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OVERVIEW

Who We Are

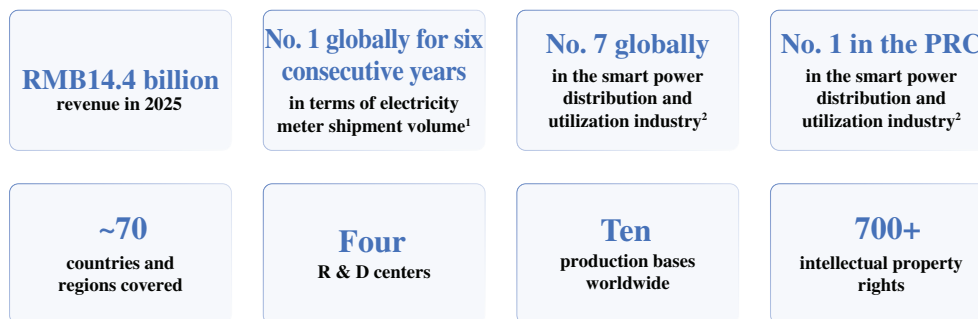
We are a globally leading provider of comprehensive smart power distribution and utilization equipment and solutions, and the largest chain rehabilitation hospital group in China. According to Frost & Sullivan, we ranked seventh globally and first in China by smart power distribution and utilization equipment and solutions revenue in 2025, with a global market share of 1.9% and a China market share of 5.0%. In 2025, our smart meters ranked first worldwide by shipment volume for the sixth consecutive year since 2020, with a global market share of 10.1% in 2025. We are the largest chain rehabilitation hospital group in China, providing differentiated rehabilitation medical services anchored by critical illness rehabilitation, with neurological and functional rehabilitation as our core competencies and elderly rehabilitation as our foundation. According to Frost & Sullivan, we ranked first among chain rehabilitation hospital groups in China by number of rehabilitation hospitals in 2025, with 25 operating rehabilitation hospitals and a market share of 2.8%.

We are committed to becoming a globally leading provider of power grid equipment and solutions and a leading medical services group in China. Guided by our mission to support the national “dual carbon” strategy and advance public health, we aim to build an enterprise group defined by product leadership, a global footprint and best-in-class service delivery.

During the Track Record Period, our smart power distribution and utilization segment delivered steady and sustained growth, forming the cornerstone of our financial performance. Our medical services segment underscores our commitment to social responsibility and long-term value creation. This dual-principal business structure effectively diversifies operational risks and enhances the overall resilience of our Group.

In particular, we are among the few industry players focusing on comprehensive offerings across both smart power distribution and utilization equipment and solutions, a competitive differentiator that sets us apart from single-segment peers. In our smart power distribution and utilization segment, nearly four decades of deep industry expertise have enabled us to build a comprehensive and differentiated product matrix spanning three core business lines: smart power utilization equipment and solutions, smart power distribution equipment and solutions, and new energy products. As of December 31, 2025, we had ten production bases globally, comprising nine established in China, Brazil, Indonesia, Poland, Germany, Mexico and Kenya, and one under construction in Brazil, together with over 40 sales centers worldwide, reflecting our commitment to continued global capacity expansion. Our operations span approximately 70 countries and regions, including 20 European countries, making us one of the Chinese power grid equipment companies with the broadest market presence in Europe according to Frost & Sullivan.

The diagram below sets forth certain key indicators illustrating our industry standing:



Notes:

- (1) According to Frost & Sullivan, our Group ranked No. 1 globally in terms of smart electricity meter shipment volume for six consecutive years from 2020 to 2025.
- (2) According to Frost & Sullivan, our Group ranked No. 7 globally and No. 1 in the PRC in terms of revenue generated from smart power distribution and utilization equipment and solutions in 2025.

In the medical services sector, we were among the earliest entrants into China’s private rehabilitation hospital market, establishing first-mover advantage and economies of scale in chain rehabilitation hospitals operations. Our integrated platform for medical practice, education and research cultivates a robust pipeline of leading medical professionals, reinforcing our market-leading position.

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Our History

Since our establishment, we have forged ahead for nearly four decades, expanding from our roots in power distribution and utilization to medical services, establishing a leading position in both industries:

- *Foundation and Deepening (1986-2007):* Our operations commenced in 1986. We entered the power meter industry in 1989 and developed China’s first all-plastic electricity meter housing. We established the “Sanxing” brand in 1991 and rose to become the leading player in China’s electricity meter industry by 1993. In 2001, we formally entered the power distribution sector and pioneered an integrated provision of power distribution and utilization products and offerings.
- *Capital-Driven Growth and Strategic Expansion (2008-2015):* We restructured into a joint stock limited company in 2008, and listed on the main board of the Shanghai Stock Exchange in 2011 (stock code: 601567.SH). In 2015, we started to provide medical services, formally adopting a dual-principal business model of “smart power distribution and utilization equipment and solutions + medical services.”
- *Globalization and Diversification (2015 to present):* We officially launched our international strategy in 2015. We subsequently established production bases in Brazil, Indonesia, Poland, Germany and Mexico, systematically strengthening our global supply chain and production capacity. Since 2022, our product portfolio further expanded to include new energy products to offer comprehensive smart power distribution and utilization equipment and solutions. We began expanding into the overseas power distribution business since 2023. As of December 31, 2025, we had 38 hospitals, including 32 rehabilitation hospitals. Among these, eight hospitals, including seven rehabilitation hospitals, were under construction or in preparatory stages.

Our Product Matrix and Services

In our smart power distribution and utilization segment, nearly four decades of deep industry expertise have enabled us to build a comprehensive and differentiated product matrix spanning three core business lines: smart power utilization equipment and solutions, smart power distribution equipment and solutions, and new energy products. Together, these lines cover the full spectrum of power usage scenarios — from the generation side (“source”) and grid side (“grid”) to the utilization side (“load”) and energy storage side (“storage”) — addressing the increasingly integrated needs of the modern power industry.



Note: For revenue classification purposes, within the generation side category, clean energy power conversion equipment are classified under our smart power distribution equipment and solutions, and grid-tied inverters are classified under our new energy products; all products within the grid side category are classified under our smart power distribution equipment and solutions; within the load side category, EV chargers are classified under our new energy products, while all other products in the load side category are classified under our smart power utilization equipment and solutions; all products within the storage side category are classified under our new energy products.

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Smart Power Utilization Equipment and Solutions

Our smart power utilization equipment and solutions center on smart meters and extend across gateway meters, smart terminals, and system integration solutions including AMI/MDM platforms. We lead the iteration and upgrade of domestic technical standards, successfully promoting domestically-produced high-end gateway meters and resolving key metering technology bottlenecks. Our new-generation smart meters and energy controllers comply with 2024/2025 standards of the two large national-level grid groups, delivering wider measurement range, enhanced stability and greater intelligence for demanding new energy scenarios. In overseas markets, we have deployed multiple AMI solutions, including next-generation AI-powered smart grid offerings based on Wi-SUN/PLC/4G protocols, supporting functionalities including collection rates, line loss control, anti-theft protection, intelligent operation and management and real-time grid data analytics. In Europe, our metering products feature high reliability, long-life design, high security levels (Suite 2) and real-time power quality monitoring capable of detecting harmonics, flicker and RVC. As general contractor, we partnered with a leading global system supplier and a major European telecom operator to deploy an AMI project of approximately one million units in Sweden, implementing quad-mode communication solution with KPIs exceeding 97% at 15 minutes and 99.7% at 24 hours, representing industry-leading performance.

Smart Power Distribution Equipment and Solutions

Our smart power distribution equipment and solutions comprehensively cover principal distribution equipment at 35kV and below, comprising a complete product matrix encompassing transformers, PV/wind power box-type substations, energy storage all-in-one unit, ring main units/eco-gas switchgear, and switchgear. Our proprietary energy-efficient transformers achieve noise indicators that surpass national standards, representing domestically leading manufacturing benchmarks. Our gas-insulated switchgear is recognized as a first-of-its-kind product in China. Our products are also highly competitive in global high-end markets: our oil-immersed transformers outperform EU EN standards across multiple key parameters including no-load loss, load loss and top-oil temperature rise, earning strong recognition from overseas customers. In March 2026, we won a Dutch power distribution grid project exceeding EUR100 million, ranking first in tender evaluation, demonstrating the competitiveness of our distribution products in international markets.

New Energy Products

Our new energy product business encompasses PV grid-tied inverter, hybrid inverter, residential energy storage battery, rack-mounted battery energy storage system and EV charger, forming an integrated “charging-inverter-storage” new energy product matrix. Our inverter product line covers 3-330kW PV grid-tied inverters and 3.6-50K hybrid inverters for residential, commercial, industrial and utility-scale applications, supported by a proprietary AI-powered diagnostics platform. Our energy storage solutions range from 5-16kWh residential systems to 5MWh large-scale DC storage cabins, with independently developed BMS and EMS for intelligent energy management. Our charging pile products span 7kW to 640kW, including DC chargers supporting national, European and U.S. standards.

Medical Services Segment

In medical services, we strategically cover key regions including the Yangtze River Delta and the Pearl River Delta, operating a network of 38 hospitals, including 32 rehabilitation hospitals, as of December 31, 2025. Among these, eight hospitals, including seven rehabilitation hospitals, were under construction or in preparatory stages. Years of dedicated engagement have built a trusted healthcare brand with widespread recognition and strong patient loyalty, underpinned by clinical specialization, standardized care pathways and a highly committed medical team.

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Our Financial Performance

During the Track Record Period, our business and financial performance delivered steady and sustained growth. Revenue grew from RMB11,462.5 million in 2023 to RMB14,600.5 million in 2024, and remained relatively stable at RMB14,360.8 million in 2025. Our net profit amounted to RMB1,920.8 million in 2023, RMB2,273.2 million in 2024, and RMB1,248.8 million in 2025.

Overseas business has emerged as one of the primary engines driving our financial performance growth, with the proportion of overseas revenue rising continuously and the contribution of the smart power distribution business growing significantly. Our revenue from overseas operations increased from RMB1,960.6 million in 2023 to RMB2,780.8 million in 2025, with a CAGR of 19.1%. Our localized operations in core markets including Europe, the Middle East and Latin America continued to deepen, with particularly strong performance in the European market. We achieved first-order breakthroughs for power distribution business in multiple new countries including Hungary, Romania and Slovakia in 2025, and the Netherlands in the first half of 2026, demonstrating the robust momentum and replicability of our overseas expansion strategy.

Our Market Opportunities

Power Distribution and Utilization Market

Global grid investment is expanding at record pace. According to the IEA, global grid investment is expected to reach US\$470 billion in 2025, representing a year-on-year increase of approximately 16% and a record high. Aging infrastructure and insufficient smart grid deployment across most countries are driving urgent, large-scale demand for grid modernization. The smart power distribution and utilization equipment and solutions segment, as a key sub-sector of the global power distribution and utilization equipment and solutions market, is growing at an even faster pace compared to the overall market. According to Frost & Sullivan, the global smart power distribution and utilization equipment and solutions market grew from RMB326.4 billion in 2021 to RMB582.4 billion in 2025, with a CAGR of 15.6%, and is projected to further grow to RMB1,005.6 billion by 2030, with a CAGR of 11.5% from 2025 to 2030.

The rapid growth of AI is also driving substantial incremental electricity demand. According to Frost & Sullivan, aggregate computing power in China grew from 136 EFLOPs in 2020 to 617 EFLOPs in 2024, representing a CAGR of 45.9%, and is projected to reach 3,443 EFLOPs by 2029, representing a CAGR of 40.0%. Intelligent computing power alone grew from 59 EFLOPs in 2020 to 438 EFLOPs in 2024, with further growth projected to 3,036 EFLOPs by 2029, representing a CAGR of 45.3%. The surge in data center construction is generating significant demand for high-reliability power distribution and utilization infrastructure.

In developed markets such as Europe and North America, energy transition and aging grid infrastructure are the primary investment drivers. The EU’s Grid Action Plan (2023) allocates EUR584 billion for grid inspection, improvement and upgrade, reinforced by the Forward-Looking Grid Investment Guidance (June 2025). In the United States, the Department of Energy has committed US\$10.5 billion over five years under the Grid Resilience and Innovation Partnerships program. These initiatives are expected to sustain strong replacement demand for transformers and other distribution equipment across Europe and North America.

Emerging markets offer significant growth potential driven by low electrification rates and limited smart grid penetration. In Latin America, which is one of the areas with largest growth potential for smart power distribution and utilization, Brazil’s National Energy Transition Policy and power market liberalization reforms are catalyzing investment. In Asia-Pacific, emerging countries are expected to represent an important source of growth for smart metering, supported by ongoing grid modernization initiatives, increasing electrification rates and government-led smart meter deployment programs. In Africa, the World Bank and African Development Bank’s “Mission 300” initiative has pledged at least US\$50 billion to electrify 300 million people by 2030. Across these regions, persistently high line losses and low smart meter penetration underpin sustained upgrade demand over the coming decade.

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In China, government investment in grid construction provides a strong domestic demand foundation. State Grid has announced expected total investment of RMB4 trillion during the 15th Five-Year Plan period, approximately 40% above the 14th Five-Year Plan. Grid construction investment reached RMB291.1 billion in the first half of 2025, representing 14.6% increase compared to the same period in 2024, with State Grid and China Southern Power Grid together committing a combined RMB220 billion more than in 2024. The ongoing transition to new metering standards — with State Grid’s June 2025 full-performance testing announcement for next-generation smart meters — is creating a significant product upgrade cycle. In addition, as urbanization shifts focus toward distribution network quality, demand for compact, high-reliability medium-voltage switchgear is rising alongside residential upgrades and underground utility corridor projects in first- and second-tier cities.

Medical Services Market

China’s healthcare expenditure has maintained steady growth. Driven by rising per capita disposable income, growing health awareness, expansion of public health insurance coverage and development of commercial insurance, increasing prevalence of chronic diseases and cardiovascular conditions, and an accelerating aging population, the overall medical services market in the PRC has experienced steady development in recent years.

Rehabilitation hospitals represent a high-growth sub-sector within the medical services market. According to Frost & Sullivan, the market size of China’s rehabilitation hospital industry grew from RMB19.0 billion in 2021 to RMB33.4 billion in 2025, with a CAGR of 15.1%, and is projected to further grow to RMB52.5 billion by 2030, with a CAGR of 9.5% from 2025 to 2030.

COMPETITIVE STRENGTHS

Four decades of deep engagement in the power industry, establishing a global leading position

We have been deeply engaged in the smart power distribution and utilization sector for nearly four decades, participating extensively in China’s power transformation. We have systematically expanded from a single meter product to multiple product lines spanning power distribution and utilization equipment and solutions and new energy products, building a comprehensive product matrix and solutions covering smart power distribution, smart power utilization and new energy. This enables us to meet the diverse smart energy management needs of domestic and international customers across all scenarios, with multiple product lines ranking first in the domestic market. We possess end-to-end delivery capabilities from standalone products to fully integrated AMI systems. We are also deeply involved in drafting national standards for smart meters and power distribution equipment in China and hold extensive core proprietary intellectual property.

After years of strategic development, we have established an extensive overseas sales network. As of December 31, 2025, our business spans approximately 70 countries and regions, with an established presence in 20 European countries. Our overseas power distribution business focuses on core markets in Europe, the Middle East, and Latin America. For example, we have secured initial orders in Saudi Arabia, Greece, Mexico and Brazil. We achieved first-order breakthroughs for power distribution business in multiple new countries including Hungary, Romania and Slovakia in 2025, and Netherlands in the first half of 2026, demonstrating the robust momentum and replicability of our overseas expansion strategy. Our overseas power utilization business targets the high-end market while expanding into emerging markets. In 2025, we secured our first major smart meter order in the United States. Meanwhile, we continue to advance product certification efforts across new and existing markets, steadily obtaining additional product certifications in various regions.

We participate deeply across the entire “source-grid-load-storage” value chain. Through comprehensive products and offerings, we address diverse customer needs from the power generation to end users, enabling us to proactively and systematically capture industry opportunities across the value chain.

On the “source” side, we provide new energy box-type substations and grid-tied inverters for PV and wind power generation projects, meeting low voltage requirements for generation-side grid connection, and serving as a core equipment supplier enabling clean energy grid connectivity. On the “grid” side, we have built a high-quality distribution equipment matrix centered on transformers and switchgear, with our transformers ranking first in bid amount value awarded by a large national-level grid group in 2025 and

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demonstrating strong performance across key parameters including noise, burnout rate and oil leakage rate. We are one of the few manufacturers capable of sustained and reliable supply under extreme environmental conditions. On the “load” side, with smart meters at the core, complemented by smart terminals, communication modules and AMI/MDM systems, we provide utilities with comprehensive user-side management solutions spanning energy metering, line loss management, electricity consumption data analytics, electricity billing settlement and demand response. On the “storage” side, we have independently developed core BMS and EMS systems, forming a full-scenario energy storage product matrix from low-voltage residential storage to high-voltage residential storage and 5MWh large-scale DC storage cabins, complemented by a charging pile product line covering the full power range from 7kW to 1.6MW. Together, these lines cover “source-grid-load-storage,” addressing the increasingly integrated needs of the modern power industry.

Long-standing, trusted relationships with leading customers

We have established long-term, mutually trusted partnerships with leading customers across the global energy industry. In the domestic market, we serve as a core supplier to the two large national-level grid groups and the top five power generation groups and their subsidiaries, and regional power companies. In terms of the bid amount of metering equipment awarded by a large national-level grid group in 2025, our Group ranked No. 3 in China with a market share of 2.8%. In terms of the bid amount of distribution transformers and prefabricated substations by the same group in 2025, our Group ranked No. 1 in both categories, a clear testament to the market’s recognition of our product quality and delivery reliability. In addition, we have been continuously expanding into new application scenarios and customer segments. We have achieved rapid growth in emerging sectors with customers such as new energy central state-owned enterprises, data centers and energy storage companies. We have secured orders from China’s three major telecommunications operators for data center applications. In overseas markets, we have been successfully admitted to the approved supplier lists of renowned power grid operators and energy groups in areas such as Sweden, Brazil and Saudi Arabia.

Our product competitiveness is further evidenced by the depth and longevity of our customer relationships. During the Track Record Period, we maintained an average business relationship of over ten with our top five customers in each of the years, with more than 20 years of cooperation with the two large national-level grid groups, reflecting comprehensive coverage of leading power industry customers. These enduring relationships are rooted in our deep understanding of customers’ operational environments, enabling us to deliver customized products for a wide range of demanding application scenarios, including high altitude, extreme cold environments at minus 40°C, and coastal high-salinity environments. We have completed China’s first box-type substation project at an altitude exceeding 5,000 meters and achieved large-scale deployment of 10MW-class high-capacity box-type substations. We also have a deep understanding of our overseas customers and have provided them with innovative products. Through our proprietary AMI system, we help utilities achieve energy efficiency management, with our system services currently supporting tens of millions of connected users. This deep, software-based integration creates strong customer stickiness, positioning us favorably for recurring equipment procurement.

