SUMMARY

***This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to invest in the* [REDACTED].**

***There are risks associated with any investment. Some of the particular risks in investing in the* [REDACTED] *are set out in "Risk Factors" in this document. You should read that section carefully before you decide to invest in the* [REDACTED].**

OVERVIEW

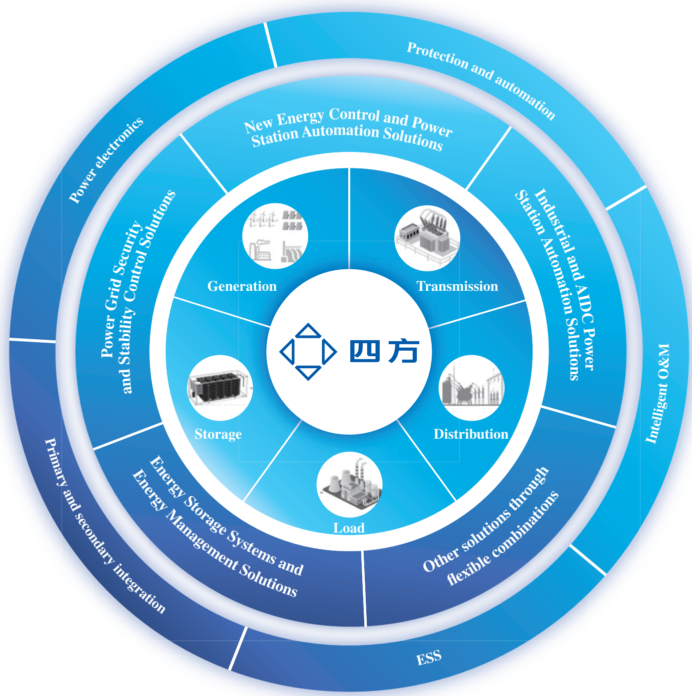
Who We Are

We are a new electricity system solution provider. With many of our proprietary technologies and products recognized as reaching internationally leading or international advanced levels, we command a leading position in the protection and automation solution market in China. To fulfill our mission to make electricity safer, more intelligent, more efficient and cleaner, we primarily engage in manufacturing relevant electric equipment and provide solutions for new electricity systems. We have accumulated extensive expertise in the safety and stability control of power grids. According to Frost & Sullivan, we ranked second in China's protection and automation solution market in 2025 with a market share of 10.3%. Beyond the secondary equipment, including protection and automation and intelligent operation and maintenance ("**O&M**"), we continue to expand our business into power electronics, primary and secondary integration and energy storage systems ("**ESS**"). Furthermore, we have launched solid state transformer ("**SST**") products for AI data centers ("**AIDC**") and are further broadening our solution portfolio for new electricity systems and other emerging energy consumption scenarios.

Our technological expertise is rooted in our founding team's pioneering breakthroughs in the field of microprocessor-based relay protection for China's power systems. Since our establishment in 1994, we have been deeply engaged in the power system domain. Building upon a profound understanding of power grid system security and operational control, we have continuously developed industry-leading comprehensive capabilities in system analysis, simulation verification, software and hardware platform development and critical equipment manufacturing. This forms a solid foundation for advancing the engineering application and intelligent development of our comprehensive portfolio that covers all key segments of power generation, transmission, distribution, load and storage along the new electricity system value chain. As of the Latest Practicable Date, our solutions have been deployed across more than 30 provinces and regions in China as well as over 90 countries and territories globally, building a strong customer base and market presence.

Our Business

Leveraging our deep understanding of power system security and stability control mechanisms, together with our capabilities in system analysis, simulation and verification, and our proprietary software and hardware platforms, we have developed a comprehensive portfolio of business lines and solutions spanning secondary equipment, power electronics, primary and secondary integration and ESS. Within each of these categories, we offer multiple product series and configurations designed to meet the requirements of different operating environments, application scenarios and customer needs. This enables us to provide flexible and customized solutions across the key segments of power generation, transmission, distribution, load and storage along the value chain of new electricity systems. See "Business — Our Solutions."



