headquartered in Fuzhou, Fujian, with registered capital of RMB3 million                        | Plates/sheets                                | 30 days      | 2006                                             | Bank transfer, bank acceptance bills | 12,574                | 4.5%                                      |
| Total . . . .  |                                                                                                                                                                                                              |                                              |              |                                                  |                                      | <u>147,610</u>        | <u>52.2%</u>                              |

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*Note:*

- (1) For the years ended December 31, 2023, 2024 and 2025, our sales to Supplier B amounted to approximately RMB0.1 million, RMB4.6 million and RMB7.0 million, respectively.

### *For the year ended December 31, 2024*

| Supplier             | Background                                                                                                                                                       | Products purchased                           | Credit terms | Commencement<br>year of business<br>relationship | Payment method                       | Procurement<br>amount | % of total<br>procurement<br>for the year |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|--------------|--------------------------------------------------|--------------------------------------|-----------------------|-------------------------------------------|
| <i>RMB'000</i>       |                                                                                                                                                                  |                                              |              |                                                  |                                      |                       |                                           |
| Supplier B . .       | A company engaged in investment management and electrical equipment sales, headquartered in Beijing, with registered capital of USD44.5 million                  | Circuit breakers, busways, complete cabinets | 150 days     | 2010                                             | Bank transfer, bank acceptance bills | 68,421                | 20.9%                                     |
| Supplier F . .       | A company engaged in non-ferrous metal smelting and rolling processing, headquartered in Shanghang, Longyan, Fujian, with registered capital of RMB15.25 million | Copper busbars                               | 3 days       | 2018                                             | Bank acceptance bills                | 32,101                | 9.8%                                      |
| Supplier A . .       | A company engaged in non-ferrous metal smelting and rolling processing, headquartered in Ningbo, Zhejiang, with registered capital of RMB250 million             | Copper busbars                               | 30 days      | 2013                                             | Bank transfer                        | 31,156                | 9.5%                                      |
| Supplier D . .       | A company engaged in wholesale of industrial electrical products, headquartered in Fuzhou, Fujian, with registered capital of RMB4 million                       | Circuit breakers                             | 30 days      | 2006                                             | Bank acceptance bills                | 15,148                | 4.6%                                      |
| Supplier G . .       | A company engaged in wholesale trade, headquartered in Shanghai, with registered capital of RMB10 million                                                        | Circuit breakers                             | 30 days      | 2015                                             | Bank transfer, bank acceptance bills | 12,176                | 3.7%                                      |
| <b>Total . . . .</b> |                                                                                                                                                                  |                                              |              |                                                  |                                      | <b>159,002</b>        | <b>48.5%</b>                              |

*Note:*

- (1) For the years ended December 31, 2023, 2024 and 2025, our sales to Supplier B amounted to approximately RMB0.1 million, RMB4.6 million and RMB7.0 million, respectively.

## BUSINESS

*For the year ended December 31, 2025*

| Supplier             | Background                                                                                                                                                                                                   | Products purchased                           | Credit terms | Commencement<br>year of business<br>relationship | Payment method                       | Procurement<br>amount | % of total<br>procurement<br>for the year |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|--------------|--------------------------------------------------|--------------------------------------|-----------------------|-------------------------------------------|
| RMB'000              |                                                                                                                                                                                                              |                                              |              |                                                  |                                      |                       |                                           |
| Supplier F . . .     | A company engaged in non-ferrous metal smelting and rolling processing, headquartered in Shanghang, Longyan, Fujian, with registered capital of RMB15.25 million                                             | Copper busbars                               | 3 days       | 2018                                             | Bank acceptance bills                | 70,568                | 19.3%                                     |
| Supplier B . . .     | A company engaged in investment management and electrical equipment sales, headquartered in Beijing, with registered capital of USD44.5 million                                                              | Circuit breakers, busways, complete cabinets | 150 days     | 2010                                             | Bank transfer, bank acceptance bills | 60,350                | 16.5%                                     |
| Supplier H . . .     | A company engaged in non-ferrous metal smelting and rolling processing, headquartered in Jiangsu, with registered capital of RMB139.67 million                                                               | Copper busbars                               | 7 days       | 2023                                             | Bank acceptance bills                | 31,242                | 8.5%                                      |
| Supplier I . . .     | A company engaged in automation technology, headquartered in Fuzhou, Fujian, with registered capital of RMB10 million                                                                                        | Circuit breakers and other components        | 30 days      | 2019                                             | Bank transfer                        | 9,063                 | 2.5%                                      |
| Supplier C . . .     | A company engaged in industrial automation system engineering development, industrial fluid equipment and electrical product sales, headquartered in Fuzhou, Fujian, with registered capital of RMB5 million | Circuit breakers                             | 30 days      | 2014                                             | Bank transfer                        | 9,014                 | 2.4%                                      |
| <b>Total . . . .</b> |                                                                                                                                                                                                              |                                              |              |                                                  |                                      | <b>180,237</b>        | <b>49.2%</b>                              |

