SUMMARY

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

OVERVIEW

Founded in 2003, we are a comprehensive power engineering service provider based in Jinan, Shandong Province, China. Our comprehensive engineering solutions cover (i) engineering, procurement and construction (EPC) services; (ii) construction design and consultancy services; and (iii) other services (including construction supervision services, and construction operation and maintenance services) with a focus on power engineering for renewable energy, according to Frost & Sullivan, we ranked third among non-state-owned comprehensive power engineering service enterprises in the PRC comprehensive power engineering services industry, in terms of power industry revenue for 2025.

In terms of project nature, our projects fall into four categories. The first is power engineering – renewable energy, which include power and renewable energy generation, transmission and grid infrastructure projects. The second is power engineering – traditional energy, such as traditional power and energy generation and transmission. The third is municipal and construction, including urban infrastructure and utilities. The fourth is environmental protection engineering, covering environmental pollution control and waste treatment.

Over the years, we have achieved and accumulated a number of qualifications and recognitions for our professional services, including engineering qualifications of the highest category in our core services. Notably, we have obtained Grade A qualification for Engineering Design in the Power Industry in 2018, becoming one of only three non-state-owned enterprises in the PRC to hold such qualification at present. According to Frost & Sullivan, only a very limited number of non-state-owned engineering service providers hold Grade A engineering design qualifications in the power industry across the PRC.

COMPETITIVE STRENGTHS

We believe our competitive strengths lies with, among others, (i) the recognition as an experienced comprehensive power engineering service provider with dedicated and experienced founders, management team and engineers; (ii) receipt of a wide range of qualification coverage, which establishes our design capabilities and our own research and development efforts; (iii) our strong track record in renewable and traditional energy and, environmental protection engineering projects which positions us to benefit from the current industry trend; (iv) our strong core technologies and proven track record on pioneering power engineering projects; and (v) our established long-term relationships with existing customers and stable partnerships with our suppliers and subcontractors. See "Business – Competitive Strengths for more details.

BUSINESS STRATEGIES

Currently, driven by sustained investment in power infrastructure, renewable energy, and grid construction, according to Frost & Sullivan, the market size of the PRC comprehensive power engineering services industry has increased from RMB194.8 billion in 2020 to RMB398.5 billion in 2024, and is expected to reach RMB678.6 billion by 2030. It is expected that the industry will grow at a CAGR of 10.5% from 2026 to 2030. Besides our core business activities in China, we have expanded, and will continue to expand, our market shares in comprehensive power engineering services in China and further strengthening our design and research and development capabilities.

In view of the industry trend, we shall (i) continue to elevate our market position and enhancing our market share in the comprehensive power engineering industry; and (ii) further strengthen our design and research and development capabilities. See "Business – Business Strategies" for more details.

CUSTOMERS

Our customers mainly include major state-owned power groups and large private enterprises. In terms of the number of customers, we have in total 362, 341 and 298 customers for the years ended 31 December 2023, 2024 and 2025. In terms of revenue, we derived approximately RMB143.4 million, RMB337.0 million and RMB414.7 million respectively from our largest customer, for the years ended 31 December 2023, 2024 and 2025, representing approximately 24.7%, 49.7% and 51.2% of our total revenue for the same periods, respectively. In the same periods, the revenue generated from our top five customers in each year during the Track Record Period amounted to approximately RMB344.6 million, RMB521.3 million and RMB598.7 million, representing approximately 59.2%, 76.9% and 73.9% of our total revenue for the respective periods.

SUPPLIERS, EQUIPMENT AND MATERIALS

Our suppliers mainly include (i) subcontractors for construction services and labour services for our power engineering projects, primarily for our EPC on a project basis; and (ii) suppliers for equipment and materials.

During the Track Record Period, we engaged subcontractors to provide certain construction and installation services and labour services, primarily for our EPC on a project basis. Construction design and consultancy services mainly involve labour subcontracting. When there are too many projects, we usually use labour subcontracting to flexibly adjust internal human resources to ensure timely project delivery and shorten the project delivery period. We mostly engage subcontractors through business negotiations and tender, whilst for design subcontracting, we tend to select subcontractors with long-term working relationships. We select our subcontractors based on several key factors, such as their location, reliability, capacity, quality, and price.