Market Opportunities

The global energy transition is reshaping the power system landscape with unprecedented depth and breadth. Driven by the imperatives of addressing climate change, ensuring energy security, and promoting sustainable development, decarbonization, digitalization and re-electrification have become critical directions in the energy strategies of nations worldwide. New electricity systems across different regions are evolving along their respective development paths. According to Frost & Sullivan, the market size of new electricity system solutions in China is expected to grow from RMB390.5 billion in 2025 to RMB992.7 billion in 2030 at a CAGR of 20.5%. Within this market, the segments for primary-secondary integrated equipment, power electronics and ESS are expected to grow at even faster rates, with CAGRs of 21.4%, 26.7% and 54.2%, respectively, over the same period. The global market size of new electricity system solutions is expected to grow from RMB1,111.3 billion in 2025 to RMB2,390.9 billion in 2030 at a CAGR of 16.6%. See "Industry Overview."

RESEARCH AND DEVELOPMENT

R&D is critical to maintaining our market-leading position and supporting the sustained growth of our business, by ensuring that we can continuously respond to evolving downstream demands and application scenarios. As of December 31, 2025, we have established three R&D centers. In addition to our R&D centers, we also established a number of specialized R&D teams within our business sectors, ensuring that our R&D efforts are closely aligned with specific product requirements and market demands. See "Business — Research and Development."

PRODUCTION

We produce our products at our own production facilities, which enables us to maintain direct oversight over the entire manufacturing process and ensure that we consistently deliver high-quality products on time to meet our customers' demands. We have established a network of production facilities in strategic locations to better serve our major markets and target customers. As of December 31, 2025, we operate three production facilities in Baoding, Hebei Province, Nanjing, Jiangsu Province and Huzhou, Zhejiang Province in the PRC. See "Business — Production."

CUSTOMERS AND SUPPLIERS

Our Customers

Our customers are mainly grid corporations, new energy and conventional power producers, as well as industrial power users, as well as customers in sectors such as steel, metallurgy, petroleum, chemical and port equipment enterprises.

In 2023, 2024 and 2025, sales to our five largest customers amounted to RMB3,274.5 million, RMB3,731.5 million and RMB4,463.0 million, respectively, accounting for 56.9%, 53.7% and 54.5% of our total sales in the respective periods. In 2023, 2024 and 2025, sales to our largest customer amounted to RMB1,971.8 million, RMB2,369.1 million and RMB2,480.5 million, accounting for 34.3%, 34.1% and 30.3% of our total sales in the respective periods. As of the Latest Practicable Date, to the best knowledge of our Directors, none of our Directors, their close associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) had any interest in our five largest customers in any period during the Track Record Period that are required to be disclosed under the Listing Rules.

Our Suppliers

Our suppliers are mainly providers of electronic components, including chips, PCB and enclosure, other equipment including servers and power supply module, and testing and design services. We have established and maintain stable and long-term relationships with these major suppliers.

In 2023, 2024 and 2025, purchases from our five largest suppliers amounted to RMB436.2 million, RMB535.9 million and RMB651.6 million, respectively, accounting for 13.0%, 13.0% and 11.9% of our total purchases in the respective periods. In 2023, 2024 and 2025, purchases from our largest supplier amounted to RMB145.9 million, RMB167.8 million and RMB273.8 million, accounting for 4.4%, 4.1% and 5.0% of our total purchases in the respective periods. As of the Latest Practicable Date, to the best knowledge of our Directors, none of our Directors, their close associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) had any interest in our five largest suppliers in any period during the Track Record Period that are required to be disclosed under the Listing Rules.

OUR STRENGTHS

Our business success and sustained development are built upon a series of interconnected and mutually reinforcing competitive advantages.

- Solid Foundation and First-Mover Advantage in Traditional Areas of Protection and Automation Solutions and Power Grid Safety from Over Thirty Years of Experience and Stability Technologies, with Proven Capabilities to Expand into Emerging Fields;
- System-Level Understanding and Forward-Looking R&D Mechanisms to Build Core Competitiveness for Rapid Response to Market Demands;
- Comprehensive Solution Portfolio and All-Round Synergistic Capabilities Covering the Value Chain in New Electricity Systems;
- Intelligent Manufacturing, Flexible Production, and Localized Delivery Capabilities to Support Diverse Application Scenarios;
- A Diversified, High-Quality Customer Base with Solid Industry Influence and Brand Reputation; and
- A Deeply Rooted, Stable and Committed Management Team with Strategic Vision

OUR STRATEGIES

We will implement the following strategies:

- Deepening Our Core Business Foundation and Solidifying the Bedrock for Development;
- Accelerating Global Expansion to Achieve Leapfrog Growth in Overseas Business;
- Seizing Emerging AIDC Opportunities and Establishing a New Strategic High Ground in SST;
- Comprehensively Advancing Intelligent Digitalization and AI Empowerment; and
- Building Long-Term Sustainable R&D and Talent Advantages.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information during the Track Record Period. The summary financial data set forth below should be read together with, and is qualified in its entirety by reference to, the consolidated financial statements as set out in the Accountants' Report in Appendix I to this document, including the related notes. Our consolidated financial information was prepared in accordance with IFRS Accounting Standards.