*Note:*

- (1) For the years ended December 31, 2023, 2024 and 2025, our sales to Supplier B amounted to approximately RMB0.1 million, RMB4.6 million and RMB7.0 million, respectively.

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### EMPLOYEES

As of December 31, 2025, we had 519 full-time employees, and all of them were based in the PRC. The following table sets forth the number of our employees categorized by function and percentage of our total number of employees as of December 31, 2025:

| Function/department                | Number of<br>Employees | % of Total   |
|------------------------------------|------------------------|--------------|
| Management . . . . .               | 37                     | 7.13         |
| Production . . . . .               | 247                    | 47.59        |
| Sales and marketing . . . . .      | 118                    | 22.74        |
| Research and Development . . . . . | 80                     | 15.41        |
| Finance . . . . .                  | 12                     | 2.31         |
| Administrative Support . . . . .   | 25                     | 4.82         |
| <b>Total . . . . .</b>             | <b>519</b>             | <b>100.0</b> |

We believe that our employees are valuable assets that contribute to our success. We recruit our employees based on a number of factors such as their industry experience and educational background, as well as our vacancy needs. We offer employees fair and competitive compensation and benefits and incentivize employees to improve their performance with a performance-based compensation system. Our compensation system includes base pay, performance-based salary, bonuses, project bonuses, and allowances and subsidies, while our benefits system includes statutory benefits, supplementary commercial insurance, leaves, health check-ups, and holiday benefits. We also entered into individual employment contracts with our employees covering matters such as wages, employee benefits, employment scope and grounds for termination. We provide mandatory social insurance for our employees as required by PRC social insurance regulations, such as pension insurance, unemployment insurance, work injury insurance, medical insurance and maternity insurance.

Our employees would undergo training to enhance their technical skills, knowledge of industry quality standards, occupational health and safety standards and applicable laws and regulations. We maintain constructive labor relations with our employees, supported by a recognized labor union. During the Track Record Period and up to the Latest Practicable Date, we did not experience any major labor disputes, work stoppages or labor strikes that led to disruptions in our operations.

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The following table sets forth our employee composition as of December 31, 2025, in terms of gender and age group:

| Indicator                     | As of December 31, 2025 |              |
|-------------------------------|-------------------------|--------------|
|                               | Number of Employees     | % of Total   |
| <b>By gender</b> . . . . .    |                         |              |
| Male . . . . .                | 339                     | 65.3         |
| Female . . . . .              | 180                     | 34.7         |
| <b>Total</b> . . . . .        | <b>519</b>              | <b>100.0</b> |
| <b>By age group</b> . . . . . |                         |              |
| Below 30 . . . . .            | 177                     | 34.1         |
| 30 to 39 . . . . .            | 173                     | 33.3         |
| 40 to 49 . . . . .            | 113                     | 21.8         |
| 50 and above . . . . .        | 56                      | 10.8         |
| <b>Total</b> . . . . .        | <b>519</b>              | <b>100.0</b> |

### Labor Standards

We are subject to the Labor Law of the PRC, the Labor Contract Law of the PRC and the Provisions on Prohibition of the Use of Child Labor and other pertinent laws and regulations. We established comprehensive policies, including the Employee Business Conduct Manual, to guarantee that our employment practices are both lawful and compliant.