Our deep customer relationships provide stable order flow and strong risk resilience. Our order backlog increased from RMB10.5 billion as of December 31, 2023 to RMB13.2 billion as of December 31, 2024, and further to RMB14.8 billion as of December 31, 2025, representing a CAGR of 18.8% from 2023 to 2025. As of March 31, 2026, our order backlog reached RMB15.7 billion, providing solid support for future performance growth.

Industry-leading R&D innovation and research capabilities

R&D innovation is the driving force behind our sustained industry leadership. In our smart power distribution and utilization segment, we have achieved CMMI V2.0 L5 international certification — the highest level in the global software domain — demonstrating that our software development and project management capabilities have reached world-class standards. We are deeply engaged in international and national standard-setting. As an entity member of the Institute of Electrical and Electronics Engineers (“IEEE”), we led the drafting of international standards including the IEEE P3197 Smart Meter Data Transmission Interface Guidelines. We have also successfully localized gateway meter technology, breaking a long-standing reliance on imported components and becoming the first private enterprise included in the relevant procurement list of a large national-level grid group.

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We currently operate four R&D centers, leveraging our provincial-level enterprise technology center, postdoctoral workstation and industrial design center to command key core technologies across the industry. Our technical infrastructure encompasses the industry’s most comprehensive testing facilities, including an internationally accredited ISO/IEC 17025 laboratory and a CNAS-accredited national laboratory, together with dedicated EMC, AMI communications, reliability, failure analysis laboratories and outdoor simulation test stations, providing robust technical assurance for our product development and quality control. Our achievements include multiple original and breakthrough innovations: our gas-insulated switchgear has been recognized as a first-of-its-kind product in China, and our energy controllers as first-of-their-kind at the provincial level. In February 2025, our research on AI-based load forecasting and regulation systems for large-scale power grids was designated as a Zhejiang Province AI application scenario.

These capabilities have earned us significant recognition: we have been designated a National-Level Intellectual Property Demonstration Enterprise and a Provincial Key Enterprise Research Institute with a Provincial Enterprise Technology Center. Our subsidiary Sanxing Intelligent has been recognized as a National-Level Intellectual Property Advantage Enterprise and holds a Provincial High-Tech Enterprise R&D Center designation.

In medical services segment, we continue deepening clinical specialization in critical illness rehabilitation, with focused development of two specialty centers dedicated to ventilator weaning and coma arousal. Through a multidisciplinary critical rehabilitation model in our high dependency units (“HDU”), we have built a cluster of key disciplines in critical rehabilitation that enhance the intrinsic clinical value of our hospitals. We have also strengthened our academic standing, having drafted a critical rehabilitation monograph authored from an intensive care medicine perspective — a pioneering academic work emphasizing the integration of organ rehabilitation, limb rehabilitation and psychological rehabilitation — and dozens of forward-looking papers in science citation index (SCI) journals and leading Chinese core journals.

Several of our hospitals have established medical alliance partnerships and rehabilitation alliances with peer hospitals. Through the adoption of advanced therapeutic technologies including SCS (spinal cord stimulation) and DBS (deep brain stimulation), as well as the establishment of an ECMO cerebral resuscitation center at Zhejiang Mingzhou Rehabilitation Hospital, we have continuously enriched our clinical offerings to meet patients’ increasingly diverse rehabilitation needs. We are also advancing our digital transformation strategy to enhance patient experience and clinical quality, building a unified patient service platform integrating case quality control, rehabilitation treatment management, clinical pathway and internet medical services systems, and driving intelligent upgrades in clinical workflows and hospital accreditation IT infrastructure.

A leading global operating network and diversified sales channels

We have built a comprehensive global network of production and sales capabilities for our smart power distribution and utilization segment, positioning us to capture growth opportunities across key markets worldwide. As of December 31, 2025, we had ten production bases (nine established and one under construction) and more than 40 sales centers globally, with operations spanning approximately 70 countries and regions. In the domestic market, with nearly four decades of deep engagement, we operate five regional divisions with 31 offices providing nationwide coverage. In overseas markets, our revenue from overseas operations increased from RMB1,960.6 million in 2023 to RMB2,780.8 million in 2025, with a CAGR of 19.1%. With more than a decade of dedicated overseas development, our business spans Europe, the Middle East and the Asia-Africa-Latin America region. In Europe, we are present in 20 countries, making us one of the Chinese power grid equipment companies with the broadest European country coverage in the industry, according to Frost & Sullivan. Localized manufacturing materially shortens delivery cycles and enhances our price competitiveness. We have established dedicated local service teams in key markets including Brazil, delivering service standards matching or exceeding those of competitors. Our planned capacity expansion in Saudi Arabia, Germany and other strategic locations will further reinforce our global footprint.

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We have implemented a proprietary technical marketing and “iron triangle” service model. Each of our global offices maintains dedicated sales, technical support and after-sales service teams. This deep service model enables us to maintain industry-leading customer satisfaction in high-end markets such as Europe, identify latent customer needs in complex application scenarios, and channel actionable insights directly to our R&D function for rapid and precise product customization. This approach has driven our strategic evolution from a standalone equipment supplier to an integrated “product + service” solution provider. Our effective marketing infrastructure and flat management structure have built strong overseas customer stickiness, providing a structural competitive advantage for capturing high-quality orders and sustaining rapid overseas growth throughout the energy transition cycle.

Intelligent and green manufacturing capabilities with industry-leading automation and certification

Guided by our core operating principles of precision, efficiency, pragmatism and simplicity, and adhering to our philosophy of “intelligentization, informatization and digitalization,” we continuously advance our intelligent and green manufacturing capabilities across five strategic areas: automation, informatization, equipment connectivity, green development and zero-defect quality management. We have built a comprehensive digital operations management platform spanning the full business cycle — from order receipt to collection, from strategic planning to mass production, and from production scheduling to inventory dispatch — achieving seamless connectivity across design, production, sales and service functions. For overseas markets, we have developed scalable regional system templates with rapid adaptation and deployment capabilities, providing a core technological engine to support our global expansion.

We and our core subsidiaries have earned multiple authoritative national and municipal certifications, including National-Level Green Factory, National-Level Green Supply Chain, National-Level Green Design Demonstration, National-Level Service-Oriented Manufacturing Demonstration, National-Level Intelligent Manufacturing Demonstration Scenario and Municipal-Level Carbon-Neutral Factory designations. In addition, we own and operate a digital factory, and we have been recognized as a Provincial Smart Factory, Provincial Future Factory Pilot, Provincial 5G Fully Connected Factory and Digital Demonstration Factory.

The completion and gradual commissioning of our Ningbo Qianwan Base marks an important milestone in elevating our intelligent manufacturing capabilities. The base achieves an overall automation rate of approximately 80% for iron core components utilized in our smart power utilization equipment and solutions. Through deep integration of core systems including CRM, PLM, SAP, MES and WMS, it connects six major business domains — market, planning, procurement, logistics, manufacturing and sales — deploying industrial robots, AGV intelligent scheduling, dry-type transformer automatic lamination and APS integrated production scheduling, comprehensively enhancing manufacturing precision and delivery efficiency. The implementing entity was selected for a 2025 National-Level Digital Transformation Pilot Project.

An entrepreneurial management team with deep experience and a high-caliber talent pipeline

Our core management team brings deep industry experience and sharp strategic insight, instrumental to our sustained success and growth. They possess an average of around 20 years of cumulative industry experience, with a thorough understanding of relevant industries. Our founder, Mr. Zheng Jianjiang, is a visionary entrepreneur with proven market acumen who has built industry-leading companies across multiple sectors including home appliances, power distribution and utilization equipment, new energy, and healthcare and continues to lead our Group’s strategic direction.

Our key management team members have deep roots in the power equipment and related industries and have developed a clear and efficient division of labor and collaboration mechanisms through long-term cooperation. They have accumulated extensive comprehensive management experience in business operations, financial management, strategic development, capital management and corporate governance, possessing precise insights into industry policies and future trends, enabling us to formulate a clear development strategy. Our management team has remained highly stable, providing strong support

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for the consistency and continuity of our strategic planning. Despite industry cycles, our management team has maintained a long-term perspective and advanced our business development in a steady manner, accurately seizing high-growth opportunities in the power equipment and related industries. Based on shared values and an open and collaborative culture, our team continuously attracts outstanding talents from both domestic and international sources and systematically enhances organizational capabilities through a structured talent development plan, solidifying the talent foundation for our long-term development.

We continuously attract and retain outstanding industry professionals through proactive and competitive talent strategies, building a mature, high-caliber talent pipeline. By implementing robust equity incentive plans and fostering a learning organization, we cultivate a globalized talent system that empowers our team to drive sustained growth.

OUR STRATEGIES

Our smart power distribution and utilization business now focuses on application scenarios across the “source-grid-load-storage” value chain. We are advancing new business lines including main transformers and gas-insulated switchgear (GIS), expanding market share for new energy products such as energy storage systems and inverters, and transforming from a traditional grid equipment supplier into a full-chain integrated solution provider specializing in new-type power electronics technologies.

Deepening localized operations worldwide

We will continue to advance our globalization strategy by establishing overseas production bases, sales centers and R&D centers staffed with localized teams. Through a model combining localized manufacturing, operations and maintenance, and strategic partnerships, we aim to better serve customer needs, enhance global delivery capabilities and consolidate our industry leadership.

Smart Power Utilization Equipment and Solutions: We are consolidating our presence in established high-end markets in Europe and the Middle East, while targeting expansion into emerging markets such as North America and Africa.

Smart Power Distribution Equipment and Solutions: Leveraging our overseas channels from the smart power utilization segment, we are consolidating our presence in Europe, the Middle East and Latin America, while continuing to penetrate the North American market and advancing the deployment of overseas production bases for smart power distribution products and offerings.

New Energy Products: Leveraging existing overseas channels, we are consolidating our presence in the Americas and Asia-Pacific, while targeting breakthrough expansion into the European market.

Increasing R&D investment to achieve new business breakthroughs

As the global energy structure undergoes profound transformation, the construction of new-type power systems is accelerating. The expansion of artificial intelligence and the digital economy is driving explosive growth in power infrastructure, while the sustained surge in new energy capacity under “dual carbon” objectives is creating historic development opportunities for the power equipment industry. We will increase R&D investment and coordinate our efforts across technology development, market expansion and ecosystem collaboration to continuously strengthen our core competitive capabilities in main grid equipment and new energy.

Main Grid Transmission and Transformation: The global energy transition and large-scale upgrade of power infrastructure are accelerating, driving sustained demand expansion for ultra-high-voltage and extra-high-voltage transformers on the main grid side. According to Frost & Sullivan, global grid investment continues to grow, with cross-border and cross-regional high-capacity transmission corridors placing increasingly stringent requirements on transformer performance and reliability. We will focus on main transformers and GIS as our core products, targeting expansion across global markets. For main

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transformers, we will leverage our deep expertise in power transformer R&D and manufacturing to continuously enhance technical specifications across dimensions including high voltage levels, large capacity and low loss. For GIS products, these products possess irreplaceable market positioning in specialized application scenarios such as urban underground substations and high-altitude, extreme-cold environments, owing to their superior explosion-proof, moisture-resistant and space-efficient characteristics. We plan to increase R&D investment and production capacity deployment to expand into overseas markets and build a globally competitive product matrix.

New Energy Products: We plan to explore the integrated PV-storage-charging business. Driven by policy support and power market reforms, demand for domestic commercial and industrial energy storage and utility-scale ground-mounted storage is entering a rapid growth phase. Meanwhile, the residential energy storage market continues to exhibit strong momentum in overseas markets such as Europe and North America. Seizing opportunities arising from the global energy landscape transformation, we are pursuing a dual-track strategy of “deepening energy storage and core inverter manufacturing.” In energy storage products, we are focusing on residential storage, commercial and industrial storage and utility-scale storage systems. In inverters, we are targeting high-power inverters for residential and commercial and industrial users as well as hybrid inverters.

Strengthening full source-grid-load-storage value chain coverage

With deep expertise in the power industry and established presence across the “source-grid-load-storage” value chain, we continue to strengthen our comprehensive product matrix – covering generation, transmission, transformation, distribution, storage, utilization and charging. Focusing on new-type power electronics technologies, we are deepening our full-chain product portfolio across all segments of the power industry, providing integrated one-stop solutions to customers including grid operators, new energy developers, municipal utilities and industrial enterprises.

Centering on customer needs, we are evolving from standalone equipment supply to system integration and turnkey delivery for smart energy management. We continue to advance AMI turnkey project delivery, having completed benchmark projects such as the Nigeria TCN and Brazil COPEL smart meter turnkey projects. Going forward, we will deepen AI technology applications and expand into new energy and multi-energy management as well as grid intelligence upgrade services, with a focus on markets across Asia, Africa, Latin America and Belt and Road countries.

In smart meter EPC and energy turnkey projects, through cross-segment collaboration, we significantly enhance project delivery efficiency, metering accuracy and system operation and maintenance reliability, addressing customers’ core requirements for equipment compatibility, stable and precise metering, and end-to-end service connectivity. By effectively reducing customers’ total cost of procurement, operations and management, we continue to strengthen customer stickiness and consolidate our competitive position in the smart metering and energy measurement sector.

Accelerating digital and intelligent transformation

Centering on customer needs, we have deeply integrated core systems including SAP, CRM, SRM, MES and APS, connecting the entire workflow across sales, production scheduling, manufacturing and supplier collaboration. We have built an end-to-end digital supply chain network achieving real-time visibility of order, production and material information flow, effectively enhancing value chain resilience and transparency to strengthen our core competitiveness. For overseas operations, we maintain a compliance-first, prudent operating approach, leveraging our mature domestic digital capabilities to advance overseas system development and data integration, establishing seamless coordination across domestic and international business and data streams. Our Ningbo Qianwan Base has established a digital workshop foundation, horizontally replicating intelligent equipment, smart management hardware and software, and proven practices, while vertically integrating 5G, IoT and big data to implement innovative production models including customized manufacturing, networked collaboration, digital design, remote operation and maintenance and intelligent safety management. Through comprehensive smart upgrades across the entire chain, we have achieved automated production equipment, transparent operational data,

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timely anomaly intervention, intelligent logistics, intensive energy management and plant-wide data connectivity, empowering decision-making through data analytics to build a smart manufacturing benchmark. Going forward, we will continue to increase digital and intelligent investment, establishing three foundational pillars – data management, technology application and artificial intelligence. We will deepen digital and intelligent applications across all business scenarios, upgrade core systems and enhance our global collaboration framework, leveraging digitalization to upgrade the entire value chain, consolidate our industry leadership and support sustainable enterprise development.

Strengthening talent development and organizational reform

To support our business expansion, we are committed to building a technology-oriented, multi-disciplinary and international talent team. We are intensifying global recruitment efforts, targeting industry leaders, senior R&D engineers and marketing professionals.

We have established a highly competitive compensation and incentive framework within the industry. Having completed six rounds of equity incentive plans, we plan to continue implementing and expanding such programs, including dedicated equity incentive plans for senior talent, to attract top-tier professionals and enable them to share in the benefits of our growth.

We plan to further deepen our flat organizational structure reforms, empowering regional executives with greater decision-making authority to enable rapid response to changing local market conditions. We also plan to extend our existing equity incentive plans to a broader group of core personnel, reinforcing a performance-driven corporate culture.

SMART POWER DISTRIBUTION AND UTILIZATION BUSINESS

We are a globally leading provider of comprehensive smart power distribution and utilization equipment and solutions. Our product matrix primarily includes three major categories: smart power utilization equipment and solutions, smart power distribution equipment and solutions, and new energy products. The following table sets forth a breakdown of our revenue by product categories, both in absolute amounts and as percentages of the revenue generated from our smart power distribution and utilization business, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Smart power utilization						
equipment and solutions	4,423,330	52.4	5,173,819	46.5	4,223,444	37.8
Smart power distribution						
equipment and solutions	3,932,846	46.6	5,827,984	52.4	6,503,860	58.3
New energy products	80,168	1.0	118,326	1.1	435,357	3.9
Total	8,436,344	100.0	11,120,129	100.0	11,162,661	100.0

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With nearly four decades of deep industry expertise, we have established a solid foundation in the domestic market, providing a comprehensive and differentiated product matrix. According to Frost & Sullivan, we ranked first in China by revenue in the smart power distribution and utilization equipment and solutions industry in 2025, with a market share of 5.0%. Leveraging our leading position in the China market, we have successfully expanded our presence into the global market. In 2025, our smart meters ranked first worldwide by sales volume for the sixth consecutive year, according to Frost & Sullivan. As of December 31, 2025, we serve approximately 70 countries and regions worldwide. Notably, our business has covered 20 countries in Europe, making us one of the Chinese companies with the most extensive European market coverage in the industry.

During the Track Record Period, our business growth was primarily driven by our continued focus on overseas strategy and localized operations. For our smart power utilization equipment and solutions, we have deeply penetrated markets across Asia, Africa, Latin America, the Middle East, and Europe, and secured our first major smart meter order in the United States in 2025. For our smart power distribution equipment and solutions, we focus on advantaged markets including Europe, the Middle East and Latin America. We have also enhanced our localized operations by building a comprehensive global network. As of December 31, 2025, we had ten production bases (nine established and one under construction) and over 40 sales centers worldwide, which provide strong support for our overseas business expansion.