RESULTS OF OPERATIONS

	Year Ended December 31,					
	2023		2024		2025	
	(in RMB thousands, except for percentages)					
Revenue	5,751,051	100.0%	6,950,935	100.0%	8,193,310	100.0%
Cost of sales	(3,828,010)	(66.6)%	(4,722,530)	(67.9)%	(5,746,997)	(70.1)%
Gross profit	1,923,041	33.4%	2,228,405	32.1%	2,446,313	29.9%
Other income, net	178,393	3.1%	203,048	2.9%	208,951	2.6%
Selling and marketing expenses	(478,918)	(8.3)%	(515,128)	(7.4)%	(552,564)	(6.7)%
Administrative expenses	(328,104)	(5.7)%	(374,140)	(5.4)%	(362,554)	(4.4)%
Research and development expenses	(541,019)	(9.4)%	(656,086)	(9.4)%	(706,966)	(8.6)%
Impairment loss on trade and other receivables and contract assets	(21,646)	(0.4)%	(66,565)	(1.0)%	(106,629)	(1.3)%
Profit from operations	**731,747**	**12.7%**	**819,534**	**11.8%**	**926,551**	**11.3%**
Finance costs	(643)	0.0%	(283)	0.0%	–	–
Share of profit of an associate	3,701	0.1%	4,201	0.1%	5,147	0.1%
Share of profits of joint ventures	397	0.0%	326	0.0%	370	0.0%
Profit before taxation	**735,202**	**12.8%**	**823,778**	**11.9%**	**932,068**	**11.4%**
Income tax	(107,302)	(1.9)%	(107,943)	(1.6)%	(103,125)	(1.3)%
Profit for the year	**627,900**	**10.9%**	**715,835**	**10.3%**	**828,943**	**10.1%**

Revenue

By Business Line

	Year Ended December 31,					
	2023		2024		2025	
	(in RMB thousands, except for percentages)					
Secondary equipment	4,559,708	79.3%	5,433,679	78.2%	6,200,206	75.7%
– Protection and automation solutions	4,151,907	72.2%	4,921,873	70.8%	5,543,599	67.7%
– Intelligent O&M	407,801	7.1%	511,806	7.4%	656,607	8.0%
Power electronics	393,533	6.8%	505,954	7.3%	701,450	8.6%
Primary and secondary integration	454,928	7.9%	484,701	7.0%	585,160	7.1%
ESS	283,638	4.9%	445,928	6.4%	585,801	7.1%
Others[(1)]	50,621	0.9%	72,064	1.0%	112,921	1.4%
Subtotal	**5,742,428**	**99.9%**	**6,942,326**	**99.9%**	**8,185,538**	**99.9%**
Gross rentals from investment property	8,623	0.1%	8,609	0.1%	7,772	0.1%
Total	**5,751,051**	**100.0%**	**6,950,935**	**100.0%**	**8,193,310**	**100.0%**

Note:

(1) Others mainly include power consumption digitalization.

See "Results of Operations — Principal Components of Results of Operations — Revenue".

Gross Profit and Gross Profit Margin

By Business Line

	Year Ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(in RMB thousands, except for percentages)					
Secondary equipment	1,786,876	39.2%	1,956,198	36.0%	2,195,356	35.4%
– Protection and automation	1,628,888	39.2%	1,764,235	35.8%	1,981,777	35.7%
– Intelligent O&M	157,988	38.7%	191,963	37.5%	213,579	32.5%
Power electronics	75,094	19.1%	118,544	23.4%	132,240	18.9%
Primary and Secondary Integration	54,029	11.9%	95,402	19.7%	47,417	8.1%
ESS	50,580	17.8%	62,415	14.0%	69,222	11.8%
Others[(1)]	8,266	16.3%	9,144	12.7%	26,295	23.3%
Subtotal	**1,974,845**	**34.4%**	**2,241,703**	**32.3%**	**2,470,530**	**30.2%**
Gross rentals from investment property	5,878	68.2%	5,864	68.1%	5,786	74.4%
Written down of inventories	(57,682)		(19,162)		(30,003)	
Total/Overall	**1,923,041**	**33.4%**	**2,228,405**	**32.1%**	**2,446,313**	**29.9%**

Note:

(1) Others mainly include power consumption digitalization.