We are committed to a human labor rights policy that embodies respect for human rights, humane treatment, opposes the use of child labor, refuses to tolerate harassment and upholds the principles of freedom of association and open communication. We prohibit discrimination in recruitment and employment, such as nationality, race, gender, religious beliefs, etc., and prohibit forced labor, labor trafficking and the use of child labor. During the Track Record Period and up to the Latest Practicable date, there were no incidents in violation of our policies or relevant laws and regulations pertaining to child labor, force labor, labor trafficking or employee discrimination.

### INSURANCE

We consider our insurance coverage to be adequate as we have in place all the mandatory insurance policies required by the relevant laws and regulations and in accordance with the commercial practices in our industry. We take out social insurance for our employees including pension insurance, unemployment insurance, work-related injury insurance, maternity insurance, and medical insurance. We take out employer’s liability insurance, property insurance and vehicle

## BUSINESS

insurance. However, in line with general market practice, we do not maintain any business interruption insurance or product liability insurance, which are not mandatory under PRC laws. We do not maintain keyman insurance, insurance policies covering damage to our network infrastructures or information technology systems. During the Track Record Period, we did not make any material insurance claims in relation to our business. See “Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may not be sufficient to cover all the losses associated with our business operations.”

## LICENSES AND PERMITS

During the Track Record Period and up to the Latest Practicable Date, we had obtained all material licenses, approvals, consents, registrations and permits that were required for our business operations in jurisdictions where we operate, and such licenses, approvals, consents, registrations and permits remained in full effect.

The following table sets forth details of our material licenses and permits:

| <u>License/Permit</u>                                                                                                  | <u>Date of<br/>grant/filing</u> | <u>Date of expiry</u> | <u>Issuing authority</u>                                                                    |
|------------------------------------------------------------------------------------------------------------------------|---------------------------------|-----------------------|---------------------------------------------------------------------------------------------|
| Safety production license<br>(安全生產許可證) . . . .                                                                         | October 2024                    | October 2027          | Fujian Provincial Department of<br>Housing and Urban-Rural<br>Development (福建省住房和城<br>鄉建設廳) |
| Construction enterprise<br>qualification certificate<br>(建築業企業資質證書).                                                   | October 2024                    | October 2029          | Fuzhou Municipal Housing and<br>Urban-Rural Development<br>Bureau (福州市住房和城鄉建<br>設局)         |
| Receipt on the<br>Registration of<br>Pollution Discharge for<br>Fixed Pollution<br>Sources (固定污染源排<br>污登記回執) . . . . . | March 2025                      | April 2030            | N/A                                                                                         |

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| License/Permit                                                                                       | Date of<br>grant/filing | Date of expiry | Issuing authority                                                                                     |
|------------------------------------------------------------------------------------------------------|-------------------------|----------------|-------------------------------------------------------------------------------------------------------|
| Installation (repair, test)<br>of electric power<br>facilities license (承<br>裝(修、試)電力設施許<br>可證)..... | July 2024               | July 2030      | Fujian Energy Regulatory Bureau<br>of National Energy<br>Administration of the PRC (國<br>家能源局福建監管辦公室) |

## RISK MANAGEMENT AND INTERNAL CONTROL

We have established and currently maintain risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations. As part of our commitment to strengthening corporate governance in preparation for and following the [REDACTED], we have engaged a professional internal control consultant to advise on the ongoing enhancement of our systems. We have adopted and implemented risk management policies in various aspects of our business operations such as financial reporting and internal control. To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [REDACTED], we have adopted and will continue to take risk management measures as follows:

- Our Board is responsible for the approval, and supervision of the implementation of our internal control system.
- Our senior management is responsible for formulating policies of our internal control system and organizing effective implementation.
- Our employees are responsible for following the systems, processes and standards of internal control.
- Our audit department assists our management with developing risk management policies and reviewing major risk management matters, providing guidance to relevant departments on risk management measures, and overseeing the implementation of risk management policies.

### Legal and Compliance Risk Management

To effectively manage our compliance and legal risk exposures, we have adopted internal procedures to ensure the compliance of our business operations with the applicable rules and regulations. In accordance with these procedures, our in-house legal department performs the basic function of reviewing the form of contracts we enter with our customers and suppliers.