The following table sets forth a breakdown of our revenue by geography, in both absolute amounts and as percentages of our revenue generated from our smart power distribution and utilization business, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Chinese Mainland	6,475,698	76.8	8,406,628	75.6	8,381,890	75.1
Overseas ⁽¹⁾	1,960,646	23.2	2,713,501	24.4	2,780,771	24.9
Total	8,436,344	100.0	11,120,129	100.0	11,162,661	100.0

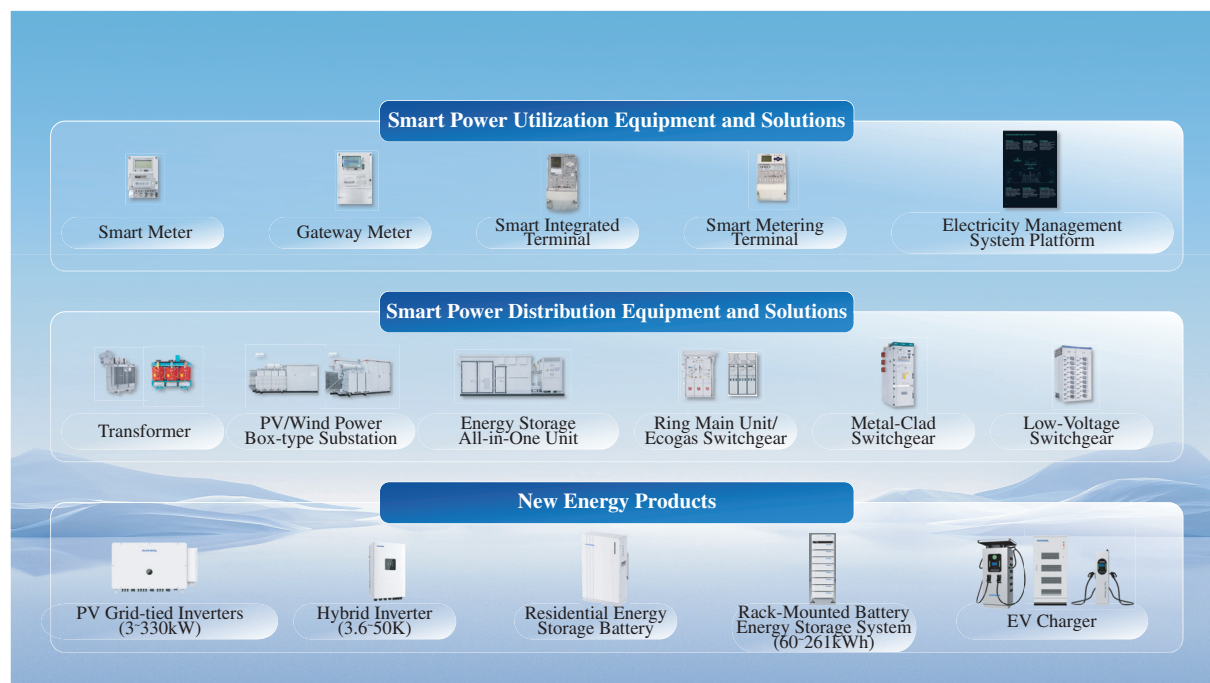
Note:

- (1) Comprising sales to customers in approximately 70 countries and regions, including Brazil, Saudi Arabia, Indonesia and Sweden.

Our Products

We offer a portfolio of products and services designed to address the smart energy management needs of our customers both domestically and internationally. Our solutions span the full value chain of source-grid-load-storage, encompassing smart meters, intelligent terminals, communication modules, system software, transformers, compact transformer substations, switchgear and power distribution boxes. Through this comprehensive product portfolio, we assist our customers in building reliable, high-quality power grid systems.

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Smart Power Utilization Equipment and Solutions

We have championed the adoption of domestically-produced high-end gateway meters, addressing key technological bottlenecks that had previously relied on imported equipment. Our capabilities in core metering algorithms and deployment of AI place us at the forefront of the industry. Building on these strengths, we have developed a new generation of smart meters and energy controllers, featuring wider measurement ranges, enhanced stability and greater intelligence. These products are specifically designed to meet the demanding requirements of new energy application scenarios in the PRC.

In global markets, we offer a comprehensive range of Advanced Metering Infrastructure (“AMI”) smart energy solutions, addressing the diverse needs of overseas utilities and grid operators. Our international offerings primarily comprise four integrated solutions: (i) next-generation AI smart grid solution, which is built on multi-protocol communication technologies including Wi-SUN, PLC and 4G; (ii) cloud-based SaaS product delivery solution; (iii) AI-powered integrated intelligent operation and maintenance solution; and (iv) edge-computing-based (ECU) smart power distribution solution, which enables real-time data processing at the network edge for faster response and reduced latency in distribution management.

According to Frost & Sullivan, our smart meters have ranked first globally in 2025 in terms of sales volume for six consecutive years since 2020.

The table below shows the details of our representative smart power utilization equipment and solutions:

Product	Description
Domestic Smart Meter	A full-range smart metering device covering single-phase and three-phase configurations for residential, commercial, industrial, and grid applications. All products have passed the dedicated testing and certification requirements of large national-level grid corporations. Our products are manufactured through automated production lines, with a designed service life of up to 18 years.
	

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Product	Description
International Smart Meter 	A smart metering device tailored for overseas markets, currently serving customers across approximately 70 countries and regions worldwide. Our products can be customized to meet the regulatory and technical standards of target markets, including EU MID, and U.S. ANSI, enabling us to address the diverse and stringent metering and safety requirements of different regions.
Gateway Meter 	A high-precision metering device, which satisfies the dedicated testing and certification requirements of large national-level grid corporations, and have participated in setting industry standards. With significant market shares in various provinces across the Chinese Mainland, our gateway meters have established a strong presence and effectively reduced the market’s historical reliance on imported products. It achieves the highest Class E metering accuracy in the industry, operates with a zero-failure record, and is protected by multiple invention patents.
Smart Integrated Terminal 	An intelligent field device that adheres to a specialized architecture that provides a specialized terminal for each distribution zone and a specialized encryption key for each communication channel. This principle ensures comprehensive coverage and highly secure data transmission, effectively addressing the multi-professional operational requirements of departments including marketing, equipment management, and dispatch, while significantly enhancing their ability to monitor and control activities within these distribution zones. Our smart integrated terminal also supports seamless interaction with critical platforms and systems for electricity companies such as Meter Data Collection (MDC) master stations, Distribution Automation (DA) master stations (including cloud-based DA platforms), IoT Management Platforms, and Dispatch Automation Systems. Moreover, it incorporates security features to safeguard device access, software systems, and data exchange protocols.
Smart Metering Terminal 	An intelligent data acquisition device and control terminal device designed for installation in public and dedicated transformer distribution zones. Built on the Power HarmonyOS operating system, it features modular hardware design with software-defined functionality. It supports multi-source data collection, large-capacity storage, and high-performance computing, providing capabilities including electricity metering, data acquisition, load control and electricity consumption management.

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Product	Description
Electricity Management System Platform 	A comprehensive software platform integrating head-end system (HES), network management system (NMS), field device management (FDM), MDM, Billing, and other systems, powered by big data and AIoT technologies. Designed for intelligent management across all smart electricity consumption scenarios, the platform delivers end-to-end digitalized operations spanning the full value chain, from device sensing and data acquisition through to intelligent analytics and operation and maintenance decision-making. Our platform provides grid operators with a unified, fully connected management solution.

Our smart power utilization equipment and solutions have the following advantages:

- High-Precision Metering and Multi-Tariff Support.** Our smart metering products generally achieve active energy accuracy of Cl.1 and reactive accuracy of Cl.2, meeting the prevailing standards for residential and commercial applications. Certain products, such as our data concentrator units, attain accuracy of up to Cl.0.5S, satisfying the more stringent requirements for industrial and grid-settlement applications. The products support up to 8 tariffs (TOU), accommodating complex tiered pricing structures across different markets.
- Versatile Communication and Modular Architecture.** Our products support a broad range of communication protocols, including 4G/3G/GPRS/LTE-M/NB-IoT/G3-PLC/HPLC/PRIME/RF/Wi-SUN, through interchangeable modular communication units with local and remote firmware upgrade capability, ensuring long-term adaptability to evolving network technologies and reducing lifecycle costs for utilities.
- High Security and Anti-Tampering.** The products incorporate DLMS security suite with advanced encryption standard (AES) and elliptic curve cryptography (ECC) encryption for robust data protection. Comprehensive anti-tampering features — including abnormal wiring, cover removal and bypass detection — effectively safeguard utility revenue.
- End-to-End System Solutions.** Beyond terminal devices, we offer complete system solutions spanning AMI, network management system (NMS), prepayment vending management and field data management (FDM), all supporting multi-vendor interoperability and third-party integration to enable full-process digitalization from deployment to operations.

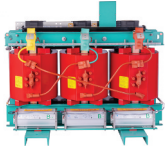
Smart Power Distribution Equipment and Solutions

We offer a comprehensive range of smart power distribution equipment and solutions covering all major product categories for voltage levels of 35kV and below, addressing the full spectrum of mainstream distribution needs. Our product portfolio primarily includes transformers, ring main units, eco-friendly gas-insulated switchgear, intelligent power distribution terminals, integrated primary and secondary equipment, high and low voltage switchgear assemblies and intelligent prefabricated substations.

In addition, as part of our commitment to sustainable development, we have independently developed a range of energy-efficient and environmentally conscious products, including new energy-efficiency transformers, compact transformers, compact ring main units and eco-friendly gas-insulated switchgear, together with their core components. We have also made early-mover investments in large-capacity compact transformer substations, large-current centralized switchgear and low-voltage switchgear cabinets to capture anticipated growth in these segments.

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The table below shows the details of our representative smart power distribution equipment and solutions:

Product	Description
Dry-Type Power Transformer 	A dry-type distribution transformer developed using advanced technology from Germany, with Class H insulation materials and a vacuum pressure mirror-casting process, achieving Class H insulation grade epoxy resin encapsulation. Suitable for power distribution systems operating at 35kV and below at 50Hz or 60Hz, the product is widely deployed across residential developments, commercial buildings, public facilities, industrial and mining enterprises, power generation facilities, and urban and rural electricity networks, serving as an ideal green and environmentally friendly power distribution solution.
Oil-immersed Distribution Transformer 	A core power equipment that steps down high-voltage electricity for distribution to end users, utilizing oil-paper insulation to ensure safe and stable operation. The product is designed to withstand extreme weather conditions with high environmental resilience, and features a well-engineered structure that accommodates grid load fluctuations. It is characterized by high operational stability, low noise levels, and a wide range of available capacity configurations, making it suitable for diverse grid deployment environments.
PV/Wind Power Box-type Substation  	A prefabricated high-voltage/low-voltage substation unit purpose-built for solar and wind power generation applications, integrating high-voltage switchgear, an oil-immersed step-up transformer, low-voltage switchgear, and associated auxiliary equipment within a single enclosure. Designed to step up the low-voltage output from PV grid-tied inverters or wind turbine generators to 35kV via an oil-immersed transformer, enabling power transmission through 35kV overhead lines to the grid. Our product represents an ideal supporting equipment solution for utility-scale solar and wind power generation systems.
Energy Storage All-in-One Unit 	An energy storage converter integrated transformer substation, which is a key component of energy storage systems, integrating a power conversion system, transformer, high-voltage switchgear, low-voltage switchgear, and associated auxiliary equipment within a single prefabricated high-voltage/low-voltage substation unit. It supports grid connection at voltage levels of 35kV and below. Our product is applicable across a broad range of scenarios including commercial energy storage, grid peak-shaving, and renewable energy storage.

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Product	Description
Ring Main Unit 	A compact medium-voltage switchgear solution that integrates high-voltage switching equipment, busbars, and auxiliary components within a single enclosure, designed to enable ring-network power supply, line sectioning, switching, and short-circuit protection in distribution networks. The product is widely used in residential communities, industrial parks, compact transformer substations, and urban cable networks. It features a small footprint, high reliability, and advanced design, with flexible configuration options to accommodate a wide variety of site conditions.
Metal-Clad Switchgear 	A medium-voltage distribution product designed for power transmission, distribution, and conversion, enabling effective protection, monitoring, and control of electrical equipment. Featuring an advanced design, flexible electrical scheme combinations, and high capacity, our product is primarily used in power plants, small-to-medium generator step-up applications, secondary substation reception and transmission, and industrial and mining enterprise power distribution.
Low-Voltage Switchgear 	A low-voltage assembled switchgear product used for power transmission, distribution, and conversion, offering effective protection, monitoring, and control of electrical equipment. Our product is structurally robust, flexibly designed, and easy to operate, with highly adaptable electrical scheme combinations and large capacity. Available in fixed and drawer-type configurations, it incorporates a proprietary busbar system using C-shaped copper busbars, delivering outstanding performance in current-carrying capacity, mechanical strength, thermal dissipation, and hole-free connectivity, representing a significant advantage over comparable products in the market.

Our smart power distribution equipment and solutions have the following advantages:

- **Modular Design and Flexible Configuration.** Our products are engineered around independent, highly interchangeable functional units that enable flexible system configuration tailored to specific customer requirements, while supporting on-site expansion and module replacement.
- **Fully Insulated, Hermetically Sealed and Long Service Life.** Our ring main unit products employ fully insulated and hermetically sealed structures, with all live conductors fully enclosed within a stainless steel gas-insulated enclosure filled with insulating gas, achieving an annual gas leakage rate of no more than 0.05%. Comprehensive mechanical and electrical interlocking mechanisms are incorporated throughout, and the use of premium-quality materials ensures a minimum service life of 30 years.
- **Extreme Environment Adaptability.** The products are designed to operate reliably at high altitudes, across a wide temperature range, and under harsh conditions including strong wind, sandstorms and desert environments. In particular, certain products are rated for altitudes of up to 5,000 meters and an operating temperature range of -40°C to 45°C.

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- **Intelligence and IT/OT Convergence.** We integrate information technology (IT) and operational technology (OT) to deliver real-time monitoring, telemetry and remote control capabilities for distribution equipment, enhancing operational efficiency and fault response speed.
- **Compact Design and High Integration.** Our products feature a highly integrated and compact architecture that significantly reduces physical dimensions compared to traditional equipment. This space-saving design not only lowers engineering and installation costs for our customers but also enables flexible deployment in densely populated urban areas and complex industrial environments.
- **Environmental Sustainability.** We incorporate environmental considerations into the design and manufacturing of our smart power distribution equipment and solutions. For example, our smart power distribution equipment and solutions exported to Greece designed and manufactured in strict compliance with the environmental standards of the European Union. We developed energy-efficient and environmentally conscious products, achieving the effects of significant carbon emission reduction and enhanced energy efficiency throughout the product lifecycle.

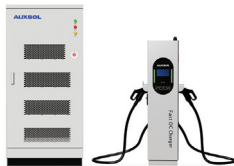
New Energy Products

Our renewable energy product portfolio spans the key spectrum of clean energy infrastructure, encompassing solar inverters, electric vehicle charging equipment, and energy storage products. We have established a strong presence across both domestic and global markets, with proprietary technology underpinning each product category.

The table below shows the details of our representative new energy products:

Product	Description
PV Grid-Tied Inverter (3-330kW) 	A power conversion device that converts DC electricity generated by solar panels into AC electricity for grid injection. It adopts a multi-string independent MPPT design to minimize the impact of shading and module mismatch, thereby maximizing energy yield. With wide power coverage, flexible installation, and IP66 protection, it is capable of operating reliably across harsh environments and is suitable for commercial and distributed solar installations.
Hybrid Inverter (3.6-50K) 	An intelligent energy management device that integrates solar energy aggregation, DC/AC conversion, and automatic on-grid/off-grid switching with multi-source energy coordination into a single system. It supports simultaneous connection of solar panels, batteries, grid, and loads, with high conversion efficiency, stable operation, strong anti-interference capability, remote monitoring, and multiple layers of safety protection, making it suitable for high-power three-phase load scenarios.

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Product	Description
Residential Energy Storage Battery 	A residential energy storage solution based on lithium iron phosphate battery technology, available in 5kWh, 10kWh, and 16kWh configurations to suit different household energy needs. Designed with portability and ease of installation, our product operates reliably across a wide range of environmental conditions and supports multiple communication protocols with multilingual settings, making it suitable for global deployment. It serves as an ideal backup power solution for homes with rooftop solar, and supports multi-unit expansion to meet growing energy demands.
Rack-Mounted Battery Energy Storage System (60kWh-261kWh) 	A modular energy storage system designed for scalable capacity expansion through hot-swappable battery units. Featuring a space-efficient rack design, high-quality battery cells with extended cycle life, and high charge/discharge efficiency, the system is equipped with an intelligent BMS that monitors cell operating status in real time to enable precise energy balancing and management. It supports RS485 and CAN communication protocols for remote monitoring and data upload, with multiple layers of safety protection.
All-in-One EV Charger 	A compact, integrated electric vehicle charging unit built for reliable performance across a full operating temperature range of -30°C to 55°C, with an IP55 ingress protection rating. It supports a wide range of grid voltage standards, including 380V, 400V, 440V, and 480V, making it readily deployable in diverse international markets. The unit features a swing arm design and built-in overhead lighting for ease of use. It has an ultra-low standby power consumption of as little as 18.87W, and dynamic power distribution management to maximize energy efficiency.
Split EV Charger 	A modular electric vehicle charging system designed for high-density charging environments, operating across a full temperature range of -30°C to 55°C with an IP55 protection rating. Its compact footprint and space-optimized design make it well suited for locations where floor space is limited. The system supports flexible gun configurations ranging from 1 to 6 dual-gun modules, is compatible with 380V, 400V, 440V, and 480V grid standards, and incorporates dynamic power distribution management to maximize energy utilization efficiency.

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Our new energy products and systems have the following advantages:

- **High-Efficiency Energy Conversion Technology for Hybrid Inverters.** Our hybrid inverters serve as the core equipment of integrated PV-storage grid-connected and off-grid systems, covering residential, commercial and industrial, and microgrid applications. Our hybrid inverters employ a proprietary high-efficiency power topology architecture and optimized control algorithms, achieving a maximum power point tracking (“MPPT”) efficiency of up to 99%.
- **Full-Scenario Adaptability.** Our hybrid inverters are designed to accommodate variations in grid standards, load types and installation environments across different countries and regions, featuring 10 built-in operating modes covering five core application scenarios and 50 sub-scenarios.
- **High Reliability and Low Failure Rate.** Our hybrid inverters have undergone over 300 reliability test verifications and incorporate comprehensive safety protection mechanisms, including overvoltage, overcurrent, anti-islanding and insulation detection. Our field maintenance failure rate is controlled at approximately 5,000 ppm, which we believe is at the forefront of the industry.
- **Modular Battery System Technology.** Our rack-mounted modular battery systems (60-261 kWh) support hot-swapping and flexible capacity expansion, with high integration density that reduces installation space and improves deployment efficiency. The systems incorporate high-quality battery cells with long cycle life and feature an intelligent battery management system for cell-level monitoring and precise equalization management with multiple layers of safety protection.

Sales and Marketing

Our Sales Model

Depending on the breadth and scale of our sales, we have developed effective sales strategies for various sales channels and regions. As of December 31, 2025, we had 700 sales personnel for our smart power distribution and utilization business. Our sales and marketing team is responsible for formulating sales plans, identifying and pursuing sales opportunities, tracking and following up on orders, and overseeing and managing our collaboration with our global sales network.

We have implemented a hybrid direct sales and distribution model. The table below sets out a breakdown of our revenue by sales channel, in both absolute amounts and percentage of our revenue generated from our smart power distribution and utilization business for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Direct Sales	7,433,699	88.1	9,914,894	89.2	10,242,662	91.8
Distribution	1,002,645	11.9	1,205,235	10.8	919,998	8.2
Total	8,436,344	100.0	11,120,129	100.0	11,162,661	100.0

Direct Sales

We conduct direct sales primarily to enterprise customers. Leveraging our diverse product portfolio and established reputation, we have built a solid customer base centered on the power grid and electricity industry for our power distribution and utilization business. For example, we have established long-term

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service relationships with key customers including two large national-level grid groups and the top five power generation groups and their subsidiaries, and regional power companies. We also catered to customers in emerging industries, such as new energy central state-owned enterprises, data centers and energy storage companies.