See "Financial Information — Period-to-period Comparison of Results of Operations — Gross Profit and Gross Profit Margin."

Summary of Consolidated Statements of Financial Position

	As of December 31,		
	2023	2024	2025
	(in RMB thousands)		
Non-current assets	979,795	1,123,045	1,266,301
Current assets	8,524,981	9,922,690	11,438,828
Current liabilities	5,249,477	6,447,872	7,788,407
Net current assets	3,275,504	3,474,818	3,650,421
Total assets less current liabilities	4,255,299	4,597,863	4,916,722
Non-current liabilities	21,036	18,678	20,546
Net assets	4,234,263	4,579,185	4,896,176
Total equity	4,234,263	4,579,185	4,896,176

See "Financial Information — Selected Balance Sheet Items" and "Consolidated Statements of Changes in Equity" in the Accountants' Report in Appendix I to this document.

Cash Flows

The table below sets forth our cash flows for the years indicated.

	Year Ended December 31,		
	2023	2024	2025
	(in RMB thousands)		
Net cash generated from operating activities	1,232,669	1,254,177	1,224,656
Net cash used in investing activities	(123,860)	(392,798)	(452,391)
Net cash used in financing activities	(359,241)	(496,048)	(605,397)
Net increase in cash and cash equivalents	**749,568**	**365,331**	**166,868**
Cash and cash equivalents at the beginning of the year	2,142,272	2,892,147	3,258,644
Effects of exchange rate changes	307	1,166	(3,392)
Cash and cash equivalents at the end of the year	**2,892,147**	**3,258,644**	**3,422,120**

See "Financial Information — Cash Flow."

KEY FINANCIAL RATIOS

	For the year ended/As of December 31,		
	2023	2024	2025
Gross margin(1)	33.4%	32.1%	29.9%
Net profit margin(2)	10.9%	10.3%	10.1%
Return on equity(3)	15.2%	16.2%	17.5%
Current ratio(4)	162.4%	153.9%	146.9%

Notes:

(1) Gross margin is calculated as gross profit for the year divided by revenue for the corresponding year and multiplied by 100%.

(2) Net profit margin is calculated as profit for the year divided by revenue for the corresponding year and multiplied by 100%.

(3) Return on equity is calculated as profit for the year divided by the average total equity and multiplied by 100%. Average total equity is the sum of the balance of total equity at the beginning and at the end of the year, divided by two.

(4) Current ratio is calculated as total current assets as of the end of the year divided by total current liabilities as of the end of the corresponding year and multiplied by 100%.

[REDACTED] EXPENSES

[**REDACTED**] expenses represent professional fees, [**REDACTED**] commission and fees incurred in connection with the [**REDACTED**] and the [**REDACTED**]. Our [**REDACTED**] expenses are estimated to be approximately HK$[**REDACTED**] (including [**REDACTED**] commission) accounting for [**REDACTED**]% of the gross [**REDACTED**] of the [**REDACTED**] (assuming that an [**REDACTED**] of HK$[**REDACTED**] per H Share (being the mid-point of the [**REDACTED**] range stated in this document), and no exercise of the [**REDACTED**]). Among our [**REDACTED**] expenses, approximately HK$[**REDACTED**] is directly attributable to the issuance of H Shares and will be charged to equity upon completion of the [**REDACTED**], and approximately HK$[**REDACTED**] has been or will be charged to our consolidated statements of profit or loss and other comprehensive income. The [**REDACTED**] expenses we expect to incur would consist of approximately HK$[**REDACTED**] related expenses and fees (including [**REDACTED**] commissions, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy), approximately HK$ [**REDACTED**] non-[**REDACTED**]-related expenses and fees including fees for the Sole Sponsor, legal advisors and reporting accountants and approximately HK$[**REDACTED**] for other non-[**REDACTED**]-related fees and expenses. During the Track Record Period, we did not incur any [**REDACTED**] expenses.