For the years ended 31 December 2023, 2024 and 2025, the purchases from our top five suppliers during the Track Record Period amounted to approximately RMB167.7 million, RMB338.1 million and RMB359.2 million, representing approximately 34.3%, 60.1% and 56.5% of our total purchase amount for the respective year. The purchase from our largest supplier amounted to approximately RMB46.2 million, RMB245.2 million and RMB270.1 million, representing approximately 9.4%, 43.6% and 42.6% of our total purchase amount for the respective year.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Summary of consolidated statement of profits and loss

	Years ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	581,629	678,079	810,656
Cost of services	(523,076)	(600,179)	(698,683)
Gross profit	58,553	77,900	111,973
Other income	313	138	859
Other gains/(losses), net	1,492	1,286	306
Impairment losses under expected credit loss ("**ECL**") model, net of reversal	3,984	5,333	(1,832)
Selling expenses	(7,753)	(5,716)	(7,071)
Administrative expenses	(34,548)	(30,018)	(30,892)
Research and development expenses	(8,545)	(8,644)	(9,597)
Operating profit	13,496	40,279	63,746
Finance costs – net	(995)	(1,934)	(940)
Profit before income tax	12,501	38,345	62,806
Income tax expense	(1,012)	(5,532)	(8,727)
Profit for the year	11,489	32,813	54,079

Revenue by segment

During the Track Record Period, we derived our revenue primarily from three business segments: (i) EPC services; (ii) construction design and consultancy services; and (iii) other services (construction supervision, operation and maintenance). The following table sets forth our revenue by business segment for the years/periods indicated:

	Years ended 31 December					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Business segment						
EPC services	485,070	83.4	551,968	81.4	651,032	80.3
Construction design and consultancy services	92,589	15.9	124,059	18.3	158,118	19.5
Other services	3,970	0.7	2,052	0.3	1,506	0.2
Total	**581,629**	**100.0**	**678,079**	**100.0**	**810,656**	**100.0**

Gross profit and gross profit margins

The following table sets forth a breakdown of our gross profit and gross profit margin by business segments for the years/periods indicated.

	For the year ended 31 December					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Business segment						
EPC services	36,626	7.6	37,927	6.9	59,365	9.1
Construction design and consultancy services	21,636	23.4	39,498	31.8	52,518	33.2
Other services	291	7.3	475	23.1	90	6.0
Total	**58,553**	**10.1**	**77,900**	**11.5**	**111,973**	**13.8**

Our gross profit increased by approximately 32.9% from approximately RMB58.6 million for FY2023 to approximately RMB77.9 million for FY2024, growing at a faster rate than our revenue over the same period, primarily because our cost of services grew at a slower rate relative to our revenue growth due to our effective cost management measures. Our gross profit margin increased from approximately 10.1% for FY2023 to approximately 11.5% for FY2024, which was mainly due to the increase in gross profit margin of construction design and consultancy services from approximately 23.4% to 31.8% and other services from approximately 7.3% to 23.1%, which was partially offset by the decrease in gross profit margin of EPC services from approximately 7.6% to 6.9%.

Our gross profit increased by approximately 43.8% from approximately RMB77.9 million for FY2024 to approximately RMB112.0 million for FY2025, which was in line with the growth in revenue over the same period. Our gross profit margin increased from approximately 11.5% for FY2024 to approximately 13.8% for FY2025, which was mainly due to the increase in gross profit margin of EPC services from approximately 6.9% to 9.1% and increase in gross profit margin of construction design and consultancy services from approximately 31.8% to 33.2%, partially offset by decrease of gross profit margin for other services from approximately 23.1% to 6.0%.

Profit for the year attributable to owners of the Company

As a result of the foregoing, our profit for the year attributable to owners of the Company increased by approximately RMB22.7 million, or 192.4%, from approximately RMB11.8 million for FY2023 to approximately RMB34.5 million for FY2024. Our net profit margin was approximately 2.0% and 4.8% for FY2023 and FY2024, respectively. Our profit for the year attributable to owners of the Company increased by approximately RMB21.0 million, or 60.9%, from approximately RMB34.5 million for FY2024 to approximately RMB55.5 million for FY2025. Our net profit margin remained stable at approximately 4.8% and 6.7% for FY2024 and FY2025 respectively.