Given the nature of our customer base, which predominantly consists of central and state-owned enterprises in the power sector, we secure most of our products and solutions contracts via competitive public tendering. In accordance with the Bid Invitation and Bidding Law of the PRC (《中華人民共和國招標投標法》), the bid invitation and bid submission activities for projects required by law are to be subject to bid invitation. Our dedicated sales team keeps track of relevant websites to identify projects suitable for us to participate in the bidding. In determining whether to submit a bid, we will conduct an assessment, taking into account various factors including, but not limited to, scope of work involved, expertise and qualifications required and prior experience. If we decide to participate in a bid or negotiation of a project, we will conduct an assessment, including cost enquiries, cost compilation, and cost and pricing review, to decide an acceptable price.

Distributorship

We strategically utilize distribution channels to complement our direct sales model. In certain overseas markets, we engage local distributors for our new energy products and smart power utilization equipment and solutions to leverage their local expertise to serve end customers. This collaborative approach allows us to focus on product quality and technological innovation while enhancing our market expansion capabilities and allows us to serve a broader customer base in a cost-effective manner. In the domestic market, we also adopt the distribution model for a small portion of our products. This distribution approach is in line with industry norms as advised by Frost & Sullivan. As of December 31, 2023, 2024 and 2025, we had 50, 59 and 84 distributors, respectively. In 2023, 2024 and 2025, our revenue from our distributors for our smart power distribution and utilization equipment and solutions amounted to RMB1,002.6 million, RMB1,205.2 million and RMB920.0 million, respectively, representing 11.9%, 10.8% and 8.2% of our revenue from our smart power distribution and utilization business for the corresponding years.

Our relationship with our distributors is a buyer and seller relationship. During the Track Record Period and up to the Latest Practicable Date, we have maintained good business relationships with our distributors. The following table sets forth the total number of our distributors and their movements during the Track Record Period.

	For the year ended December 31,		
	2023	2024	2025
Number of distributors at the beginning of the year ⁽¹⁾	43	50	59
Addition of new distributors ⁽²⁾	22	26	49
Termination of existing distributors ⁽³⁾	15	17	24
Net increase in distributors	<u>7</u>	<u>9</u>	<u>25</u>
Number of distributors at the end of the year	<u>50</u>	<u>59</u>	<u>84</u>

Notes:

- (1) The numbers of distributors in this table are calculated on entity level, combining distributors belonging to the same group.
- (2) New distributors refer to distributors who (i) had at least one transaction with us in the relevant year; and (ii) did not have any transaction with us in the immediately preceding financial year.
- (3) Terminated distributors refer to distributors who (i) did not have any transaction with us in the relevant year; and (ii) had at least one transaction with us in the immediately preceding financial year.

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During the Track Record Period, the new distributors we had in each year were primarily due to the growth of our business and expansion of our sales network. To the best of our knowledge, during the Track Record Period, all of our distributors were Independent Third Parties.

Overseas Distributorship

We consider a number of selection and evaluation criteria in selecting overseas distributors while taking regional differences into account, including, among others, their industry experience, market coverage, reputation and credibility, financial conditions, management capabilities, legal compliance status, understanding of our brand concept and business philosophy and warehousing and logistics capabilities. Only candidates that pass our selection and evaluation criteria will be qualified as our contracted distributors.

We only have direct contract with our distributors, which may further distribute our products to their sub-distributors. We generally do not enter into agreements with the sub-distributors. Thus we largely rely on our distributors to manage their sub-distributors’ activities and to monitor the performance of such sub-distributors, if any. During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge, there was no material non-compliance with the terms and conditions of our agreements with overseas distributors.

We typically enter into distribution agreements with our overseas distributors. Set out below are the key terms of standard distribution agreements we enter into with our overseas distributors:

- ***Duration:*** The duration of the distribution agreements is determined on a case-by-case basis depending on the specific distributor.
- ***Sales target:*** We may set sales target for distributors. Our sales target serve as reference for us to evaluate the performance of distributors and provide rebates to distributors, if applicable, while offering us the flexibility to adjust our sales arrangement with distributors.
- ***Price adjustment:*** We may revise the product price list upon mutual agreement, based on factors including price of competing products, raw material price, exchange rate and market condition.
- ***Purchase orders:*** Distributors shall submit purchase orders specifying product models, quantities, delivery locations, and required delivery dates. Distributors assume full liability for all purchase orders placed by sub-distributors designated by them.
- ***Marketing and advertisement:*** Distributors are authorized to use our brand materials for promoting and selling our products.
- ***Return of products:*** We only allow our distributors to return products due to product quality issues.
- ***Compliance obligations:*** Contracting parties shall comply with applicable data security and privacy protection laws.
- ***Termination:*** Parties are entitled to terminate the distribution agreement if the distributors materially breach the contract and fail to cure the breach within a reasonable period of time.

Domestic Distributorship

During the Track Record Period, our distributorship in China primarily comprised distribution through a centralized procurement platform designated by a large-scale grid group, which is the end customer of our smart power distribution and utilization equipment. The centralized procurement platform was ultimately controlled by such large-scale grid group. The large-scale grid group adopted this sales

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model primarily to streamline its centralized procurement arrangements and enhance procurement efficiency. Our revenue generated from this sales model gradually decreased during the Track Record Period due to the internal arrangements of such large-scale grid group, which subsequently shifted to direct sales with us.

Management of Distribution Network

We have established a series of management policies to oversee our distributors and ensure our distribution network operates in an orderly manner that protects our brand reputation and commercial interests.

- ***Distributor qualification.*** We maintain a structured qualification and appointment process for our distributors. Prior to appointment, prospective distributors are required to submit relevant qualification documents, including relevant industry expertise, local market knowledge, and established customer networks. We conduct due diligence on prospective distributors, including review of their business credentials, track record, and financial standing, before entering into agreements.
- ***Contractual framework.*** We enter into written distribution agreements with each of our distributors, which set out clearly defined rights and obligations governing the distributor relationship. Distributors are required to strictly comply with the contract terms and we reserve the right to monitor our distributors’ compliance with these obligations.
- ***Quality control and after-sales service standards.*** Distributors are required to notify us promptly of any product quality issues identified in the market. We usually require our distributors to provide after-sales services to end customers in accordance with our quality standards and service commitments. We monitor distributor service quality and may require rectification where service standards are not met.
- ***Ongoing monitoring and performance review.*** We conduct multi-tiered reviews of our distributors to ensure continued compliance with our qualification standards and business requirements. Our review process includes both regular reviews, which are conducted on a semi-annual basis covering key performance dimensions, and random reviews, which are triggered when material changes in a distributor’s circumstances come to our attention.

Branding and Marketing

Our sales and marketing strategy is centered on building a stable and unified brand image and reputation to drive sustainable business growth. We achieve this through a multi-faceted approach that leverages our extensive global network and blue-chip customer base, our technology-driven and customer-centric service model, and our product-focused brand building initiatives.

We have established an extensive and deeply integrated global network that provides comprehensive market coverage. Deeply rooted in the PRC for nearly four decades, we operate five regional divisions and 31 offices across the country, achieving full coverage of both grid and end-user markets and establishing significant brand recognition. Concurrently, we have systematically cultivated our overseas presence for over a decade, with business spanning Europe, the Middle East, Asia, Africa, and Latin America. Notably, our operations cover 20 countries in Europe, making us one of the Chinese power grid equipment companies with the broadest European country coverage in our industry according to Frost & Sullivan. As of December 31, 2025, our global footprint comprised ten production bases (nine established and one under construction), four R&D centers, and over 40 sales centers, with our business covering approximately 70 countries and regions. This expansive network supports a high-quality customer base focused on the power and grid sector. Our domestic customers mainly include two large national-level grid

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groups and the top five power generation groups and their subsidiaries, and regional power companies. We also catered to customers in emerging industries, such as new energy central state-owned enterprises, data centers and energy storage companies. Internationally, our customers mainly include national-level power grid companies.

We primarily adopt a customer-centric service model underpinned by our profound technical expertise. Each of our domestic and overseas offices and sales centers is staffed with dedicated technical, sales, and after-sales personnel to provide end-to-end support at every stage of customer engagement. Upon receiving an enquiry, our teams are capable of promptly producing a preliminary technical solution and we maintain continuous follow-up throughout the project lifecycle until each matter is fully resolved to the customer’s satisfaction. In 2025, our average customer satisfaction rate was approximately 96%, reflecting a high level of customer recognition and service quality. We believe this integrated, responsive, and customer-centric service model has been instrumental in building long-term customer relationships and supporting our business growth.

Our brand recognition is further driven by a product-centric sales approach and targeted marketing initiatives. We believe that superior technical capability and product quality are our most effective marketing tools. Accordingly, we actively participate in the formulation of industry standards and technical specifications. This engagement ensures we remain at the forefront of technological trends and regulatory requirements, while our ability to rapidly respond to newly promulgated standards demonstrates our R&D strength. In parallel, we are committed to executing targeted offline marketing initiatives by actively participating in major domestic and international industry exhibitions. These events serve as critical platforms for us to showcase our comprehensive product portfolio and latest technological innovations to a global audience, allowing us to engage directly with potential customers and enhance our brand visibility across key regional markets.

Pricing

We price our products based on a variety of factors, including the market maturity, penetration rate, spending power, competition landscape and cost of sales. In addition, we also determine our prices with reference to public tenders or tenders by solicitation.

Third-Party Payment Arrangements

During the Track Record Period, a limited number of our customers settled payments with us through accounts that do not belong to the contractual parties under the corresponding sales and purchase agreements (such arrangements, “**Third Party Payment Arrangements**”). In 2023, 2024 and 2025, the number of customers involved in Third Party Payment Arrangements (the “**Relevant Customers**”) was 44, 43 and 33, respectively. The corresponding transaction amount was RMB117.7 million, RMB96.3 million and RMB57.8 million in 2023, 2024 and 2025, respectively, accounting for 1.0%, 0.7% and 0.4% of our total revenue for the same periods. During the Track Record Period, mainly included (i) customers settling payments through their affiliated entities, including customers’ subsidiaries or entities which are under common control with them, who are not parties to the relevant contract; (ii) customers requiring to settle payments through persons affiliated with the Relevant Customers or entities related to the Relevant Customers, such as shareholders, legal representatives, or employees; and (iii) customers requiring to settle payments through business partners of the Relevant Customers, who had other business transactions with the Relevant Customers and facilitated the payment arrangements to settle the outstanding payables.

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To the best of our knowledge, during the Track Record Period, Third-party Payment Arrangements, which involved a non-contractual counterparty settling payment owed to us, were primarily utilized due to: (i) centralized financial management by large corporate groups, where payments were made by entities under common control of the Relevant Customers; and (ii) commercial convenience or project execution needs, where payments were settled by shareholders, legal representatives, employees or business partners on behalf of the Relevant Customers. According to Frost & Sullivan, such arrangements are not uncommon business practices in the power equipment and solutions industry in the Chinese Mainland.

In June 2026, we enhanced our internal control measures by promulgating detailed guidelines on the handling of third-party payments, which, among others, provide that: (i) third-party payment arrangements are generally disallowed, save in limited circumstances upon customer request; our staff are required to inform contractual counterparties of our internal requirements and request that payments be made through bank accounts held in the names of the relevant contractual counterparties; (ii) where a customer (other than a large state-owned enterprise with centralized payment arrangements) requests to maintain existing third-party settlement practices, the paying third party must enter into a tripartite agreement with us and the contractual customer to formalize its payment obligations and settlement arrangements; (iii) where the customer is a large state-owned enterprise that adopts centralized payment arrangements, we must at least obtain a payment instruction issued by the designated paying entity, confirming its authority to make payment on behalf of the contractual customer; and (iv) any request for payment by an entity other than the contractual counterparty must be subject to strict internal assessment and proper record-keeping. As of the Latest Practicable Date, we had implemented the foregoing measures and did not accept payments from third parties for settlement unless approved and supported by the aforesaid documents. As confirmed by our independent internal control consultant, it did not discover any material deficiencies during the internal control reviews relating to our Third Party Payment Arrangements.

As advised by our PRC Legal Advisors, our Third-Party Payment Arrangements do not violate the mandatory provisions of PRC laws and regulations such as the Civil Code. Further, the risk of our Third-Party Payment Arrangements being deemed as constituting the Crime of Money Laundering and subject to relevant criminal liability under the Article 191 of the Criminal Law of the PRC is relatively low. The above views were primarily based on the grounds: (i) these arrangements are initiated by the Relevant Customers for the purpose of genuine business transactions; (ii) we have never proposed or initiated any Third-Party Payment Arrangements for the purpose of circumventing relevant laws and regulations in China or for any other reason and we have entered into the third-party payment agreement with or received the payment authorization notice from the third party payor and/or the customers since 2025; (iii) we have not encountered any incidents demanding us to return payment in relation to relevant transactions; (iv) we have not been subject to any settled or ongoing criminal sanctions, public security investigations or administrative penalties by any competent authorities in relation to money laundering; and (v) nothing came to our attention that would cause our Directors to doubt the genuineness of relevant transactions or the good faith of relevant parties involved.

After-sale Services

We aim to provide high-quality and comprehensive after-sales services to improve customer satisfaction and build strong relationships with our customers, which will in turn enhance customer loyalty and drive business growth.

As of December 31, 2025, in addition to our domestic service network in Chinese Mainland, our after-sales service network comprises over twelve overseas service points, spanning key markets across Europe, Latin America, Asia and the Middle East. In addition, we have established an after-sales service team for both our domestic and overseas sales networks. Our service personnel are required to meet strict service standards, and their performance is regularly monitored and evaluated. For certain products sold through our overseas distributors, we also engage the distributors to provide after-sale services to end customers. To ensure consistent service quality across our distribution network, we provide comprehensive technical training and ongoing support to our distributors' service personnel, equipping them with the necessary expertise to maintain our product quality standards and customer service levels. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any customer complaints that would have a material and adverse effect on our business, financial condition or results of operations.

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Under our general terms and conditions of sale and in accordance with industry practice, we typically provide a limited warranty on our products providing for the return, repair or replacement of defective items. The terms of the warranties provided by us differ depending on the type of products, customer and geographic market. For our domestic markets, we primarily provide a free warranty period of one to five years. Beyond the warranty period, we offer lifetime after-sales services with technical support, discounted maintenance and repair services. For our overseas markets, we primarily provide a free warranty period ranging from five to six years, reflecting the varying customer requirements and competitive dynamics in different regions.

Research and Development

Comprehensive R&D Framework

As a leading enterprise in the smart power distribution and utilization sector, our commitment to research, development, and innovation has been a cornerstone of our operations since inception. Through sustained investment, we have built a robust portfolio of core technologies and successfully launched innovative products that meet emerging market demands. Our active involvement in formulating industry standards and technical specifications has further strengthened our influence within the sector.

As of December 31, 2025, we had 998 dedicated R&D personnel in our smart power distribution and utilization segment, ensuring the maturity and professionalism of our team. During the Track Record Period, our R&D expenses for smart power distribution and utilization sector were RMB468.6 million in 2023, RMB523.3 million in 2024, and RMB607.3 million in 2025. This investment reflects our dedication to cultivating a skilled engineering team and actively recruiting high-quality experts in power electronics and automation.

Our commitment to excellence is underscored by our achievement of CMMI V2.0 Level 5 certification, the highest recognition in the Capability Maturity Model Integration framework for software development. As of December 31, 2025, we operate four R&D centers, supported by a provincial-level enterprise technology center, a post-doctoral research workstation, and an industrial design center. In terms of testing and verification capabilities, we operate an IAS 17025-accredited laboratory and a CNAS-certified national laboratory. Our suite of proprietary in-house laboratories — comprising an EMC laboratory, an AMI communications laboratory, a reliability laboratory, a failure analysis facility, and an outdoor simulation test station — provides a robust foundation for our research activities and product development programs. These facilities have enabled us to develop deep expertise in core technologies and produce several breakthrough innovations, including our energy controller — recognized as the first-of-its-kind product in our province — and our gas-insulated switchgear, a first domestically developed product in the PRC.

Looking ahead, our strategic R&D objectives focus on creating a pipeline of next-generation products, enhancing operational efficiency, and driving technological breakthroughs. We regularly evaluate and refine our R&D processes, incorporating feedback from project assessments and best industry practices.

R&D Process

We have prioritized R&D since our inception, building an advanced product portfolio through sustained investment and continuous innovation. We have established a comprehensive, multi-tiered R&D architecture supported by our Product Lifecycle Management (PLM) system, which provides rigorous oversight and documentation throughout the entire development cycle. By cultivating a team of skilled engineering professionals and actively recruiting top-tier technical experts, we continuously enhance our independent innovation capabilities and strengthen our core technical competencies.

We have established a standardized new product development process comprising the following five stages:

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- ***Project Initiation.*** Upon identification of a market opportunity or customer need, the project team prepares initiation materials, including market analysis, feasibility assessment, resource plans, and budget estimates. These materials are reviewed by cross-functional teams to evaluate strategic fitness and resource allocation. Upon approval, a project kick-off meeting is held to formally launch the project, designate team responsibilities, and establish development milestones.
- ***Design Review.*** The project team translates customer requirements and market insights into detailed technical specifications and design parameters, and develops an overall design plan. Design reviews are conducted to ensure alignment between product specifications and customer expectations.
- ***Detailed Design and Prototype Development.*** Our engineering teams develop comprehensive detailed designs, including structural drawings, component specifications, and bills of materials. All technical documentation undergoes internal review to ensure technical accuracy, compliance with industry standards, and manufacturability. Upon approval, we proceed with prototype fabrication and conduct prototype testing to identify and address any issues.
- ***Mass Production Approval.*** Following successful prototype testing, our project management department conducts a mass production readiness review, evaluating functional performance, technical specifications, manufacturing feasibility, and cost targets. Upon satisfactory evaluation, a formal Mass Production Approval Notice is issued, authorizing the transition to full-scale production.
- ***Project Closure and Documentation.*** Upon receiving the Mass Production Approval Notice, the heads of factories conduct a final verification review to confirm production readiness at their respective facilities, ensuring that manufacturing processes, equipment, quality control systems, and personnel training are adequately prepared. Following approval, the project is formally closed and all documentation is archived in our PLM system.

Key Innovation

Relying on our R&D efforts, we have established a robust portfolio of proprietary technologies for our smart power distribution and utilization business. As of December 31, 2025, we held over 450 intellectual property rights in Chinese Mainland, comprising over 300 invention patents, over 130 utility model patents, over six design patents, over 70 software copyrights, as well as three important integrated circuit layout designs, with applications under review. For details, see “— Intellectual Property.”