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We continuously improve our internal policies according to changes in laws, regulations and industry standards and update internal templates for legal documents. We undertake compliance management over various aspects of our operations and employee activities. We have also established an accountability system in respect of employees’ violations of laws, regulations and internal policies. In addition, we continually review the implementation of our risk management policies and measures to ensure our policies and implementation are effective and sufficient. We have an employee code of conduct in place, which contains internal rules and guidelines regarding basic working rules, work ethics, confidentiality, negligence, anti-bribery and anti-corruption. We continually review, collect suggestions for improvement from our employees and update the employee code of conduct.

### **Financial Reporting Risk Management**

We have in place a set of policies in connection with our financial reporting risk management, such as financial reporting management, internal audit, investment management and budget management. We also have procedures in place to implement an internal audit, and our financial department reviews our management accounts, and our internal control department reviews our internal control procedures.

## **PROPERTIES**

### **Owned Properties**

As of the Latest Practicable Date, we owned the land use rights of two parcels of land in the PRC with a total gross site area of approximately 57,678 square meters, and four properties in the PRC with a total gross floor area of approximately 54,817 square meters. We use these properties as premises for production facilities, offices and other ancillary purposes.

As of the Latest Practicable Date, we were in the process of obtaining the building ownership certificates of two properties with an aggregate gross floor area of approximately 188.9 square meters. Such properties are located in Fujian Province and currently used for ancillary purposes. Our Directors are of the view that our business operations do not materially rely on these properties and the defects of such owned buildings would not materially and adversely affect our business. See “Risk Factors — There are defects in our titles of, or rights to use, certain properties.”

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As of the Latest Practicable Date, we did not have any single property with a book value accounting for 15% or more of our total assets. According to Chapter 5 of the Hong Kong Listing Rules and section 6(2) of the Companies Ordinance (Exemption of Companies and [REDACTED] from Compliance with Provisions) Notice, this Document is exempt from the requirements of section 342(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

### Leased Properties

As of the Latest Practicable Date, we had leased 15 properties, from Independent Third Parties, with a total gross floor area of approximately 6,624.3 square meters for our business operations. The properties we lease are mainly used as production facilities, offices and for residential purposes.

As of the Latest Practicable Date, the landlord of four of our leased properties in the PRC had not provided us with valid title certificates. Such property is used as employee dormitories and is not involved in our production or business operations. Our Directors are of the view that the defects of such properties would not materially and adversely affect our business operations, primarily because our business operation does not materially rely on these leased properties.

Pursuant to the applicable PRC laws and regulations, property lease contracts must be registered with the local branch of the Ministry of Housing and Urban Development of the PRC. As of the Latest Practicable Date, we had not yet completed the registration of 14 of property lease contracts we entered into in the PRC. As advised by our PRC Legal Advisor, failure to complete the lease registration will not affect the validity of the lease agreements according to PRC law, but we may have a maximum penalty of RMB10,000 imposed on us for each non-registered lease if we fail to complete the registration of any of our future lease agreements in case the parties of the lease agreements fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant PRC regulatory authorities. As of the Latest Practicable Date, we had not been ordered to make corrections by the competent local counterpart of Ministry of Housing and Urban Development. See “Risk Factors — Risks Relating to Our Business and Industry — We may face penalties for the non-registration of our lease agreements in China.”

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### SEASONALITY

Our results of operations are exposed to seasonal fluctuations. Typically, demand tends to decline over the first quarter of a calendar year, and gradually pick up over the second quarter of a calendar year. In contrast, procurement requests generally culminate in the second half of a calendar year, which is traditionally an important sales season for the industry, mainly due to increasing purchases near year end, according to Frost & Sullivan.

Electrical switchgear is installed in power distribution rooms of buildings and is often influenced by the overall progress of civil construction and the supporting equipment supply chain. As critical power supply equipment, electrical switchgears are typically delivered, installed, commissioned, and accepted intensively in the second half of the year. Consequently, the entire process from delivery to acceptance of our electrical switchgear is highly concentrated in the second half of a calendar year, demonstrating strong seasonality.

### LEGAL PROCEEDINGS AND COMPLIANCE

#### Legal Proceedings

We may from time to time be subject to various legal or administrative claims proceedings arising from the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management’s time and attention. See “Risk Factors — Risks Relating to Our Business and Industry — We are subject to risks relating to litigations and disputes with employees, competitors, business partners or other parties, which could adversely affect our business, financial condition, results of operations and prospects.”