The [**REDACTED**] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

RISK FACTORS

We face risks including those set out in the section headed "Risk Factors." As different investors may have different interpretations and criteria when determining the significance of risks, you should read the "Risk Factors" section in its entirety before you decide to invest in our H Shares. Some of the major risks that we face include:

- We face intense competition in the industry where we operate.
- Our business is subject to market conditions and fluctuating demand for our solutions.
- We may fail to adapt to changing market needs, evolving industry practices and rapid technological developments, and to apply our solutions across an expanding range of scenarios.
- We obtain our business mainly through bidding. We may fail to obtain sufficient orders, which may materially and adversely affect our business, results of operations and financial condition.
- We generate a substantial portion of our revenue from a limited number of key customers.
- Our R&D efforts are not guaranteed to yield the results we anticipate.
- Undetected defects or errors of our products could adversely affect our business, financial condition and results of operations.
- We source certain raw materials and components from the market, and we may not be able to secure our supply of such materials in a stable, timely and cost-effective manner.
- Any production interruption or incident may have a material and adverse impact on our business, financial condition and results of operations.
- If we fail to expand production capacity as planned or achieve output growth targets on schedule, our business, financial condition and results of operations may be materially and adversely affected.

FUTURE PLANS AND USE OF [REDACTED]

Assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share (being the midpoint of the range of the [**REDACTED**] stated in this document), we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] from the [**REDACTED**] after deducting the [**REDACTED**] and other estimated expenses in connection with the [**REDACTED**] (assuming the [**REDACTED**] is not exercised). We intend to use our [**REDACTED**] for the purposes and in the amounts set forth below.

- approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to enhance our R&D and testing capabilities;
- approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to further expand our production capacity and enhance our production capabilities;
- approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the strategic investment and acquisition;
- approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to enhance our overseas marketing and service capabilities; and
- approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for working capital and other general corporate purposes.

[REDACTED] STATISTICS

The statistics in the following table are based on the assumptions that (i) the [**REDACTED**] has been completed and [**REDACTED**] H Shares are newly issued in the [**REDACTED**], and (ii) the [**REDACTED**] for the [**REDACTED**] are not exercised:

	Based on an [REDACTED] of HK$[REDACTED] per H Share	Based on an [REDACTED] of HK$[REDACTED] per H Share
Market value of our H Shares[1]	HK$[**REDACTED**]	HK$[**REDACTED**]
Market value of our A Shares[2]	HK$71,863.7 million	HK$71,863.7 million
Total market capitalization[3]	HK$[**REDACTED**]	HK$[**REDACTED**]
Unaudited [**REDACTED**] adjusted net tangible assets per Share[4][5]	HK$[**REDACTED**]	HK$[**REDACTED**]

Notes:

(1) The calculation of market value of our H shares is based on [**REDACTED**] H Shares expected to be issued immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised).

(2) The calculation of market value of our A shares is based on the average closing price of the A Shares of RMB75.09 per A Share for the five business days immediately preceding the Latest Practicable Date and the total share capital of 833,105,500 A Shares as of the Latest Practicable Date. For illustrative purpose, the market value of our A shares have been converted into HK$ with an exchange rate of RMB1 to HK$1.1488.

(3) The total market capitalization of the Company is based on [**REDACTED**] H Shares expected to be issued immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised) and the total share capital of 833,105,500 A Shares as of the Latest Practicable Date.

(4) The unaudited [**REDACTED**] adjusted net tangible assets per Share is arrived at after adjustments referred to in "Appendix II — Unaudited [**REDACTED**] Financial Information" in this document and on the basis that [**REDACTED**] Shares (being 833,183,500 Shares in issue as of December 31, 2025, deducting unvested restricted shares under Restricted Share Incentive Plan as of December 31, 2025 of 8,098,100 Shares and adding [**REDACTED**] H Shares to be issued pursuant to the [**REDACTED**]), were in issue immediately following the completion of the [**REDACTED**], and does not take into account any H shares which may be issued upon the exercise of the [**REDACTED**].

(5) No adjustment has been made to reflect any trading results or other transactions of us entered into subsequent to December 31, 2025, including but not limited to the dividends of RMB594.1 million (representing the total dividend approved and paid in May 2026 of RMB599.8 million less the dividend of RMB5.8 million in respect of the unvested restricted shares). Had such dividends been approved on December 31, 2025, the [**REDACTED**] adjusted net tangible assets would have decreased by approximately RMB594.1 million and the [**REDACTED**] adjusted net tangible assets per share would have decreased by approximately RMB[**REDACTED**] (equivalent to HK$[**REDACTED**]).