We have developed a comprehensive suite of proprietary technologies and innovative solutions for our smart metering products, encompassing high-precision measurement technology, cost-effective design capabilities, and advanced communication systems. These technical capabilities have enabled us to achieve strong performance and secure successful large-scale deployments in both domestic and international markets. Our technical capabilities have been widely recognized by customers. In the annual performance assessments conducted by the large national-level grid corporation on product samples, our smart meters have consistently delivered outstanding results. We have achieved significant technological advancements in our smart power distribution equipment and solutions through continuous R&D investment and innovation. Our proprietary technologies span transformer design, switching equipment, and compact substation solutions. For details, see “—Our Products” in this section.

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Manufacturing and Production

Production Facilities

As of December 31, 2025, we had ten production bases in total, including nine established in the PRC, Brazil, Indonesia, Poland, Germany, Mexico and Kenya, and one under construction in Brazil. These facilities collectively encompass robust capacity for efficient manufacturing, research, and distribution of our high-quality products. The following images set forth our nine established production bases:



High-tech Zone Base,
Ningbo, China



Qianwan Base, Ningbo, China



Cicheng Base, Ningbo, China



Brazil



Indonesia



Mexico



Germany



Poland



Kenya

As of December 31, 2025, we owned all of the machinery and equipment used in our production processes, mainly including surface mount technology machines, automated storage and retrieval systems, component insertion machines, and burn-in room. The life span of our manufacturing machinery and equipment is generally five to 15 years, and as of December 31, 2025, our major machinery and equipment had been in operation for approximately two to five years. We usually calculate the depreciation of our machinery and equipment on a straight-line basis to write off the cost of each item to its residual value over its estimated useful life. We perform routine and preventative maintenance on our manufacturing machinery and equipment to ensure their proper functioning. We typically replace or upgrade our machinery and equipment when they reach the end of their estimated useful life or when technological advancements require us to enhance our production efficiency. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material interruption to our production process due to machine or equipment failure.

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Production Capacity

The following table sets forth the designed capacity, production volume and utilization rate for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
Designed capacity (in thousand units)	21,400	29,205	30,230
Production volume (in thousand units)	18,571	25,498	24,068
Utilization rate ⁽¹⁾	86.8%	87.3%	79.6%

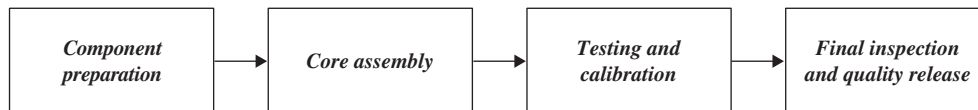
Note:

- (1) The utilization rate equals to the production volume divided by the designed capacity during the same period.

Our capacity utilization rate increased from 86.8% in 2023 to 87.3% in 2024, primarily driven by the increased production volume attributable to our sales growth amid rising market demand for our products. In view of the strong demand for our products in overseas markets, we further expanded our production capacity for overseas sales in 2025 to meet such demand. However, our capacity utilization rate decreased from 87.3% in 2024 to 79.6% in 2025, primarily attributable to a decline in domestic production volume during the year.

Production Process

Our production processes follow a standardized framework across our product lines, comprising four key stages: (i) component preparation; (ii) core assembly; (iii) testing and calibration; and (iv) final inspection and quality release. While specific procedures vary by product type, this systematic approach ensures consistent quality and performance across our smart power distribution and utilization equipment and solutions. The following diagram illustrates the typical flow of our production process:



- **Component preparation.** This stage involves preparing the fundamental components required for product assembly. For our smart power utilization business, we primarily procure raw materials including chips, electronic components, customized parts, and structural components. For our smart power distribution business, these include bulk commodities including copper, iron and mineral insulating oil, structural components, electrical components, and other auxiliary materials.
- **Core assembly.** We integrate prepared components into functional modules. For smart meters, this involves assembling populated circuit boards with housings, display modules, and terminal blocks. For transformers and substations, this encompasses transformer body assembly and installation of secondary wiring and electrical components. For inverters, this includes integration of circuit boards with thermal management components and protective enclosures.
- **Testing and calibration.** Each product undergoes rigorous testing procedures tailored to its functional requirements. Smart meters undergo burn-in testing and precise calibration to ensure measurement accuracy, followed by configuration of communication settings, meter identification, and tariff structures. Power distribution products undergo electrical performance verification and parameter validation. Inverters undergo functional circuit testing to verify electrical continuity, component functionality, and circuit performance against design specifications.

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- ***Final inspection and quality release.*** Every product undergoes comprehensive final inspection covering appearance quality, electrical performance, measurement accuracy verification, and compliance with applicable standards. Only products that pass all inspection criteria are released to finished goods inventory for customer delivery.

Intelligent Production

We have implemented a comprehensive digitization strategy across our entire production and manufacturing chain, deploying advanced automation technologies to enhance operational efficiency, product quality and production consistency. In assembly, we utilize industrial robots, charge-coupled device (CCD) vision guidance and PLC flexible control to achieve highly automated operations. In testing and calibration, we employ intelligent electrical testing systems and machine vision technology to automate voltage testing, error adjustment and accuracy verification. In logistics, we leverage management systems integrating AS/RS with automated guided vehicle (AGV) intelligent scheduling for optimized material flow. In transformer manufacturing, we apply advanced robotic lamination and automated grinding technologies for enhanced precision. For example, our Ningbo Qianwan Base, which was completed and commenced operations in March 2025, has achieved an automation rate up to approximately 80% for iron core components utilized in our smart power utilization equipment and solutions. We have also implemented an integrated Advanced Planning and Scheduling (APS) system that transitions production planning from manual to automated control, and have optimized our manufacturing-to-delivery workflow by integrating supplier systems to enable precise advance material preparation.

We have constructed a comprehensive digital operations platform that integrates our entire value chain. By deploying next-generation information technologies — including the Internet of Things, image recognition, artificial intelligence and big data analytics — we have created an intelligent digital ecosystem enabling comprehensive connectivity among people, machines and materials throughout our operations. Our information technology infrastructure encompasses integrated systems including SAP, PLM, MES, CRM, WMS, SRM, APS, QMS and CSS, achieving end-to-end information flow and digitalized management across all production processes. We are concurrently advancing our overseas digital strategy, focusing on establishing a secure, controllable and continuously upgradable technology foundation for our global operations. Through deep integration connecting marketing, planning, procurement, logistics, manufacturing and sales, our comprehensive digital operations platform enables fully digitalized operations from order management through to delivery.

Procurement and Supply Chain Management

Materials, Parts and Components

Our products are composed of essential raw materials and components that ensure superior performance and reliability. The raw materials and components we mainly use in our manufacturing process of our smart power utilization equipment and solutions include chips, electronic components, customized parts, and structural components, while for our smart power distribution equipment and solutions, we mainly use bulk commodities including copper, iron and mineral insulating oil, structural components, electrical components and other auxiliary materials. We meticulously select and source these raw materials and components from reputable suppliers who adhere to our stringent quality standards. By fostering strong relationships with our suppliers and implementing rigorous quality control measures, we ensure the integrity and consistency of our components throughout the supply chain. This commitment to high-quality sourcing is pivotal in delivering products that meet and exceed customer expectations while supporting our sustainability and cost-efficiency goals.

During the Track Record Period and up to the Latest Practicable Date, we had not encountered any material shortfall in the supply of raw materials that would, individually or in the aggregate, have any material adverse impact on our manufacturing plans, results of operations, financial condition or growth prospects.

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To mitigate the impact of raw material price fluctuations, we have adopted the following measures: (i) maintaining a diversified supplier base for core materials to avoid single-source dependency; (ii) conducting annual competitive tenders for major material categories to establish annual contract pricing; (iii) incorporating price adjustment clauses linked to market indices in supplier agreements to share price volatility risks; and (iv) exploring new technologies, processes, and alternative materials to achieve cost optimization through technical innovation.

Supplier Management

A stable and reliable supply chain system is paramount to the effective production management and cost control of our business. To minimize the risk of reliance on any single supplier and maintain sourcing stability and bargaining power, we generally retain multiple suppliers for our principal raw materials and equipment. We have established supplier qualification and supplier management procedures. For new suppliers, we conduct qualification assessments and due diligence, verify the samples provided, and perform an approval review. Approved suppliers are then included in a list of qualified suppliers. During the Track Record Period, we primarily source our raw materials and equipment from reputable suppliers in China, with pricing and quality benchmarks set in line with industry standards. We cultivate long-term partnerships with our key suppliers to facilitate timely delivery and regularly assess them across the quality of products or service provided, lead time, and pricing.

We have successfully digitalized the entire supply chain process, encompassing sales demand forecasting, production planning, order placement, supplier order acceptance, shipment, material warehousing, and financial settlements. This comprehensive integration enables end-to-end information and digital management. Utilizing our SRM system, we achieve seamless data interconnectivity with supplier systems and facilitate shared planning initiatives. We maintain communication with our suppliers to share key operational metrics to enable effective monitoring and management of the supply chain. This digital synergy allows for strategic planning and effective inventory management, driving overall supply chain excellence.

Quality Control

We maintain rigorous quality assurance policies and processes to ensure that our products conform to product specifications and applicable industry standards. All products undergo strict internal quality assurance testing throughout their lifecycle, from design and manufacturing through to performance verification. For products identified as non-conforming during quality inspections, we have established systematic remedial procedures: isolated quality issues are addressed through direct rework or repair, while batch quality issues are subject to root-cause analysis and comprehensive rework plans by the relevant department. All reworked or repaired products undergo re-inspection to verify conformance with quality standards before release. As of December 31, 2023, 2024, and 2025, the balance of our product quality warranty provisions amounted to RMB25.9 million, RMB31.8 million, and RMB27.2 million, respectively. The amount of the provision for the warranties is estimated based on contractual terms, historical experience on cost incurred on the past warranty claims and volumes of products sold. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material safety or quality incidents in relation to our products, and had not experienced any product liability claim due to quality issues that was material to our business, results of operations or financial position.

We are an active participant in the development of industry standards, both domestically and internationally. We hold membership in a number of leading standards organizations, including as an entity member of the IEEE, and as a member of the G3 Alliance, the Prime Alliance and the Wi-SUN Alliance. We also serve as a vice-chairman member of the Electrical Instruments Branch of China Instrument and Control Society (中國儀器儀表行業協會電工儀器儀表分會副理事長單位), a member of China Electric Power Enterprise Federation (中國電力企業聯合會會員單位) and a director member of China Electric Power Development Association (中國電力發展促進會理事單位). In terms of standards development, we have taken a leading role in drafting IEEE P3197, an international standard governing data transmission interfaces for smart meters. In addition, we have participated in the revision and formulation of a number of national standards in the PRC, including GB/T 17215, GB/T 1984 and GB 20052.

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We have established a comprehensive product recall mechanism. Where any delivered product is found to have, or is likely to have, batch quality defects or safety hazards, we will initiate a recall. Our General Manager is responsible for recall decisions and overall oversight, and all relevant departments will carry out their respective responsibilities, including customer communications, product investigations and the storage and labelling of non-conforming products, and work collaboratively throughout the recall process. The recall process follows a structured four-stage workflow: (i) recall information confirmation; (ii) recall initiation; (iii) investigation of recalled products; and (iv) recall evaluation and archiving. During the Track Record Period and up to the Latest Practicable Date, we had not initiated any material product recall due to quality issues.

Logistics, Transportation and Inventory Management

We maintain a digitalized inventory management system to ensure efficient management of finished products, semi-finished goods, components and raw materials. Our warehousing operations utilize automated storage and retrieval systems and intelligent shelving, integrated with our SAP and WMS systems, to achieve real-time inventory visibility and eliminate information silos between warehousing and production. The system continuously monitors real-time material consumption against production schedules and automatically triggers replenishment when inventory levels fall below predetermined thresholds, enabling precise inventory control and avoiding overstocking or understocking.

We have deployed automation systems across our facilities to streamline material movement and enhance production efficiency. Our operations utilize overhead conveyor systems, automated stacking cranes, shuttle vehicles, automated guided vehicles, automated guided carts and industrial robots to execute material transfers, significantly improving material flow efficiency, human-machine collaboration and production safety.

We have established long-standing partnerships with leading domestic and international logistics providers to ensure efficient and timely delivery of our products to customers worldwide. For domestic deliveries, we collaborate with a 3A-certified logistics partner through an integrated management platform covering transportation planning, warehousing and information sharing. For international deliveries, we work with multiple top-tier logistics companies to provide comprehensive global network coverage. Our transportation operations are supported by an advanced digital management system that enables real-time shipment tracking to ensure efficient, secure and timely product delivery.

OUR MEDICAL SERVICES BUSINESS

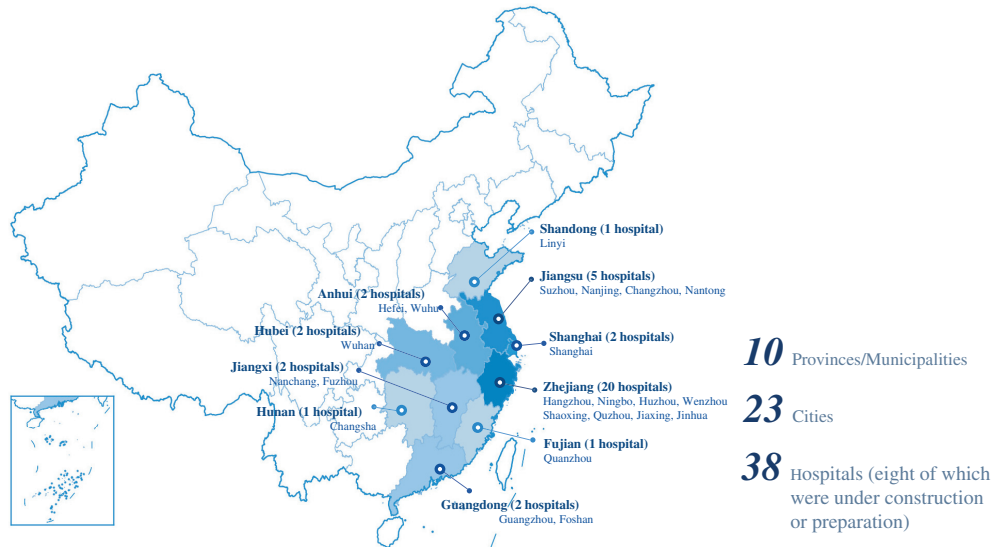
In addition to our power distribution and utilization business, we have developed the medical services segment focused on hospital development, operations, and investment. Since 2015, we have systematically expanded our hospital network across China’s key economic regions, including the Yangtze River Delta and Pearl River Delta areas. Our medical services business centers on creating a high-quality specialized rehabilitation hospital chain characterized by critical care rehabilitation, neurological and functional rehabilitation, and geriatric rehabilitation. As of December 31, 2025, we had 38 hospitals, including 32 specialized rehabilitation hospitals. Among these, eight hospitals, including seven rehabilitation hospitals, were under construction or in preparatory stages. In 2023, 2024 and 2025, our revenue generated from medical services amounted to RMB2,782.5 million, RMB3,258.1 million and RMB2,975.7 million, respectively, representing 24.3%, 22.3% and 20.7% of our total revenue for the corresponding years.

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Our Network of Hospitals

Set out below is an illustration of the locations of our hospitals as of December 31, 2025:

Our Network of Hospitals



In the early stages of our expansion into the medical services business, our growth was primarily driven by strategic acquisitions of existing hospitals, which allowed us to rapidly establish our presence in the rehabilitation medical market. As we deepened our understanding of the rehabilitation medical sector, we undertook a strategic pivot starting from 2024, shifting our growth model towards self-established hospital development. This transition reflects our increasing confidence in our proprietary hospital development and operational capabilities, as well as our commitment to building a more organically integrated and sustainable rehabilitation medical network.

This strategic reorientation is clearly evidenced by our hospital expansion data. At the beginning of 2023, our hospital network comprised 18 hospitals in total, of which 11 were acquired and seven were self-established. Over the subsequent two years, we accelerated our self-establishment programme, with nine new self-established hospitals opening in 2024 alone, compared to only one newly acquired hospital during the same period. By the end of 2024, our total hospital network had grown to 38 hospitals, comprising 17 acquired hospitals and 21 self-established hospitals. Among these, eight hospitals were under construction or in preparatory stages. Notably, self-established hospitals have come to outnumber acquired hospitals, accounting for approximately 55% of our total hospital network. Entering 2025, having achieved a robust network scale, we strategically recalibrated our focus towards optimizing our current footprint and transitioned into a phase of steady, high-quality development. Rather than pursuing further quantitative expansion during this period, we prioritized refining internal operational efficiencies, integrating our existing medical service resources, and consolidating our foundational capabilities. In 2025, we did not have newly added hospitals.

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The following table sets forth certain key operational and financial information of our hospitals for the years indicated. The slight decrease in our overall operational metrics during the Track Record Period was mainly attributable to the implementation of stricter national medical insurance policies and our strategy to maintain steady, high-quality development instead of continuous expansion.

	For the year ended December 31,		
	2023	2024	2025
Outpatient visits (in thousand)	1,086	1,068	989
Average spending per outpatient visit (RMB) . .	479	515	525
Inpatient discharges (in thousand)	61	69	63
Average spending per inpatient visit (RMB) ⁽¹⁾ . .	29,991	34,877	36,287
Average length of stay per inpatient visit (days) ⁽²⁾	22	26	31
Number of surgeries	14,972	14,413	12,307
Number of registered beds	3,527	4,964	5,997

Notes:

- (1) Average spending per inpatient visit is calculated as total discharge expenses divided by the number of inpatient discharges.
- (2) Average length of stay per inpatient visit is calculated as total inpatient days for discharged patients divided by the number of inpatient discharges.

Our Medical Services Offerings

Our Rehabilitation Services

As of December 31, 2025, we had a comprehensive network of 38 hospitals, comprising 32 specialized rehabilitation hospitals and six general hospitals or physical examination institutions, with rehabilitation serving as our core medical specialty. Among these, eight hospitals, including seven rehabilitation hospitals, were under construction or in preparatory stages. Our rehabilitation services focus on critical care rehabilitation and neurological and functional rehabilitation. We have developed an integrated critical care model combining critical care medicine, comprehensive rehabilitation therapies and hyperbaric oxygen treatment. By capitalizing on the critical early intervention window following acute illness or injury, our treatment protocols are designed to improve recovery outcomes for patients transitioning from critical illness to functional independence. Our rehabilitation and medical services have the following six key features.