During the Track Record Period and up to the Latest Practicable Date, we had not been a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

We are subject to various regulatory requirements and guidelines issued by the regulatory authorities in the jurisdictions in which we operate. We aim to monitor regulatory environments and adopt adequate internal procedures and guidelines to manage our operations in order to avoid potential non-compliance or misconduct. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any non-compliance incidents that led to fines, enforcement actions or other penalties that could have a material adverse effect on our

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business, financial condition or results of operations. Our Directors are of the view that we had complied, in all material respects, with all relevant laws and regulations in the jurisdictions where we operate during the Track Record Period and up to the Latest Practicable Date.

### **Legal Compliance**

Save for the following historical non-compliance incidents, we had not been and were not involved in any material non-compliance incidents that would, individually or in aggregate, have a material adverse effect on our business, financial condition and results of operations during the Track Record Period and up to the Latest Practicable Date.

### ***Social Insurance and Housing Provident Funds***

During the Track Record Period and up to the Latest Practicable Date, we did not make full contributions to social insurance and housing provident fund for certain of our employees in accordance with the relevant PRC laws and regulations. In 2023, 2024 and 2025, the shortfall amounts were approximately RMB6.1 million, RMB6.8 million and RMB7.8 million, respectively.

Such shortfall was primarily attributable to the following reasons: (i) for certain newly joined employees, there was a timing gap between their on-boarding date and the completion of requisite administrative procedures before we could make the contributions on their behalf; (ii) certain employees, had already enrolled in alternative insurance schemes, such as the New Rural Endowment Insurance Scheme and the New Rural Cooperative Medical Scheme in their respective place of household registration, and were reluctant to participate in duplicative schemes at their place of employment; (iii) certain employees elected not to participate in the social welfare schemes for personal reasons and (iv) certain employees were not willing to bear the individual contribution portion calculated strictly in proportion to their actual salary level.

In respect of the legal consequences and potential maximum penalties for our failure to make full contributions to social insurance and housing provident fund, according to the relevant PRC laws and regulations, the relevant PRC authorities may (i) demand us to pay the outstanding social insurance contributions within a prescribed period and we may be liable to a late payment fee equal to 0.05% of the outstanding amount for each day of delay. If we fail to make such payments, we may be liable to a penalty of one to three times the amount of the outstanding contributions; and (ii) order us to pay the outstanding housing provident fund contributions within a prescribed time period, failing which the relevant PRC authorities may apply to the People’s Court for compulsory enforcement. See “Risk Factors — Risks Relating to Our Business and Industry — We may be required to make additional contributions of social insurance fund and/or housing provident fund and late payments and fines under PRC laws and regulations.” If we were ordered to make such a payment, we would do so within the prescribed time period.

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For social insurance, pursuant to the Urgent Notice on Implementing the Spirit of the Executive Meeting of the State Council in Stabilizing the Collection of Social Security Contributions (《關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》) promulgated on 21 September 2018, it is prohibited for administrative enforcement authorities to organize a centralized collection of enterprises' historical social insurance arrears.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material administrative penalties. In addition, as of the Latest Practicable Date, (i) we had not received any notification from the relevant PRC authorities requiring us to pay historical shortfalls or the penalties with respect to social insurance and housing provident funds; (ii) we were neither aware of any material pending employee complaints nor were involved in any material pending labor disputes with our employees with respect to social insurance and housing provident funds, and (iii) we have undertaken that in the event that we receive requests from the relevant authorities to pay any historical outstanding social insurance and housing provident fund contributions, we will promptly communicate with authorities to discuss solutions and will timely make such payments in full.

As advised by our PRC Legal Advisor, based on the aforementioned circumstances and our interviews with the relevant authorities, and on the premise that there are no major changes to the regulations and the enforcement requirements in relation to the social insurance and the housing provident funds, and that no employee collective complaints are filed, (i) the likelihood that the historical discrepancies in social insurance of Fujian Senda, Fujian Lusi, Lusi Technology, Fuqing Senda and Fujian Senda, Fuqing Branch would be subject to centralized collection by relevant social insurance authorities is remote; (ii) the likelihood that the competent housing provident fund authorities will require us to make a one-time full payment of all historically arrears of housing provident funds within a specified time limit is remote; (iii) if we can fully pay the arrears of social insurance (including any applicable late fees) and housing provident funds in accordance with the requirements of the social insurance authorities and the housing provident fund authorities within the specified time limit, the likelihood that we will be imposed administrative penalties by the social insurance authorities and the housing provident fund authorities due to the failure to fully pay social insurance and housing provident funds during the Track Record Period is remote. Our Directors are of the opinion that our failure to make full contribution to social insurance and housing provident funds for certain of our employees will not have a material adverse impact on our business operations or financial condition as a whole.