Summary of Consolidated Statements of Financial Position

	As at 31 December			**As at 30 April**
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)
CURRENT ASSETS				
Contract costs	56,758	61,243	46,637	37,400
Trade receivables	139,946	113,951	152,153	134,129
Note receivables	74,638	1,320	4,716	2,041
Prepayments, deposits and other receivables	164,055	237,038	242,587	186,631
Contract assets	27,520	61,811	39,528	164,436
Current tax assets	18	127	152	5,809
Restricted bank deposits	10,599	66,772	36,961	36,986
Cash and cash equivalents	55,861	56,387	94,175	40,716
Total current assets	529,395	598,649	616,909	608,148
CURRENT LIABILITIES				
Trade payables	227,119	191,072	204,817	371,808
Note payables	4,588	28,500	–	–
Other payables and accruals	79,000	84,228	96,330	23,603
Contract liabilities	283,218	317,455	251,292	102,217
Borrowings	49,579	46,274	61,306	35,324
Current tax liabilities	–	–	6,585	16,112
Total current liabilities	643,504	667,529	620,330	549,064
NET CURRENT (LIABILITIES)	**(114,109)**	**(68,880)**	**(3,421)**	**59,084**

Summary of Consolidated Statements of Cash Flows

Our net current liabilities decreased from approximately RMB114.1 million as at 31 December 2023 to approximately RMB68.9 million as at 31 December 2024, mainly due to (i) the increase in prepayments, deposits and other receivables of approximately RMB72.9 million; (ii) the increase in restricted bank deposits of approximately RMB56.2 million; (iii) the decrease in trade payables of approximately RMB36.0 million; and (iv) the increase in contract assets of approximately RMB34.3 million; and partially offset by (i) a sharp decrease in note receivables of approximately RMB73.3 million; and (ii) the increase in contract liabilities of approximately RMB34.3 million.

Our net current liabilities further decreased to approximately RMB3.4 million as at 31 December 2025, mainly due to (i) the decrease in contract liabilities of approximately RMB66.2 million; (ii) the increase in cash and cash equivalents of approximately RMB37.8 million; and (iii) the increase in trade receivables of approximately RMB38.2 million; and partially offset by (i) the decrease in restricted bank deposits of approximately RMB29.8 million; (ii) the decrease in contract assets of approximately RMB22.3 million; and (iii) the increase in borrowings of approximately RMB15.0 million.

Going forward, we seek to improve our net current assets position by (i) improving our operating cash flows; (ii) optimising our debt structure through replacement of short-term debt with long-term ones; and (iii) increase our current assets through receipt of **[REDACTED]**.

The following table sets forth a summary of our consolidated statement of cash flows for the years/periods indicated:

	For the year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Net cash generated from/(used in) operating activities	38,859	67,978	(9,590)
Net cash generated from/(used in) investing activities	(7,986)	(64,711)	30,476
Net cash generated from/(used in) financing activities	9,118	(2,741)	16,902
Net increase/(decrease) in cash and cash equivalents	39,991	526	37,788
Cash and cash equivalents at the beginning of the year	15,870	55,861	56,387
Cash and cash equivalents at the end of the year	**55,861**	**56,387**	**94,175**

Key financial ratios

The following table sets forth certain of our key financial ratios for the years or as at the dates indicated.

	Years ended 31 December		
	2023	**2024**	**2025**
Gross profit margin	10.1%	11.5%	13.8%
Net profit margin	2.0%	4.8%	6.7%
Return on equity	N/A – negative equity	1,066.7%	94.6%
Return on total assets	1.9%	4.9%	7.9%
Current ratio	0.82	0.90	0.99
Quick ratio	0.82	0.90	0.99
Gearing ratio	N/A – negative equity	1,640.3%	122.1%
Debt to equity ratio	N/A – negative equity	Net cash position	Net cash position
Interest coverage	6.5	12.2	26.8

Please refer to "Financial information – Key financial ratios" for the calculation formula of the above ratios.

Contract backlog

The following table presents changes in the number of projects during the Track Record Period and up to the Latest Practicable Date:

	For the year ended 31 December			After the Track Record Period and up till the Latest Practicable Date
	2023	**2024**	**2025**	
	Number of projects	*Number of projects*	*Number of projects*	*Number of projects*
Opening balance ***(Note 1)***	271	476	604	785
Add: new projects ***(Note 2)***	713	544	558	344
Less: projects completed ***(Note 3)***	(508)	(416)	(377)	(118)
Ending backlog for the relevant year ***(Note 4)***	476	604	785	1,027

Notes:

1. Opening number of projects represents projects awarded but not yet completed at the beginning of each year/period.

2. New projects awarded indicates projects contracted during each respective year/period, where multiple awarded tenders are consolidated into a single project to streamline our internal management and enhance efficiency.

3. Projects completed refers to projects for which we have completed the project handover, certification and settlement with our customers.