- **Early Ventilator Support with Hyperbaric Oxygen Therapy.** We admit mechanically ventilated critically ill patients directly into our hyperbaric oxygen chambers, where ventilator support and hyperbaric oxygen therapy are administered concurrently, accelerating physiological recovery and improving clinical outcomes during the acute phase of critical illness.
- **Ventilator Weaning.** Our ventilator weaning center employs standardized, evidence-based protocols to systematically and safely liberate patients from mechanical ventilation, reducing weaning time and minimizing complications associated with prolonged ventilator dependence.
- **Coma Arousal and Consciousness Recovery.** We are committed to building our coma arousal and consciousness recovery center that utilize multiple therapeutic modalities to promote consciousness recovery in patients with disorders of consciousness. These therapeutic modalities mainly includes spinal cord stimulation (SCS), deep brain stimulation (DBS),

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transcranial magnetic stimulation and median nerve stimulation. These treatments have effectively enabled some patients who have been in a persistent coma for more than three months to emerge from a vegetative state.

- **Hyperbaric Oxygen Chamber Therapy.** Our advanced hyperbaric oxygen facilities accommodate critically ill patients, including those requiring concurrent mechanical ventilation support, enabling early intervention that enhances cellular oxygenation and accelerates functional recovery.
- **Early Rehabilitation Intervention.** Our rehabilitation specialists initiate bedside therapy during the acute and sub-acute phases of critical illness, implementing early mobilization and functional training protocols to prevent deconditioning, reduce complications and promote faster recovery of motor and cognitive functions.
- **Comprehensive Supportive Care and Complication Prevention.** Through integrated diagnostic and therapeutic techniques, we maintain critically ill patients’ vital organ functions and actively prevent complications of underlying diseases.

Our Medical Facilities and Equipment

We aim to provide high-quality medical services to our customers and/or patients. Our hospitals are equipped with advanced medical, surgical, and rehabilitation equipment. These facilities enable us to provide highly effective interventions across oncology, pain management, and orthopedic rehabilitation, effectively facilitating faster functional recovery, minimizing pain and postoperative complications, and improving patients’ overall quality of life. Our key advanced equipment, among others, includes:

Oncology Rehabilitation Equipment

Our oncology rehabilitation relies on high-precision diagnostic and therapeutic equipment to treat primary tumors while managing secondary functional impairments caused by tumors or subsequent chemo/radiotherapy. We are equipped with world-class diagnostic imaging systems, which provide ultra-high-resolution imaging for early tumor detection, precise staging, and efficacy evaluation.

For oncology radiotherapy, we utilize advanced radiotherapy platforms such as Medical Electron Linear Accelerators, and Gamma Knife. These systems deliver highly conformal radiation doses to tumor targets while sparing surrounding healthy tissues. Furthermore, our Deep Tumor Hyperthermia equipment serves as a powerful adjunctive therapy. Together, this comprehensive equipment matrix allows us to effectively alleviate cancer-related pain, respiratory dysfunction, and lymphedema, significantly enhancing the survival rate and life quality of oncology patients.

Pain Rehabilitation Equipment

To address various pain-inducing conditions such as cervical/lumbar spondylosis, soft tissue injuries, osteoarthritis, and myofascial pain syndrome, we deploy a diverse range of modern physical therapy and traditional Chinese medicine rehabilitation devices. Our core equipment includes Ultrasound Therapy Instruments (超聲治療儀), Low-Frequency Pulse Spastic Muscle Therapy Instruments (低頻脈沖痙攣肌治療儀), and Ultrashort Wave Therapy Devices (超短波治療儀). These machines utilize acoustic waves and electromagnetic fields to improve local blood circulation, reduce inflammation, and relieve muscle spasms.

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In addition, we integrate traditional Chinese medicine treatments with modern technology through the use of Directional Drug Delivery Instruments and Medical Fumigation Machines, which facilitate deep tissue penetration of therapeutics. We also utilize advanced Platelet-Rich Plasma preparation equipment for regenerative joint treatments. By combining these advanced devices with psychological evaluation and micro-minimally invasive procedures, we offer a holistic approach to effectively mitigate or eliminate patient pain and restore daily functionality.

Orthopedic Rehabilitation Equipment

Our orthopedic rehabilitation adopts a MDT approach to formulate individualized treatment plans that span a complete continuum of care, from pre-operative evaluation and surgical intervention to post-operative rehabilitation. To support this integrated model, we have established advanced surgical environments, including Class 100 operating rooms, equipped with cutting-edge surgical tools such as C-arm fluoroscopy machines, ConMed arthroscopes, surgical microscopes, and plasma scalpels. These facilities empower us to perform a wide range of procedures, from minimally invasive arthroscopy to complex joint reconstructions and severe trauma repairs.

For postoperative functional recovery, we utilize intelligent rehabilitation devices, notably Orthopedic Exoskeleton Robots, Joint Function Exercise Instruments, and Electric Standing Beds. These devices provide precise, quantifiable, and repetitive movement training, effectively preventing muscle atrophy, joint stiffness, and deep vein thrombosis following orthopedic trauma. Driven by these advanced facilities, our hospitals have achieved strong clinical outcomes and high patient volumes.

Our Medical Professionals

We have built a multidisciplinary medical team consisting of skillful and experienced medical professionals to consistently maintain the high quality of our hospital services. As of December 31, 2025, we had 1,127 physicians, 3,732 technical, pharmaceutical and nursing medical professionals, as well as 166 other medical professionals.

In the PRC, licensed doctors are subject to periodic assessment of their professional skills, achievements and professional ethics by institutions or organizations authorized by the public health department in the PRC. There are three professional qualification ranks for doctors, which are, from the lowest to the highest rank: (i) junior qualification for resident doctors (住院醫師) who must have a medical degree, and typically undertake entry-level tasks such as patients’ medical records preparation and practice under the supervision of attending doctors or other superiors; (ii) mid-end qualification for attending doctors (主治醫師) who may supervise resident doctors and typically undertake routine clinical treatments, teaching, research and diseases prevention tasks; and (iii) senior qualification for associate chief doctors (副主任醫師) and chief doctors (主任醫師) who typically command the highest level of medical capability in a specific discipline and are generally the head of a clinical practice, and may supervise attending and resident doctors, direct research work of a specific discipline, as well as undertake complex and rare clinical treatments.

As of December 31, 2025, each of the physicians practicing at our hospitals had obtained the physician qualification certificate, and each of the other medical professionals practicing at our hospitals (except for physician assistants) had obtained the necessary qualification certificate for his or her medical practice in the PRC as of the same date. We also closely monitor the qualification registration and licensing records on a continuing basis to ensure that all physicians practicing at our hospitals comply with all applicable requirements under PRC laws and regulations, in particular, each physician’s practice is within the scope of his or her qualification and license. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material complaints or material penalties in relation to physicians of our hospitals practicing beyond the scope of their respective licenses.

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Our Smart Medical and Information Technology System

During the Track Record Period, we have actively pursued a comprehensive digital transformation across our medical services, leveraging artificial intelligence as a core driver to enhance patient experience and clinical quality. Our smart medical and information technology system, which is internally developed by our dedicated R&D team, is implementing AI-enabled applications throughout the entire patient care process, from initial consultation and diagnosis through treatment delivery and post-care follow-up. We are also developing an integrated patient services mini-program that will provide patients with unified access to appointment scheduling, medical records, and payment processing through mobile devices. These digital initiatives are systematically advancing the intelligent upgrade of our medical services, and creating an efficient, secure, and patient-centered medical ecosystem.

In addition, we have implemented a Hospital Information System (HIS) across all of our operating hospitals. Our HIS streamlines the daily operations by digitizing and integrating core processes including the management of patient records and billing history, outpatient registrations and inpatient admissions. This digital infrastructure enhances operational efficiency, improves data accuracy, reduces administrative burden on medical staff, and enables real-time access to patient information for better clinical decision-making.

We continuously implement intelligent technologies and digital solutions to optimize patient experience and operational efficiency. We have digitalized key service touchpoints including online appointment registration and online bill payment. These digital innovations not only improve patient satisfaction and convenience but also expand our brand awareness within our target market.

Patient Complaints Management

We have implemented a standardized complaint management system and a dedicated complaint management platform to collect patient feedback in a timely, accurate, and comprehensive manner. Our operational human resources department is responsible for initial handling, investigation, and resolution coordination, while our patient service team conducts follow-up visits and satisfaction surveys to ensure complaints are properly addressed. Patients may submit complaints through multiple channels, including: (i) inpatient evaluation and follow-up calls automatically triggered by our system on the third day and the 40th day after admission; (ii) third-party satisfaction surveys conducted semi-annually; (iii) in-person visits to our hospital customer service center; (iv) telephone hotline; and (v) other methods. Our patient service team handles patient complaints on a daily basis to ensure timely response and resolution. We have established response timeframes based on the severity of issues: regular issues are addressed on-site; issues requiring investigation and verification are resolved within three, five, or seven working days depending on complexity; and more complex situations are escalated to hospital management and resolved within one working day.

During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material patient complaints, nor did we encounter any material medical incidents, that would have a material and adverse effect on our business, financial condition or results of operations.

Branding and Marketing

Our branding and marketing strategy primarily leverages our strong reputation built on specialized medical expertise and established physician brands. Our presidents and chief doctors are recognized specialists with significant professional influence in our operational region, which serves as a cornerstone for patient acquisition. We also rely substantially on word-of-mouth recommendations and organic patient referrals, which have enabled us to establish a solid patient base within our service area.

We have established digital platforms, including WeChat subscription accounts “Mingzhou Yiliao (明州醫療)” and mini-programs “Mingzhou Kangfu (明州康復),” to enhance patient engagement and brand visibility. Through these channels, we provide comprehensive information regarding our medical services, appointment procedures and patient care protocols. These digital platforms serve as important brand-building tools, showcasing our medical team expertise, clinical achievements, accreditations, and health education content that reinforce our positioning as a trustworthy medical provider.

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Pricing

Pricing for Medical Services

In terms of medical service pricing, private for-profit hospitals are generally entitled to set the prices of medical services at their discretion based on their cost structures, market demand and other factors. However, if a medical institution is a Medical Insurance Designated Medical Institution, it may only charge medical fees according to pricing guidelines established by local medical authorities and public medical insurance providers. These guidelines specify the permissible fee ranges for patients covered by PRC public medical insurance programs under the PRC public social insurance regime.

As of December 31, 2025, our 28 hospitals were Medical Insurance Designated Medical Institutions (醫保定點醫療機構). For services covered by public medical insurance programs, we strictly adhere to the pricing guidelines established by the relevant local healthcare administrative authorities. For high-end and tailored medical services that are not covered by the pricing guidelines, we take into account the market price for similar medical services in the region and price our medical services based on certain factors, including complexity of the treatment, operating expenses, local market conditions and competitors' pricing of similar services.

Implementation of the DRG Payment System

Since 2019, the PRC government has promoted a Diagnosis-Related Group (DRG) based payment system for inpatient services. Under the DRG system, medical insurance reimbursement is made based on a pre-determined rate for each diagnosis group, rather than on the actual costs incurred. This system is designed to incentivize hospitals to improve efficiency and control costs. While not yet mandatory nationwide, its adoption is encouraged, and Medical Insurance Designated Medical Institutions in regions where the system is implemented must comply. As of December 31, 2025, our 22 hospitals adopted the DRG system.

The DRG system sets a standard reimbursement amount for each treatment group. If a hospital's actual costs exceed this amount, it must bear the excess. The majority of our patients are covered under the government's public medical insurance program, and we claim consideration for medical services provided from the relevant government medical insurance authorities. Consequently, we recognize revenue when the related medical services have been rendered to patients. As the reimbursement amounts are subject to the government's annual quota approval process, they are treated as variable considerations and estimated using the expected value approach, based on historical practice and all reasonably available information at the time of recognition. Any variance between our estimated variable consideration and the agreed annual quota agreed by the government is recorded as a revenue adjustment in the period in which the annual quota is agreed. In 2023, 2024 and 2025, we recorded upward revenue adjustments of RMB8.5 million, RMB0.9 million and RMB30.1 million, respectively, following such settlements. We typically receive the majority of our reimbursement payments in two to three months.

Procurement and Supply Chain Management

We mainly purchase pharmaceuticals, medical equipment and consumables for operations. We select our suppliers based on stringent criteria and applicable laws and regulations to ensure the quality of our supplies. When selecting suppliers, we conduct a comprehensive assessment of factors such as product offerings, qualifications, reputation, quality stability, and delivery schedule. Our suppliers are required to possess all licenses and permits necessary to conduct their operations, including GMP Certificate and/or GSP Certificate. Only those suppliers which fulfill all our selection criteria are selected.

Our medical supplies are primarily sourced within the PRC. Depending on the different types of supplies and our relationships with the suppliers, the terms of the supply agreements with our suppliers vary. We generally have long-term agreements with our suppliers. We are typically given credit terms of 90 days by suppliers of our medical supplies. Our suppliers are generally responsible for arranging the delivery to our hospital at their own costs. For all of the products ordered, an initial inspection is conducted by our warehouse management team upon delivery to verify packaging, labeling, and general

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condition. Products are then distributed to the relevant departments for detailed quality checks: pharmaceuticals are reviewed by the pharmacy department, consumables are verified by the finance department, and equipment is inspected by the general affairs or equipment management department. Quality checks cover expiration dates, packaging, product description and other quality indicators to ensure strict quality control.

We arrange the centralized procurement for our hospital business and supply of pharmaceuticals, medical equipment and consumables business to obtain a lower price and save costs. The medical institutions will evaluate and select qualified suppliers through centralized bidding or negotiation, and agreed procurement volumes are used in exchange for lower prices. We believe centralized procurement allows us to achieve economies of scale and to better control the quality of the pharmaceuticals, medical equipment and consumables we procure. During the Track Record Period, we had not experienced any significant fluctuation in the prices of our supplies.

During the Track Record Period and up to the Latest Practicable Date, we had not encountered any material shortfall in the supply of pharmaceuticals, medical equipment and consumables, that would, individually or in the aggregate, have any material adverse impact on our business, financial condition or growth prospects.

Inventory Management

Our medical supplies, including pharmaceuticals, medical equipment and consumables are delivered by our suppliers in accordance with the terms of the supply contracts. Upon inspection by our quality control team, the medical supplies are then put into storage areas with controlled temperature and humidity in accordance with the storage requirements of the medical supplies and applicable laws and regulations. We have specific warehouse and storage for our inventory of pharmaceuticals, medical equipment and consumables and do not engage any third-party warehouse companies. In addition, our inventories are strictly organized in terms of admission and expiry dates. Pharmaceutical expiry dates are closely monitored to ensure expired items are not administered and are safely disposed of in accordance with applicable laws and regulations. We regularly carry out physical inventory stock-takes and assessments to reconcile our internal records. Once the pharmaceuticals or supplies are expired, or the medical equipment have reached the end of their service lives, we safely dispose of them in accordance with applicable laws and regulations, and such medical supplies are written off accordingly.

During the Track Record Period, we were in compliance with the applicable laws and regulations in relation to the storage of medical supplies in all material aspects.

OUR CUSTOMERS

During the Track Record Period, our customers for our smart power distribution and utilization business primarily consisted of two large national-level grid groups and the top five power generation groups and their subsidiaries, and regional power companies. We also catered to customers in emerging industries, such as new energy central state-owned enterprises, data centers and energy storage companies.

During the Track Record Period, our customers of the medical services business segment primarily consisted of patients. We receive payments primarily from (i) public medical insurance programs under the PRC public social insurance regime; and (ii) patients who finance their medical treatments themselves and/or are funded by commercial insurance providers. Our largest customers for our medical services business in each year during the Track Record Period contributed to around or less than 0.05% of our total revenue in the respective year. We generally grant our customers credit periods ranging from 30 to 180 days.

During the Track Record Period, we did not experience any material disputes with our customers that would, individually or in the aggregate, have a material adverse impact on our results of operations, financial condition and growth prospects. For the years ended December 31, 2023, 2024 and 2025, our revenue generated from sales to our five largest customers in each period in aggregate amounted to RMB4,807.3 million, RMB5,466.9 million and RMB5,333.0 million, respectively, representing 41.9%,

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37.4% and 37.1% of our total revenue in the corresponding periods. For the same periods, our revenue generated from sales to our largest customer amounted to RMB3,197.9 million, RMB3,022.0 million and RMB2,719.5 million, respectively, representing 27.9%, 20.7% and 18.9% of our total revenue in the corresponding periods.

The following table sets forth details of our five largest customers during the Track Record Period.

Customer	Background	Products Sold	Commencement of Business Relationship (Since)	Revenue (RMB'000)	% of Total revenue (%)
<i>For the year ended December 31, 2023</i>					
Customer A . . .	Affiliates of a company registered in Beijing, primarily engaging in the power transmission and distribution.	Smart power distribution and utilization equipment and solutions	2001	3,197,858	27.9
Customer B . . .	Affiliates of a company registered in Guangdong Province, primarily engaging in the power transmission and distribution.	Smart power distribution and utilization equipment and solutions	2004	879,578	7.7
Customer C . . .	Affiliates of a company headquartered in Saudi Arabia, primarily engaging in the manufacturing and supply of electrical products.	Smart power utilization equipment and solutions	2021	322,533	2.8
Customer D . . .	Affiliates of a state-owned company headquartered in Indonesia, primarily engaging in the power generation, transmission, distribution and electricity supply.	Smart power distribution and utilization equipment and solutions	2021	220,709	1.9
Customer E . . .	A company headquartered in Shenzhen, primarily specializing in smart power metering, power equipment, and new energy EV charging solutions.	Smart power utilization equipment and solutions	2015	186,632	1.6
Total				4,807,310	41.9
<i>For the year ended December 31, 2024</i>					
Customer A . . .	Affiliates of a company registered in Beijing, primarily engaging in the power transmission and distribution.	Smart power distribution and utilization equipment and solutions	2001	3,022,023	20.7
Customer B . . .	Affiliates of a company registered in Guangdong Province, primarily engaging in the power transmission and distribution.	Smart power distribution and utilization equipment and solutions	2004	1,060,221	7.3
Customer C . . .	Affiliates of a company headquartered in Saudi Arabia, primarily engaging in the manufacturing and supply of electrical products.	Smart power utilization equipment and solutions	2021	645,827	4.4
Customer F . . .	Affiliates of a company headquartered in Beijing, primarily engaging in building construction, property development, and related services.	Smart power distribution equipment and solutions	2021	377,383	2.6
Customer G . . .	Affiliates of a company headquartered in Beijing, primarily engaging in clean energy and infrastructure development, engineering design and construction services.	Transformer, box-type substation, and accessories	2022	361,494	2.5
Total				5,466,949	37.4

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Customer	Background	Products Sold	Commencement of Business Relationship (Since)	Revenue (RMB'000)	% of Total revenue (%)
<i>For the year ended December 31, 2025</i>					
Customer A . . .	Affiliates of a company registered in Beijing, primarily engaging in the power transmission and distribution.	Smart power distribution and utilization equipment and solutions	2001	2,719,547	18.9
Customer B . . .	Affiliates of a company registered in Guangdong Province, primarily engaging in the power transmission and distribution.	Smart power distribution and utilization equipment and solutions	2004	1,268,439	8.8
Customer H . . .	Affiliates of a company registered in Hebei Province, primarily engaging in the power transmission and distribution.	Smart power distribution equipment and solutions	2023	572,099	4.0
Customer I . . .	A company registered in Greece, primarily engaging in the power transmission and distribution.	Smart power distribution equipment and solutions	2024	391,011	2.7
Customer G . . .	Affiliates of a company headquartered in Beijing, primarily engaging in clean energy and infrastructure development, engineering design and construction services.	Transformer, box-type substation, and accessories	2022	381,876	2.7
Total				5,332,971	37.1

None of our Directors, their respective associates or any Shareholders who, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our five largest customers for each year during the Track Record Period.