Having considered the advice of our PRC Legal Advisor, the remote likelihood of centralized collection or administrative penalties, our Directors are of the view that no provision is required to be made in our financial statements in respect of the shortfalls in social insurance and housing provident fund contributions during the Track Record Period.

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### ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

#### ESG Governance

We have established a top-down ESG management structure. The Board of Directors holds the overall responsibility for our ESG strategy, reporting, and oversight of ESG-related risks. To effectively manage these matters, the Board has appointed our general manager as the designated director for ESG management. Supported by an ESG Working Group comprising representatives from core departments, the designated director is responsible for executing ESG policies, monitoring ESG performance and climate-related risks, and reporting to the Board at least annually to ensure strategic alignment and compliance.

#### Environment

We are committed to environmental sustainability and have obtained ISO14001:2015 certification. Our operations primarily involve the assembly and manufacturing of electrical products, which do not generate material industrial wastewater or hazardous waste.

*Climate Change Risks.* We recognize the potential impacts of climate change. Physical risks (e.g., extreme weather like typhoons) may cause supply chain disruptions or facility damage, while transition risks involve stricter environmental regulations. We mitigate these risks by implementing emergency response plans, enhancing energy efficiency, and developing renewable energy capabilities (such as our 4MW distributed photovoltaic power system).

*Metrics and Targets.* The following tables set forth our key environmental performance indicators during the Track Record Period. Looking forward, with 2025 as a baseline, we strive to achieve a 5% reduction in our Scope 1 and Scope 2 GHG emissions intensity (per RMB million of revenue) by 2028 through increasing renewable energy usage and optimizing operational efficiency.

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The following table lists our energy usage during the Track Record Period:

| Index                                                     | Unit            | Year ended December 31 |           |           |
|-----------------------------------------------------------|-----------------|------------------------|-----------|-----------|
|                                                           |                 | 2023                   | 2024      | 2025      |
| Purchased electricity . . . . .                           | MWh             | 1,896.11               | 1,682.20  | 1,881.31  |
| Electricity usage from renewable energy sources . . . . . | MWh             | 24.23                  | 351.42    | 352.55    |
| Gasoline . . . . .                                        | Liters          | 52,727.68              | 45,746.88 | 49,240.26 |
| Diesel oil . . . . .                                      | Liters          | 5,748.60               | 3,832.46  | 8,354.00  |
| Comprehensive energy consumption . .                      | MWh             | 2,439.79               | 2,472.51  | 2,664.21  |
|                                                           | MWh/RMB         |                        |           |           |
| Intensity of comprehensive energy consumption . . . . .   | million revenue | 4.69                   | 3.96      | 4.07      |

Notes:

- (1) Diesel is mainly used for company trucks. We additionally provided delivery service in 2025, resulting in an increase in diesel costs.
- (2) Comprehensive energy consumption is calculated based on the conversion factors in the “General Rules for Calculating Comprehensive Energy Consumption (GB/T2589-2020)”, a national standard of the People’s Republic of China.

The following table lists our water resource usage during the Track Record Period:

| Index                                 | Unit                        | Year ended December 31 |           |           |
|---------------------------------------|-----------------------------|------------------------|-----------|-----------|
|                                       |                             | 2023                   | 2024      | 2025      |
| Total water consumption . . . . .     | Tons<br>Tons/RMB<br>million | 34,216.00              | 43,406.81 | 38,982.26 |
| Water consumption intensity . . . . . | revenue                     | 65.70                  | 69.44     | 59.50     |

Note:

- (1) During 2023–2024, due to the collapse of large areas of walls and roads of the Group caused by typhoons, related rectification and maintenance projects led to an increase in water consumption.