DIVIDEND POLICY

Our declaration and payment of dividends are subject to PRC laws and regulations, including the PRC Company Law (《中華人民共和國公司法》) and the No. 3 Guideline for the Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies (2025 Revision) (《上市公司監管指引第3號—上市公司現金分紅(2025年修訂)》) and the Articles of Association. We have established our dividend policy as prescribed in the Articles of Association. As a principle, our profit distribution should emphasize providing reasonable investment returns to public shareholders, with the aim of sustainable development and safeguarding shareholders' rights and interests. Under the condition that (i) the distributable profits realized by the Company for the year are positive and the implementation of cash dividends will not affect the Company's continuous operation; (ii) the Company's cumulative distributable profits are positive; (iii) the auditing firm has issued a standard unqualified audit report; and (iv) there are no other major exceptional circumstances, we shall distribute no less than 30% of the distributable profits realized in a given year in the form of cash dividends each year. Save as prescribed in the Articles of Association, we do not set other payout ratio target. Future profit distributions may be carried out in the form of cash dividends or stock dividends or a combination of cash dividends and stock dividends. Any proposed distribution of dividends is subject to the discretion of our Board and the approval at our Shareholders' meetings.

In 2023, 2024 and 2025, we paid dividends of RMB500.1 million, RMB499.4 million and RMB600.0 million, respectively.

LISTING ON THE SHANGHAI STOCK EXCHANGE

Since December 2010, the A Shares have been listed on the Shanghai Stock Exchange. The Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, the Company has complied with all laws and regulations, in all material respects, applicable to its A-share Listing. To the best knowledge of the Directors, there are no material matters in relation to the compliance record of the Company on the Shanghai Stock Exchange that should be brought to the attention of the Stock Exchange or potential investors of the [**REDACTED**]. As advised by the PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, the Company has not been subject to any material administrative penalties or regulatory measures imposed by the CSRC, the Shanghai Stock Exchange or other PRC securities regulatory authorities. Based on the independent due diligence conducted by the Sole Sponsor, no material matter has come to the Sole Sponsor's attention that would cause it to disagree with the Directors' confirmation with regard to the compliance records of the Company on the Shanghai Stock Exchange.

CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, the Company was directly held as to, among others, approximately (i) 39.07% by Sifang Electric, (ii) 0.77% by Dr. Yang Qixun, and (iii) 0.52% by Dr. Wang Xuzhao.

As of the Latest Practicable Date, Sifang Electric was directly held as to, among others, approximately (i) 3.66% by Dr. Yang Qixun, (ii) 4.70% by Dr. Wang Xuzhao, and (iii) 18.59% by Panxin Management, a shareholding platform of Sifang Electric. The rest of the equity interests in Sifang Electric were held by a total of 89 shareholders, with none of whom holding more than 10% in Sifang Electric. Dr. Yang Qixun served as the general partner of Panxin Management as of the Latest Practicable Date. Dr. Yang Qixun and Dr. Wang Xuzhao entered into the Acting-in-Concert Agreement on October 16, 2008, pursuant to which they agreed to act in concert in respect of, among other things, the requisition of board meetings and general meetings of Sifang Electric, proposals at such meetings and voting thereon. In addition, as of the Latest Practicable Date, 17 shareholders of Sifang Electric, holding approximately 4.00% of the total issued share capital of Sifang Electric in aggregate, have entrusted the exercise of their voting rights at the general meetings of Sifang Electric to Dr. Yang Qixun, and 15 shareholders of Sifang Electric, holding approximately 1.19% of the total issued share capital of Sifang Electric in aggregate, have entrusted the exercise of their voting rights at the general meetings of Sifang Electric to Dr. Wang Xuzhao. Accordingly, Dr. Yang Qixun and Dr. Wang Xuzhao, collectively, were able to control approximately 32.14% of the voting rights at the general meetings of Sifang Electric.

Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), Dr. Yang Qixun, Dr. Wang Xuzhao, Panxin Management and Sifang Electric, collectively, will control an aggregate of approximately [**REDACTED**]% of the total issued share capital of the Company. As such, Dr. Yang Qixun, Dr. Wang Xuzhao, Panxin Management and Sifang Electric will together constitute a group of the Controlling Shareholders upon [**REDACTED**]. See "Relationship with Controlling Shareholders" for details.

NO MATERIAL ADVERSE CHANGE AND RECENT DEVELOPMENTS

Our Directors confirmed that, as of the date of this document, there has been no material adverse change in our financial position since December 31, 2025, and there has been no event since December 31, 2025 that would materially affect the historical financial information as set out in the Accountants' Report in Appendix I to this document.