OUR SUPPLIERS

During the Track Record Period, our suppliers primarily consisted of providers of raw materials and components we mainly use in our manufacturing process. For our smart power distribution and utilization business, these primarily include chips, electronic components, customized parts, structural components, bulk commodities including copper, iron and mineral insulating oil, and other auxiliary materials. We also engage service providers for services such as the collection and provision of market information. In addition, we have suppliers for pharmaceuticals, medical equipment and consumables for our medical services business. During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with our suppliers that would, individually or in the aggregate, have a material adverse impact on our results of operations, financial condition and growth prospects. In addition, we believe that adequate alternative sources for such supplies exist, and we have duly established alternative options for these supplies. We will establish necessary relationships with alternative sources based on supply continuity risk assessment. Our suppliers typically grant us credit periods of approximately one to three months.

For the years ended December 31, 2023, 2024 and 2025, our purchases from our five largest suppliers in each period in aggregate amounted to RMB1,128.1 million, RMB1,058.4 million and RMB1,163.4 million, respectively, representing 14.0%, 11.3% and 13.2% of our total purchases in the corresponding periods. For the same period, our purchases from our largest supplier amounted to RMB468.5 million, RMB296.0 million and RMB314.4 million, respectively, representing 5.8%, 3.2% and 3.6% of our total purchases in the corresponding periods.

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The following table sets forth details of our five largest suppliers during the Track Record Period.

Supplier	Background	Supplies/ Services Purchased	Commencement of Business Relationship (Since)	Purchase Amount (RMB'000)	% of Total Purchases (%)
<i>For the year ended December 31, 2023</i>					
Supplier A	A company headquartered in Hubei Province, primarily engaging in the sales of metal materials and non-ferrous metals.	Raw materials	2009	468,485	5.8
Supplier B	A company headquartered in Jiangsu Province, primarily engaging in the development and manufacturing of winding wires.	Raw materials	2014	216,644	2.7
Supplier C	A company headquartered in Zhejiang Province, primarily engaging in manufacturing and sales of cable, wire and other metal materials.	Raw materials	2016	184,050	2.3
Supplier D	A company headquartered in Anhui Province, primarily specializing in metal materials processing and related trading services.	Raw materials	2017	147,220	1.8
Supplier E	A company headquartered in Shenzhen, primarily engaging in the development and sales of switch-mode power supply integrated circuits and related electronic components.	Raw materials	2019	111,695	1.4
Total				1,128,094	14.0
<i>For the year ended December 31, 2024</i>					
Supplier A	A company headquartered in Hubei Province, primarily engaging in the sales of metal materials and non-ferrous metals.	Raw materials	2009	295,971	3.2
Supplier D	A company headquartered in Anhui Province, primarily specializing in metal materials processing and related trading services.	Raw materials	2017	248,561	2.6
Supplier B	A company headquartered in Jiangsu Province, primarily engaging in the development and manufacturing of winding wires.	Raw materials	2014	196,041	2.1
Supplier F	A company headquartered in Jiangsu Province, primarily engaging in cable and wire manufacturing.	Raw materials	2022	177,836	1.9
Supplier C	A company headquartered in Zhejiang Province, primarily engaging in manufacturing and sales of cable, wire and other metal materials.	Raw materials	2016	140,039	1.5
Total				1,058,448	11.3
<i>For the year ended December 31, 2025</i>					
Supplier A	A company headquartered in Hubei Province, primarily engaging in the sales of metal materials and non-ferrous metals.	Raw materials	2009	314,406	3.6
Supplier F	A company headquartered in Jiangsu Province, primarily engaging in cable and wire manufacturing.	Raw materials	2022	295,326	3.4
Supplier C	A company headquartered in Zhejiang Province, primarily engaging in manufacturing and sales of cable, wire and other metal materials.	Raw materials	2016	189,006	2.1
Supplier D	A company headquartered in Anhui Province, primarily specializing in metal materials processing and related trading services.	Raw materials	2017	187,757	2.1
Supplier G	A company headquartered in Jiangsu Province, primarily engaging in the development and manufacturing of electrical copper conductors.	Raw materials	2014	176,911	2.0
Total				1,163,407	13.2

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None of our Directors, their respective associates or any Shareholders who, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our five largest suppliers for each year during the Track Record Period.

DATA PRIVACY AND DATA SECURITY

We recognize that our activities involve the collection, processing, and management of significant volumes of personal information, which are critical to our operational success and competitive advantage in both of our power distribution and utilization business and our medical service business. In smart power distribution and utilization business, the types of data we collect may include product performance and testing data generated during design validation and production processes, operational and supply chain data, specifications and technical documentation provided by customers and internal system usage data. In the medical services business, the main type of data we collect is the personal information of patients. To mitigate the inherent risks associated with data handling and to uphold the highest standards of data protection, we have established a comprehensive personal information protection management framework.

We have established a comprehensive information security management framework, underpinned by a suite of internal policies including the “Information Security Management System,” “IT Asset Management System,” “Information Security Asset Identification Control Procedures,” “Information Security Risk Assessment Management Procedures,” and “IT Emergency Response Management Standards.” Implementation of these policies is overseen by dedicated teams comprising IT department personnel, IT operations managers, and relevant departmental heads across both business segments.

Our technical safeguards employ a multi-layered defense architecture encompassing firewalls, Web Application Firewalls, zero-trust network access controls, vulnerability scanning, and penetration testing. These measures are reinforced by network admission controls for device and user authentication and regular high-availability exercises to validate system resilience. With respect to data confidentiality, we enforce strict data permission controls to ensure that no single user is able to access all business data. Generally, the system data is required to be stored on data center storage media, and the removal of data from the data center is strictly prohibited. The data export is subject to a desensitization assessment process conducted by the relevant business department. Sensitive data is encrypted both in transit and at rest, and all download operations across business systems are logged with detailed records — including personnel identity, time, and data volume — to ensure full traceability and auditability. For our medical services business, electronic medical records and patient file systems incorporate patient identity verification mechanisms to protect privacy, and clinical decision support systems are maintained to ensure the accuracy and regulatory compliance of medical data. We also conduct dedicated information security activities annually, training programs, technical upgrades, and security awareness campaigns to foster a strong information security culture among employees, with particular emphasis on patient privacy and medical data protection.

We conduct monthly internal reviews of our information security management system and carry out regular system spot checks covering user identification and authentication, access control, security auditing, data integrity and confidentiality, and privilege management.

Through these comprehensive measures, we not only comply with all applicable data protection laws but also build trust and confidence among our stakeholders by demonstrating our unwavering commitment to protecting personal information and respecting individual privacy. In the opinion of our PRC Legal Advisors, our data processing as described above falls within the scope of the relevant PRC laws and regulations on cybersecurity, data privacy and personal information protection. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material data leakage or loss of data. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had complied with the laws and regulations related to data security in all material aspects.

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Our practices regarding the collection, use, storage, disclosure and transfer of various types of data may be subject to increased administrative scrutiny. For details, see “Risk Factors — Risks Relating to Government Regulations — We are subject to stringent privacy laws, information security policies and contractual obligations related to data privacy and security.”

INTELLECTUAL PROPERTY

We currently hold many intellectual properties related to our core technologies, and we devote significant time and resources to their development and protection. We rely on a combination of patent, trademark, copyright, domain name, trade secret and other proprietary rights protection laws in the PRC as well as confidentiality procedures and contractual provisions to protect our intellectual properties.

As of December 31, 2025, we had obtained over 440 registered patents in Chinese Mainland, including over 300 invention patents, as well as three important integrated circuit layout designs. We were also the registered owner of over 20 registered trademarks, over 70 software copyrights and over six domain names in Chinese Mainland. As of the same date, we had obtained four registered patents and over 170 registered trademarks overseas.

As of the Latest Practicable Date, our Directors believe that there is no legal impediment for the renewal of the above patents, copyrights, trademarks and domain names that would materially and adversely affect our business. For details, please refer to the paragraph headed “Appendix V — Statutory and general information — A. Further Information about Our Business — 2. Intellectual Property Rights.”

To safeguard and leverage our intellectual property assets, we have established a comprehensive intellectual property management framework. This framework is meticulously designed to align with national standards and our strategic business objectives, ensuring that all IP-related activities are systematically managed, protected, and utilized to enhance our competitive advantages. Our intellectual property management framework incorporates proactive risk management strategies to identify and mitigate potential risks. For instance, upon identifying potential conflicts in the design of our power distribution and utilization products, we evaluate the infringement risk and implement necessary design adjustments or pursues licensing agreements to ensure compliance and protect our market position. In the event of disputes, our established protocols facilitate timely and effective resolution through administrative and judicial channels.

To ensure the effective implementation of our intellectual property strategies, we maintain detailed management ledgers and classified archives, updated in accordance with our archival management policies. These records encompass patent management ledgers, copyright management ledgers, and patent value assessment forms. Such meticulous documentation ensures that all intellectual property assets are accurately tracked, maintained, and readily accessible for strategic decision-making.

SEASONALITY

Our business is subject to seasonal fluctuations. For our medical service business, we typically have fewer patient visits shortly before and after the Chinese New Year, which is in line with the medical service industry in the PRC. Our domestic smart power distribution and utilization business generally sees lower activity in the first quarter. This is primarily due to the suspension of projects and operations during the Chinese New Year holiday, as well as unfavorable weather conditions in winter. As a result, we expect our revenue and profitability to be slightly lower in the first quarter of each financial year during the Track Record Period.

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COMPETITION

The markets in which we operate are highly competitive. Our smart power distribution and utilization business is characterized by intense competition from both established international and domestic manufacturers. Our current and potential competitors also include private rehabilitation hospital, public rehabilitation hospitals and rehabilitation departments of general hospitals in our medical service business. We anticipate that these markets will continue to evolve and experience changes in technology, industry standards, regulatory requirements and customer preferences. To remain competitive, we must continually innovate and improve our products, services and operations to meet the changing needs of our customers and stay ahead of our competitors.

We believe that we are well-positioned to effectively compete on the basis of the factors listed above. However, some of our current or future competitors may have longer operating histories, greater brand recognition, better supplier relationships, larger customer bases or greater financial, technical or marketing resources than we do. We build our competitive edges and have been dedicated to the expansion of our global presence and the improvement in our operating efficiency. For details, see “Industry Overview.”

EMPLOYEES

The strength and talent of our workforce are critical to the success of our businesses, and we continually strive to attract, develop and retain personnel commensurate with the needs of our businesses in their operating environments. As of December 31, 2025, we had a total of 12,843 full-time employees, including 11,712 based in Chinese Mainland and 1,131 based overseas. The following table sets forth the numbers of our employees categorized by function as of December 31, 2025:

Function	Number
Technical	6,017
Manufacturing	3,997
Administrative	1,727
Sales and marketing	750
Finance and Accounting	217
Procurement	135
Total	12,843

We recruit our employees through recruitment websites, recruiters and internal referrals. In compliance with the relevant PRC laws and regulations, we enter into standard employment contracts with our employees to cover matters such as wages, benefits and grounds for termination. We also enter into standard confidentiality and non-compete agreements with key employees and departed personnel. We are committed to strictly complying with applicable laws, regulations and standards in different countries and regions related to workplace safety, providing a safe and healthy workplace for our employees and implementing an effective management system to help ensure employee safety and well-being. As required by laws and regulations in Chinese Mainland, we participate in various employee social security plans, including pension, medical insurance, unemployment insurance, maternity insurance, on-the-job injury insurance and housing fund plans.

Recognizing the importance of talent cultivation, we offer a diverse array of training and professional development opportunities to equip our employees with technical expertise. Every new employee participates in a comprehensive onboarding program with systematic trainings tailored to their functions and responsibilities, covering corporate culture, employee rights and responsibilities, workplace

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safety, data security and other logistics aspects, as well as specific trainings that improve employee knowledge and expertise in certain important areas related to our business. During daily operations, we organize technical and external training programs to continuously foster the professional skills for our employees at all levels.

We believe that we have maintained good working relationships with our employees, and have established a labor union to represent our employees for employee affairs. During the Track Record Period and as of the Latest Practicable Date, we did not experience any material labor disputes or strikes that may have a material and adverse effect on our business, financial condition or results of operation.

INSURANCE

We consider our insurance coverage to be adequate and in accordance with the commercial practices in the industries in which we operate. Regarding our power distribution and utilization business, we have purchased property insurance covering all risks of physical loss, destruction or damage to the inventory of our products and our fixed assets. We also purchased work safety liability insurance to cover potential liabilities arising from workplace safety incidents and occupational hazards in our manufacturing operations. Regarding our medical service business, as advised by our PRC Legal Advisors, our hospitals are not required by any applicable laws or regulations of the PRC to maintain medical liability insurance. As part of our plan to evaluate the necessity of enrolling our hospitals in medical liability insurance and exploring suitable insurance products for our hospitals, we have enrolled most of our hospitals in medical liability insurance, renewable on an annual basis and gradually enrolled our other hospitals subsequently. In addition, we have purchased property all-risk insurance and public liability insurance to effectively mitigate potential operational risks.

We provide social security insurance, including pension insurance, unemployment insurance, work-related injury insurance, maternity insurance and medical insurance for our employees in Chinese Mainland and statutorily required insurance coverage for overseas employees. For our overseas bases, we provide overseas personal accident insurance and premium medical insurance, in addition to the mandatory insurance, to our employees to ensure their health and safety. Our management will evaluate the adequacy of our insurance coverage from time to time and purchase additional insurance policies as needed.

However, our insurance policies may not cover all potential risks, and there can be no assurance that we will not experience losses or claims beyond the scope or limits of such coverage. See “Risk Factors — Risks Relating to Our Operations — Our limited insurance coverage may not cover all losses, which may increase our operational costs.”

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We are committed to ESG principles and have established a comprehensive ESG policy framework aligned with global standards and regulatory requirements. We will comply with the ESG reporting and disclosure requirements under Appendix C2 to the Listing Rules and publish ESG reports on an annual basis.

ESG Governance

We have established a three-tier ESG governance structure comprising (i) the Board and our Strategy and ESG Committee as the decision-making body, responsible for reviewing and approving ESG strategies, objectives and disclosure reports; (ii) the ESG work team as the management body, responsible for implementing ESG strategies and formulating ESG working plans; and (iii) our various functional departments as the operational body, providing timely feedback on ESG progress. To establish and improve our compliance governance system, we have integrated compliance governance details into key institutional documents such as ESG Management Measures (《ESG管理辦法》), Environmental Statement (《環境聲明》), Labor and Human Rights Statement (《勞工與人權聲明》), and Anti-Bribery and Anti-Fraud Statement (《反商業賄賂和反舞弊聲明》).

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Recognizing the risks and opportunities associated with ESG, we are also dedicated to identifying and addressing these factors through environmental impact assessments and management. We are exploring various measures to mitigate ESG-related risks while striving to balance cost-effectiveness with sustainable development. As of the Latest Practicable Date, we were awarded the MSCI ESG rating of “A,” the Wind ESG rating of “AA,” and the Huazheng Index ESG rating of “AA,” respectively. All of our ESG ratings have seen considerable growth compared to previous years. We are at a preliminary stage of studying the environmental impact of our operations and establishing ESG targets. We intend to implement achievable ESG targets upon the [REDACTED] that align with our expansion while minimizing environmental impact and risks. Furthermore, we are committed to fostering a culture of compliance, with a goal to ensure that all employees are well-informed of and adhere to relevant ESG regulations and requirements through cross-departmental collaboration.

Environmental Stewardship

Our dedication to environmental sustainability is evidenced by our robust environmental management systems and proactive initiatives aimed at minimizing our ecological footprint. We have achieved ISO 14001 Environmental Management System certification, underscoring our commitment to continuous improvement in environmental performance.

Energy

The energy types consumed by our power utilization and distribution business primarily include electricity for production and office use, gasoline for official vehicles, diesel for shuttle buses, and natural gas for staff canteens. The energy types consumed by our medical service business primarily include electricity for various medical institution operations, gasoline for official vehicles, diesel for shuttle buses, natural gas for staff canteens, and steam used for sterilization and other purposes. As of December 31, 2025, our Company and two of our subsidiaries had each obtained ISO 50001 Energy Management System certification.

Water Resources

We are committed to responsible water stewardship and actively fulfill our social responsibility in safeguarding water resources. Our water supply is sourced primarily from municipal water supply networks, and we did not encounter any material difficulties in securing adequate water sources during the Track Record Period. In the course of our operations, our power utilization and distribution business generates both domestic sewage and industrial wastewater, while our medical services business generates medical wastewater. Industrial wastewater undergoes treatment at on-site sewage treatment facilities to ensure compliance with applicable regulatory discharge standards prior to being discharged into the municipal sewage network. Medical wastewater is similarly treated on-site before discharge, and we engage qualified third-party testing institutions on an annual basis to conduct routine testing to ensure ongoing compliance with applicable public health and environmental standards.

Emissions

Waste

We have established comprehensive waste management procedures designed to ensure regulatory compliance in waste disposal and minimize our environmental footprint. Our power distribution and utilization business generates both hazardous waste, comprising cleaning waste liquids, waste packaging drums, and spent activated carbon, and non-hazardous waste, including general industrial solid waste such as waste packaging materials, defective products, and domestic garbage. Our medical services business generates hazardous waste in the form of medical waste, including disposable medical devices, waste needles, and expired pharmaceuticals, as well as non-hazardous waste consisting of domestic garbage. All hazardous waste and general industrial solid waste are transferred to qualified third-party disposal

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companies for proper treatment, while domestic garbage is collected and managed by municipal sanitation authorities. Medical waste is handled exclusively by government-designated medical waste collection entities in accordance with applicable regulations.