4. Ending number of projects is derived as the opening number plus new projects awarded, minus completed projects for each respective period.

The following table sets out the movement in the value of our project backlog during the Track Record period and up to the Latest Practicable Date:

	For the year ended 31 December			After the Track Record Period and up till the Latest Practicable Date
	2023	**2024**	**2025**	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Opening backlog value ***(Note 1)***	285,758	1,645,899	1,262,442	1,505,947
Add: new contracted projects	1,942,696	377,814	1,029,271	218,776
Add/Less: adjustments ***(Note 2)***	(926)	(83,192)	24,890	811
Less: recognised revenue	(581,629)	(678,079)	(810,656)	(346,400)
Ending backlog value ***(Note 3)***	1,645,899	1,262,442	1,505,947	1,349,134

Notes:

1. The opening backlog value represents the total contract value of projects awarded but not yet completed at the start of each year/period.

2. Adjustments refer to the adjustments made to the total value of contract works awarded taking into account the amount of actual work orders on re-measurement basis.

3. The ending backlog value reflects the portion of estimated revenue for projects that remain uncompleted at the end of each year/period.

COMPETITIVE LANDSCAPE

The PRC comprehensive power engineering services industry is relatively fragmented, with competition mainly driven by service qualifications, project experience, technical capabilities, delivery capacity, and cost control. Large state-owned enterprises and established engineering groups generally hold advantages in major power infrastructure, grid, and large-scale clean energy projects due to their strong track records, financing capabilities, and full-chain service coverage. At the same time, regional and specialized service providers compete in specific segments such as survey and design, consultancy, supervision, and supporting engineering services. As PRC accelerates the construction of a new power system, market demand is increasingly shifting toward comprehensive service providers with expertise in clean energy, grid connection, energy storage, and digitized project management. Power engineering design enterprises need to continue investing in R&D in areas such as renewable energy, energy storage, source-grid-load-storage integration, digital design, AI-assisted design, virtual power plants and carbon asset management. The industry has strong demand for registered electrical engineers, registered structural engineers, project managers and multidisciplinary professionals. A talent pool combining technical expertise, project management experience and digital capabilities forms an important foundation for competitive advantage.

RISK FACTORS

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

– Our business and future growth are subject to macroeconomic conditions, and changes in government policies and market demand for our services, which are beyond our control.

– We face intense competition in our industry and largely depend on our ability to win bids for projects. Failure to compete effectively may cause us to lose market share and adversely affect our results of operations.

– We bear ultimate responsibility to project owners for the performance, quality, and timely execution of our suppliers and subcontractors.

– Our revenue is concentrated among a limited number of customers, and we rely on a limited number of suppliers and a number of subcontractors.

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

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors and confirmed by legal advisors, there were no litigation, arbitration or administrative proceedings against our Group or any of the Directors which had caused a material and adverse effect on our business, results of operations or financial condition. For details of ongoing litigation, see "Business – Legal Proceedings And Regulatory Compliance – Legal Proceedings".

We are subject to various regulatory requirements and guidelines issued by regulatory authorities in PRC. For more information about our certain non-compliance with relevant laws and regulations during the Track Record Period, see "Business – Legal and Regulatory Compliance – Non-compliance events". During the Track Record Period and as at the Latest Practicable Date, to the best knowledge of our Directors, we did not commit any material non-compliance of the laws and regulations, and we did not experience any material non-compliance incident, which taken as a whole, in the opinion of our Directors, is likely to have a material and adverse effect on our business, results of operations or financial condition.

Our PRC Legal Advisor is of the view that, during the Track Record Period and up to the Latest Practicable Date, we complied in all material respects with the relevant PRC laws and regulations relating to our business operation and we obtained licences, approvals and permits from the appropriate regulatory authorities that are material for our business operations in the PRC.

CONTROLLING SHAREHOLDERS

As at the Latest Practicable Date, Jinan Huanneng held approximately 78.4% of our issued Shares, and Jinan Huanneng is in turn held as to 51.0% by Mr. Zhang Fuquan, 24.5% by Mr. Zhang Guanzhou and 24.5% by Mr. Yang. As Mr. Zhang Fuquan, Mr. Zhang Guanzhou and Mr. Yang collectively control approximately 78.4% of our issued capital through Jinan Huanneng, accordingly, Mr. Zhang Fuquan, Mr. Zhang Guanzhou, Mr. Yang and Jinan Huanneng constitute a group of Controlling Shareholders. Immediately following the completion of the **[REDACTED]**, and assuming that the **[REDACTED]** is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**, our Controlling Shareholders will hold in **[REDACTED]** approximately **[REDACTED]**% of the issued share capital of our Company.