The following table lists waste emissions during the Track Record Period:

| Index                                   | Unit                        | Year ended December 31 |        |        |
|-----------------------------------------|-----------------------------|------------------------|--------|--------|
|                                         |                             | 2023                   | 2024   | 2025   |
| Non-hazardous waste . . . . .           | Tons<br>Tons/RMB<br>million | 547.42                 | 709.22 | 580.18 |
| Non-hazardous waste intensity . . . . . | revenue                     | 1.05                   | 1.13   | 0.89   |

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The following table lists the wastewater discharge during the Track Record Period:

| Index                                    | Unit             | Year ended December 31 |           |           |
|------------------------------------------|------------------|------------------------|-----------|-----------|
|                                          |                  | 2023                   | 2024      | 2025      |
| Total wastewater Discharge . . . . .     | Tons             | 23,180.00              | 29,550.00 | 26,035.80 |
|                                          | Tons/RMB million |                        |           |           |
| Wastewater discharge intensity . . . . . | revenue          | 44.51                  | 47.27     | 39.74     |

The following table lists the GHG emissions during the Track Record Period:

| Index                                         | Unit                      | Year ended December 31 |          |          |
|-----------------------------------------------|---------------------------|------------------------|----------|----------|
|                                               |                           | 2023                   | 2024     | 2025     |
| Scope 1 GHG emissions . .                     | tCO2e                     | 131.33                 | 110.79   | 130.81   |
| Scope 2 GHG emissions . .                     | tCO2e                     | 1,006.08               | 892.58   | 998.22   |
| Total GHG emissions (scope 1 and 2) . . . . . | tCO2e                     | 1,137.41               | 1,003.36 | 1,129.03 |
| GHG emission intensity . . .                  | tCO2e/RMB million revenue | 2.18                   | 1.61     | 1.72     |

Notes:

- (1) Scope 1 GHG emissions: The Group’s gasoline and diesel consumption multiplied by the corresponding emission factors. Emission factors are based on ① China Energy Statistical Yearbook and ② IPCC 2006.
- (2) Scope 2 GHG emissions: The Group’s purchased electricity consumption is multiplied by the corresponding emission factor. The emission factor refers to the Ministry of Ecology and Environment’s Announcement on the Release of Carbon Dioxide Emission Factors for Electric Power in 2023.

## SOCIAL RESPONSIBILITY

We maintain a comprehensive commitment to our social responsibilities, with a foundational focus on our people and internal governance. This commitment is demonstrated by our prioritization of occupational health and safety, evidenced by our ISO45001:2018 certification and implemented through regular safety training and annual health examinations for our employees. Concurrently, we foster an inclusive and equitable workplace that strictly prohibits discrimination, child labor, and forced labor. Upholding the highest standards of business integrity, we enforce a zero-tolerance policy towards bribery, fraud, and corruption through our Integrity Supervision Committee and internal audit system. During the Track Record Period, we were not aware of any material non-compliance with applicable anti-corruption laws.

We extend our social responsibility principles beyond our direct operations to our broader ecosystem. Externally, we integrate environmental and social compliance criteria into our supplier evaluation and selection process, giving preference to partners with established management systems to promote sustainability across our supply chain. Furthermore, we actively contribute to

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the well-being of the communities in which we operate. This is achieved through targeted initiatives and engagements, such as providing educational support and participating in public welfare programs, which align with our commitment to creating positive social value.

### AWARDS AND RECOGNITION

During the Track Record Period and up to the Latest Practicable Date, we have received numerous accolades in connection with our business. Some of the most notable awards and recognitions are listed below.

| Year     | Award/Recognition                                 | Awarding Institution/Authority                                      |
|----------|---------------------------------------------------|---------------------------------------------------------------------|
| 2025 . . | Fujian Provincial Industrial Design Center        | Fujian Provincial Department of Industry and Information Technology |
| 2025 . . | Zero-Carbon Factory                               | China Quality Certification Center                                  |
| 2024 . . | High-tech Enterprise Certificate                  | Ministry of Science and Technology                                  |
| 2024 . . | Provincial Single-item Champions in Manufacturing | Fujian Provincial Department of Industry and Information Technology |
| 2024 . . | National Little Giant Enterprise                  | Ministry of Industry and Information Technology                     |