Greenhouse Gas Emission

Our greenhouse gas emissions related to operational activities of our power utilization and distribution business primarily include (i) Scope 1 direct emissions generated from the combustion of gasoline by official vehicles, the combustion of diesel by shuttle buses, and the combustion of natural gas in staff canteens, as well as fugitive emissions from refrigerants used in air-conditioning systems; and (ii) Scope 2 indirect emissions arising from purchased electricity consumed in production and office operations. As of December 31, 2025, our Company and three of our subsidiaries had each obtained ISO 14001 Environmental Management System certification. In response to the national target of carbon neutrality, we actively focus on reducing the greenhouse gas emissions generated during our operations.

Metrics and Indicators

We rely on various metrics to measure the impact of environmental risks, in line with industry standards. These metrics include the number of resources consumed, the amount of wastewater generated, and the amount of hazardous waste generated. The following table sets forth the information of our resource consumption and emissions during the Track Record Period:

	For the year ended December 31,		
	2023	2024	2025
Resource Consumption:			
Water consumption (m ³)	1,102,799.0	571,674.0	545,301.1
Water consumption intensity ⁽¹⁾ (m ³ /RMB million)	96.2	39.2	38.0
Purchased electricity consumption (MWh)	72,745.2	63,914.4	121,638.8
Purchased electricity consumption intensity ⁽¹⁾ (MWh/RMB million)	6.3	4.4	8.5
Emissions:			
Hazardous waste (tonnes)	704.9	402.2	2,078.8
Hazardous waste intensity ⁽¹⁾ (tonnes/RMB million)	0.06	0.03	0.14
Non-hazardous waste (tonnes)	12,729.0	13,887.7	19,883.5
Non-hazardous waste intensity ⁽¹⁾ (tonnes/RMB million)	1.1	1.0	1.4
Water waste (m ³)	603,088.0	717,273.0	863,513.0
Water waste intensity ⁽¹⁾ (m ³ /RMB million)	52.6	49.1	60.1
Greenhouse gas emissions (tonnes CO ₂ equivalent) ⁽²⁾	42,703.0	33,541.2	62,487.5
– Scope 1 (direct emissions) ⁽³⁾ (tonnes CO ₂ equivalent)	1,216.4	1,501.0	1,984.4
– Scope 2 (indirect emissions) ⁽⁴⁾ (tonnes CO ₂ equivalent)	41,486.6	32,040.2	60,503.1
Greenhouse gas emissions intensity ⁽¹⁾ (tonnes CO ₂ equivalent/RMB million)	3.7	2.3	4.4
– Scope 1 (direct emissions) intensity ⁽¹⁾⁽³⁾ (tonnes CO ₂ equivalent/RMB million)	0.1	0.1	0.1
– Scope 2 (indirect emissions) intensity ⁽¹⁾⁽⁴⁾ (tonnes CO ₂ equivalent/RMB million)	3.6	2.2	4.2

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Notes:

- (1) The amount used as the denominator for calculating intensity is our total revenue for the year indicated, in millions of RMB.
- (2) Total greenhouse gas emissions represent the sum of Scope 1 and Scope 2 greenhouse gas emissions.
- (3) Scope 1 emissions primarily result from the consumption of natural gas, gasoline for company vehicles and diesel for company buses during production and operational processes.
- (4) Scope 2 emissions primarily result from our purchased electricity and steam consumption.

Our resource consumption and emissions generally decreased from 2023 to 2024, primarily reflecting the results of our proactive resource conservation efforts across our operations. In particular, the significant decrease in water consumption was attributable to enhanced leak detection and repair programmes and ongoing energy efficiency improvements across our operations. Our resource consumption and emissions generally increased from 2024 to 2025, most notably in purchased electricity consumption, hazardous waste generation, and greenhouse gas emissions. Within our medical services business, the increase was attributable to two key factors. First, certain of our hospitals undertook systematic infrastructure upgrades and facility renovation works in 2025, including ward refurbishment, structural repairs, and environmental improvement works across multiple sites, which resulted in a temporary increase in energy consumption and waste generation during the construction period. Second, as we expanded our clinical and support workforce, our medical services business generated higher electricity consumption and greenhouse gas emissions for staff accommodation and daily hospital operations. Within our smart power distribution and utilization business, the increase in hazardous waste generation was primarily attributable to the commencement of operations at newly established production facilities.

Quantitative Targets and Implementation Measures

We are determined to enhance the environmental performance of our entire value chain, encompassing office operations, supplier selection, raw material inflow, manufacturing processes and waste management. Our goal is to improve energy efficiency and optimize energy usage to support sustainable business growth, while maintaining alignment with industry standards and best practices. To realize these long-term objectives, we are progressively optimizing production processes, improving energy efficiency, and increasing the proportion of green energy used in our operations.

In establishing the targets for the above metrics, we have taken into account our historical performance during the Track Record Period and conducted a thorough and prudent assessment of our anticipated business expansion, with a view to striking an appropriate balance between business growth and environmental protection in pursuit of sustainable development. Recognizing that the expansion of our business operations is expected to result in an increase in the number of employees and production scale, we have set a target for our smart power distribution and utilization segment to maintain our total emission and waste generation intensity at broadly comparable levels, with a targeted reduction of 5% by 2030 as compared to 2023 levels.

To implement these targets, we have undertaken several key measures across both of power utilization and distribution business and medical services business:

- ***Energy Management and Efficiency.*** We actively pursue strategies to reduce energy consumption across our operations, with a particular focus on electricity. We have established a comprehensive energy management framework underpinned by formal policies and dedicated oversight structures, including a dedicated energy management team for our power utilization and distribution business and the “Energy Management Policy” and related internal policies to standardize energy metering, accounting, and conservation requirements. In 2025, we completed energy audits for relevant product series and executed approximately 120 energy-saving technical renovation and management improvement projects spanning production processes and power equipment, achieving aggregate electricity savings of approximately 7.7

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million kWh, reducing carbon emissions by over 3,800 tonnes of CO₂ equivalent and generating cost savings of approximately RMB5.7 million. For our medical services business, we made meaningful progress in clean energy deployment in 2025, among which four hospitals completed the installation of rooftop PV systems, enabling on-site solar generation for self-consumption. In addition, one hospital has already been equipped with energy storage devices, and additional hospitals are currently advancing their energy storage projects.

- ***Water Resource Conservation.*** We have implemented systematic water conservation measures across both of our business segments. Our power utilization and distribution business conducts daily meter readings and comparative data analysis to promptly identify and repair pipeline leaks, thereby eliminating daily water losses of up to 80 tonnes per leak point. In addition, daily monitoring is performed at major water consumption points to detect abnormal usage patterns and minimize unnecessary resource losses. Our medical services business has formulated the “Pump Room Management Regulations” and maintains a regime of regular equipment inspections, preventive maintenance, and instrument calibration. Water conservation awareness is further promoted across medical institution premises through the use of conservation signage and the installation of flow control devices.
- ***Circular Economy and Waste Reduction.*** We actively promote circular economy principles throughout our operations. Through fine-grained classification of recyclable waste products, we generated approximately RMB75.7 million, RMB83.2 million and RMB98.4 million in sales of reusable waste products in 2023, 2024 and 2025, respectively. We also encourage the reuse of supplier transit packaging to minimize material waste across its supply chain.

Social Responsibility

Diversity and Employment

We believe our employees are our greatest asset and are committed to fostering a supportive, inclusive workplace with continuous professional development opportunities and comprehensive welfare benefits.

Our workforce reflects a strong commitment to diversity. As of December 31, 2025, 49.0% of our employees were female, with female colleagues playing significant roles across research and development, production management, and sales operations. We actively promote gender equality by providing ample career development opportunities for female employees. Our Board composition similarly reflects this commitment to diversity, comprising nine directors, including four female directors, as of December 31, 2025, bringing comprehensive perspectives and richer experience to our decision-making.

We have implemented a robust recruitment system emphasizing transparency, fairness, and meritocracy, utilizing both internal referrals and external talent acquisition strategies. Annual workforce plans and budget controls ensure tight alignment between human resources planning and our overall business strategy.

We are committed to respecting the dignity, individuality, and privacy of every employee, and adhere to a fair, transparent, and performance-driven compensation and promotion system aligned with market standards, job value, and individual contributions. We have designed distinct promotion paths for different types of talent, complemented by standardized evaluation criteria and procedures. We have also established a comprehensive, multi-tiered employee training system encompassing onboarding training, targeted skills training, management development programs, and external learning activities, including international forums.

Occupational Health and Safety

We strictly comply with the relevant laws and regulations on work safety and occupational disease prevention and control and are committed to providing employees with a healthy and safe working environment. We conduct regular monitoring of occupational hazard factors in workplaces with occupational hazards, in accordance with relevant regulations and standards, to ensure that the working

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environment complies with health standards. For employees in positions with exposure to occupational hazards, we conduct regular occupational health examinations to promptly identify and address potential health issues. We also provide comprehensive personal protective equipment to safeguard our workforce, particularly for our radiology staff in our hospitals, we equip them with lead aprons and lead caps to minimize exposure to ionizing radiation and protect their long-term health. In addition, we regularly organize employee safety training, emergency drills, and other activities to enhance employees' safety awareness and foster a corporate culture that prioritizes health and safety.

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any occupational health and safety incidents or any claims for personal injury or property damage that would have any material adverse impact on our results of operations, financial position or growth prospects.

Social Contributions

We firmly believe that social responsibility and business success are mutually reinforcing, and the sustainable development of an enterprise cannot be achieved without giving it back to society. Accordingly, we actively fulfill our social responsibilities, deeply engage in rural revitalization to promote social harmony and progress through concrete actions.

We actively recruit workers from developing regions, which not only meets our internal manpower needs, but also supports local livelihoods and helps reduce regional employment disparities. As of December 31, 2025, we employed over 100 such workers from developing areas. In addition, we are committed to enabling high-quality medical services to benefit people in all regions more extensively. We have actively organized and conducted free medical consultations and health lectures across multiple cities nationwide. We mobilize our medical staff to go deep into local communities and rural areas, providing residents with free medical examinations, health consultations, and essential knowledge on disease prevention.

RISK MANAGEMENT AND INTERNAL CONTROL

We have adopted and implemented comprehensive risk management policies, covering risks that may arise in R&D, procurement management, production management, sales management, among others. Meanwhile, we are dedicated to overseeing and assessing the effectiveness of risk management and internal control systems to ensure that these systems are corrected and effectively controlled during business development in a timely manner.

In order to monitor the continuous implementation of [REDACTED] risk management policies and corporate governance measures, we have taken or will continue to take risk management measures as follows:

- Our Board is responsible for monitoring our internal control system, assessing its effectiveness and maintaining suitable and effective risk tolerance levels.
- 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.
- Our financial affairs department, legal and compliance department, human resources department and other relevant departments are responsible for implementing our risk management policies and conducting daily risk management activities.
- When necessary, we engage external professional advisors to work with our internal audit and legal teams to conduct regular reviews to ensure the validity of all registrations, licenses, permits, filings and approvals.

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PROPERTIES

Owned Properties

As of the Latest Practicable Date, we obtained ten land use right certificates for properties with an aggregate site area of over 923,000 square meters, on which we owned 13 buildings with an aggregate GFA of over 1,111,000 square meters, in Chinese Mainland. These properties are primarily used for production and operations, and hospital operations. We also own certain properties overseas. As of Latest Practicable Date, we owned one property with an aggregate site area of approximately 24,000 square meters in Indonesia. The property we owned is primarily used for production and office purposes.

The Property Valuation Report from JLL, an independent property valuer, set out in Appendix III of this document, sets out details of our selective property interest as of March 31, 2026. JLL valued the property interest at an amount of RMB1,210.0 million as of March 31, 2026. Except for the property interest set forth in the Property Valuation Report from JLL, no other property interests are used for property activities as defined under Rule 5.01 of the Listing Rules. No single property interest that forms part of our non-property activities had a carrying amount representing 15% or more of our total assets as of March 31, 2026.

Leased Properties

As of the Latest Practicable Date, we operated our business through 47 leased properties with a total GFA of over 460,000 square meters in Chinese Mainland. Such properties primarily serve as our office premises, R&D centers, and hospitals. As of the same date, we leased seven properties overseas with an aggregate site area of approximately 65,000 square meters, which primarily serve as our production bases.

Pursuant to the applicable PRC laws and regulations, property lease agreements must be registered with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC. As of the Latest Practicable Date, 16 of our lease agreements in China had not been registered. Our PRC Legal Advisors are of the view that the non-registration of our lease agreements will not affect the validity of such lease agreements, but the relevant local housing administrative authorities may require us to complete registrations within a specified timeframe and we may be subject to a fine between RMB1,000 and RMB10,000 per lease for any delay in making these registrations. We may be subject to the risks of fines if lease registration is not completed as required by the relevant local housing administrative authorities. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any penalties arising from the non-registration of the lease agreements. For some of our leased properties in the PRC, the lessors fail to provide valid title certificates to prove the ownership of the leased premises. In such case, our rights in relation to such properties might not be entirely protected. In addition, the actual usages of certain leased properties were used for purposes inconsistent with their respective permitted usage, which may also challenge or interrupt our use and occupation of the relevant properties. For details, see “Risk Factors — Risks Relating to Our Operations — Our leased properties may be subject to non-compliances or challenges that could potentially affect our future use of them.”

LICENSES, APPROVALS AND PERMITS

We are subject to regular inspections, examinations and audits by local regulators and are required to maintain or renew the necessary permits, licenses and certificates for our business. As of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material to our operations and such licenses, permits and certifications all remain in full effect. For more details regarding the laws and regulations to which we are subject, see “Regulatory Overview” in this document.

As of the Latest Practicable Date, we had not experienced any material difficulty in obtaining or renewing the required licenses, permits, approvals, and certificates for our business operations. We do not expect there to be any material legal impediment in renewing these licenses, permits, approvals and certificates as they expire in future as long as we are in compliance with applicable laws, regulations, and rules.

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The following table sets forth the details of our material licenses, permits and approvals as of the Latest Practicable Date:

License/Permit/Certificate	Holder	Grant Date	Expiration Date
Medical Institution Practicing License (醫療機構執業許可證)	Ningbo Mingzhou Hospital Co., Ltd. (寧波明州醫院有限公司)	April 22, 2026	June 30, 2027
License/Permit/Certificate: Radio Transmission Equipment Type Approval Certificate (無線電發射設備型號核准證)	Our Company	October 24, 2025	November 3, 2028
Customs Declaration Entity Registration Certificate (報關單位備案證明)	Our Company	October 20, 2025	N/A
Customs Declaration Entity Registration Certificate (報關單位備案證明)	AUX Technology	January 15, 2024	N/A
Radio Transmission Equipment Type Approval Certificate (無線電發射設備型號核准證)	Our Company	November 17, 2023	November 17, 2028
Telecommunication Equipment Networking License (電信設備進網許可證)	Our Company	October 16, 2023	October 16, 2026

AWARDS AND RECOGNITIONS

During the Track Record Period, we received numerous recognitions for our products and services. Some of the significant awards and recognition we received are set forth below.

Year Granted	Award/Recognition	Awarding Institution/Authority
2025	National Green Supply Chain (國家級綠色供應鏈)	MIIT
2025	Zhejiang Province AI Application Scenario (浙江省人工智能應用場景)	Zhejiang Provincial Department of Economy and Information Technology
2024 and 2025	Top 7 of Medical Institutions Established by Social Capitals Hospital Groups (艾力彼社會辦醫醫院集團7強)	Guangzhou Institute of Asclepius Hospital Management
2025	2 hospitals ranked among Top 300 Socially-Funded Rehabilitation Hospitals (艾力彼社會辦醫康復醫院300強), 7 hospitals ranked among Top 500 Socially-Funded Rehabilitation Hospitals (艾力彼社會辦醫康復醫院500強)	Guangzhou Institute of Asclepius Hospital Management
2024	1 hospital ranked among Top 300 Socially-Funded Rehabilitation Hospitals (艾力彼社會辦醫康復醫院300強), 8 hospitals ranked among Top 500 Socially-Funded Individual Hospitals (艾力彼社會辦醫單體醫院500強)	Guangzhou Institute of Asclepius Hospital Management
2024	“Robot+” Application Benchmark Enterprise (“機器人+”應用標桿企業)	Zhejiang Provincial Department of Economy and Information Technology
2024	Provincial Industrial Design Center (省工業設計中心)	Zhejiang Provincial Department of Economy and Information Technology

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Year Granted	Award/Recognition	Awarding Institution/Authority
2024	First-of-Its-Kind Product in the Province — Energy Controller (ECU4H13-SX7910) (省內首台(套) — 能源控制器(ECU4H13-SX7910))	Zhejiang Provincial Department of Economy and Information Technology
2024	Zhejiang Province Cross-border E-commerce Export Renowned Brand (浙江省出口名牌)	Zhejiang Provincial Department of Commerce
2023	National Service-Oriented Manufacturing Demonstration Enterprise (國家級服務型製造示範企業)	MIIT
2023	National Green Factory (國家級綠色工廠)	MIIT
2023	National Green Design Demonstration (綠色設計示範)	MIIT
2023	Zhejiang Provincial Enterprise Technology Center (浙江省企業技術中心)	Zhejiang Provincial Department of Economy and Information Technology
2023	Zhejiang Provincial Key Enterprise Research Institute (浙江省重點企業研究院)	Zhejiang Provincial Department of Science and Technology
2023	National Intelligent Manufacturing Outstanding Scenario (國家級智能製造優秀場景)	MIIT, NDRC, Ministry of Finance of the People’s Republic of China, State-owned Assets Supervision and Administration Commission of the State Council, and SAMR
2023	National Intellectual Property Advantage Enterprise (國家級知識產權優勢企業)	National Intellectual Property Administration

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We are subject to legal proceedings, disputes and claims that arise in the ordinary course of business. In particular, we may subject to medical disputes and malpractice claims brought by patients and/or their families against our hospitals. These medical disputes and malpractice claims are primarily related to complications and physical injuries that the patients claim to have suffered during or after receiving medical services at our hospitals. Due to the nature of the healthcare industry and the inherent risks in treating patients, especially patients with complex medical conditions requiring intensive care or high-risk clinical procedures, we are exposed to risks of medical disputes that we cannot entirely eliminate. For details, see “Risk Factors — Risks Relating to Our Medical Service Business and Industry — We are exposed to risks of medical disputes, malpractice claims, and other disputes arising from or in connection with our operations, which could result in costs and harm to our reputation” and “Risk Factors — Risks Relating to Our Operations — Our business may suffer as a result of adverse outcomes of current or future litigation and regulatory actions.”

During the Track Record Period and up to the Latest Practicable Date, we have not been involved in any material legal or administrative proceedings that could significantly impact our operations, financial position, growth prospects, or reputation.

Compliance

We maintain rigorous compliance with all applicable laws and regulations governing our operations. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operation.