[REDACTED]

Based on the mid-point **[REDACTED]** of HK$**[REDACTED]** per Share, the total estimated **[REDACTED]** in relation to the **[REDACTED]** are approximately **[REDACTED]** (equivalent to approximately **[REDACTED]**), assuming the **[REDACTED]** is not exercised. Our total **[REDACTED]** consist of (i) **[REDACTED]**-related expenses of approximately **[REDACTED]** (equivalent to approximately **[REDACTED]**); and (ii) non-**[REDACTED]**-related expenses of approximately **[REDACTED]** (equivalent to approximately **[REDACTED]**), comprising (a) fees and expenses of legal advisers and accountants of approximately **[REDACTED]** (equivalent to approximately **[REDACTED]**); and (b) other fees and expenses of approximately **[REDACTED]** (equivalent to approximately **[REDACTED]**).

During the Track Record Period, we incurred **[REDACTED]** of approximately **[REDACTED]** for FY2025, of which approximately **[REDACTED]** were recognised in our statements of profit or loss for FY2025, and approximately **[REDACTED]** were recognised as prepayments in our statements of financial position as at 31 December 2025, respectively, to be accounted for as a deduction from equity upon the **[REDACTED]**.

Subsequent to the Track Record Period, we expect to incur further **[REDACTED]** of approximately **[REDACTED]** (equivalent to approximately **[REDACTED]**) prior to and upon completion of the **[REDACTED]**, of which approximately **[REDACTED]** (equivalent to approximately **[REDACTED]**) is expected to be recognised as expenses in our statements of profit or loss, and approximately **[REDACTED]** (equivalent to approximately **[REDACTED]**) is expected to be accounted for as a deduction from equity upon the **[REDACTED]**.

[REDACTED] STATISTICS

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

Notes:

(1) The calculation of the market capitalisation is based on the assumption that **[REDACTED]** will be in issue immediately after completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised at all).

(2) Please see "Appendix II – Unaudited **[REDACTED]** Financial Information" in this document for details regarding the assumptions used and the calculation method.

USE OF [REDACTED]

We estimate that we will receive **[REDACTED]** of approximately HK$**[REDACTED]** from the **[REDACTED]**, assuming that an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the indicative **[REDACTED]** range) and the **[REDACTED]** is not exercised, and after deducing the **[REDACTED]** commissions and other estimated expenses payable by us in connection with **[REDACTED]**. We intend to use such **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts set forth below:

– approximately **[REDACTED]** (or HK$**[REDACTED]**), to be used for elevating our market position and enhancing our market share in the comprehensive power engineering industry, particularly within the renewable energy sector, comprising: **[REDACTED]** of the **[REDACTED]** (or approximately **[REDACTED]**) will be allocated to fund our upcoming and potential EPC projects; **[REDACTED]** of the **[REDACTED]** (or approximately HK$**[REDACTED]**) will be allocated to fund our upcoming and potential construction design and consultancy projects; **[REDACTED]** of the **[REDACTED]** (or approximately **[REDACTED]**) will be allocated to fund the establishment of regional branch companies and subsidiaries in our core target markets and potential geographic areas; and **[REDACTED]** of the **[REDACTED]** (or approximately HK$**[REDACTED]**) will be allocated to fund our recruitment and talent acquisition initiatives to support our expanding project pipeline;

– approximately **[REDACTED]** (or HK$**[REDACTED]**), to be used for strengthening our design and research and development capabilities; and

– approximately **[REDACTED]** (or HK$**[REDACTED]**), to be used for working capital and general corporate purposes.

LISTING ON THE NEEQ AND VOLUNTARY DELISTING FROM NEEQ

On 25 July 2016, our Company received approval for our Shares to be listed on the NEEQ in the PRC (stock code: 838602), and our Shares began trading on the NEEQ in the PRC on 10 August 2016. Having taken into account our operation demands and long-term development plans, the listing of our Shares on the NEEQ no longer satisfied the then financing needs of our Company. As such, our Shareholders resolved to voluntarily delist our Shares from the NEEQ. The delisting of our Shares from the NEEQ was completed on 12 October 2023.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

After the Track Record period and up to the Latest Practicable Date, we had been awarded 344 new projects, while 118 projects had been completed. The ending project backlog is 1,027 as at the Latest Practicable Date, compared to that of 785 as at 31 December 2025.

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