OVERVIEW

Founded in 2003, we are a comprehensive power engineering service provider based in Jinan, Shandong Province, the PRC. 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.

Our engineering, procurement and construction (EPC) services encompass general contracting services including procurement, construction, installation, acceptance testing, subcontractor selection, and overall project management. Our construction design and consultancy services include the provision of comprehensive feasibility studies, preliminary design documents, construction drawings, and technical support based on project-specific technical, economic, and environmental conditions. We offer professional advice on project design, implementation, and management, leveraging our proprietary patents to deliver tailored solutions that address our customers' specific needs. We also generated revenue from ancillary services, such as construction operations and maintenance services and construction supervision services, where our construction supervision services oversee quality, progress, cost and safety during the construction phase, while our construction operations and maintenance services cover the continuous technical support to ensure safe, stable and efficient operation of engineering facilities.

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.

During the Track Record Period, our customers mainly included state-owned and stateholding enterprises, power generation groups in the PRC, private enterprises, listed companies and government authorities, who were involved in a broad range of industries, including among others, power engineering, environmental protection engineering, municipal engineering and construction industries.

For the three years ended 31 December 2023, 2024 and 2025, the revenue of our Group was approximately RMB581.6 million, RMB678.1 million and RMB810.7 million, respectively, with a majority of our revenue generated from renewable energy power engineering projects. In the same periods, our net profit amounted to approximately RMB11.5 million, RMB32.8 million and RMB54.1 million, respectively, with our net profit margin at approximately 2.0%, 4.8% and 6.7% for the years ended 31 December 2023, 2024 and 2025 respectively.

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. For further details, please see "Industry Overview – Market size of the PRC comprehensive power engineering services industry". Besides our core business activities in the PRC, we have expanded, and will continue to expand, our market shares in comprehensive power engineering services in the PRC and further strengthening our design and research and development capabilities.

COMPETITIVE STRENGTHS

We believe the following competitive strengths contribute to our success and distinguish us from our competitors:

We are an experienced and recognised comprehensive power engineering service provider with dedicated and experienced founders, management team and engineers

We are an experienced comprehensive power engineering service provider in the PRC specialising in EPC services, construction design and consultancy services with a strong and extensive track record dating back to the early 2000s. Since our Company's establishment in 2003, our founders have maintained stable and proactive leadership and management of our Company and operations, providing essential professional and technical expertise, as well as practical experience for our business. In particular, Mr. Zhang Fuquan holds a Doctorate in Business Administration from the University of Management and Technology, and is a senior engineer and a high level talent in class A of Jinan, who has received a certificate for high level talents of Jinan (濟南市高層次人才認定證書). Mr. Zhang Guanzhou obtained an executive master's degree of business administration (EMBA) from Zhongnan University of Economics and Law (中南財經政法大學). He is a national class I registered structural engineer and an engineering technology application researcher. We believe that the in-depth knowledge and experience of our management team are critical to our success in the sectors we focus on, and that we are well placed to seize market opportunities, formulate sound business strategies and effectively manage business risks through their leadership. For more details, please see "Directors and senior management – executive directors".

We place emphasis on technological innovation in our development, and believe that a team with strong innovative capabilities is critical to our continuous success. Over the years, we have established and maintained a distinguished team of experts and professional engineers. While maintaining and boosting the initiative of existing key personnel, we have continuously focused on attracting new talent to join and have formed a well-composed talent pool with a wide range of expertise and diversified and comprehensive personnel resources, laying a solid foundation for our future development. As at 31 December 2025, we had 93 registered professionals with various expertise, holding over 180 professional qualification certificates across various disciplines, including among others, 28 first-class registered survey and design engineering certificates, 36 first-class registered construction engineering certificates, 48 registered supervisory engineering certificates, 11 registered cost engineering certificates, 14 consulting engineering certificates, two urban and rural planner certificates, two registered environmental protection engineering certificates, and six registered safety engineering certificates. We believe that our talent base is highly competitive in the industry we operate in, and will continue to contribute to our ongoing growth and expansion.

We have established our position in industry through a wide range of qualification coverage, our design capabilities and our own research and development efforts

Our strong construction design and research and development capabilities form part of our core competitiveness in the industry.

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. As at the Latest Practicable Date, we have the following highest-grade qualification(s) awarded demonstrating our competence in each of our major business segments:

Business segment	Our technical competence*(Note)*	Our Highest-Grade Qualification(s)
EPC services	We are qualified to undertake EPC works for (i) power generation projects with a capacity per generator below 200MW; and (ii) transmission lines below 220kV and substations of the same voltage level. We are qualified to undertake construction work of various environmental protection projects without size limit.	Grade one qualification in specialised contracting for environmental protection engineering and Grade two qualification in general contracting for power engineering (環保工程專業承包壹級; 電力工程施工總承包貳級) under Construction Enterprise Qualification Certificate (建築業企業資質證書)
Construction design and consultancy services	We are qualified to undertake the design of main projects and supporting facilities for power industry construction projects without size limit, including (i) thermal power with a single unit capacity of 300MW or below; (ii) hydropower with a single unit capacity of 250MW or below; (iii) wind power with a scale of 100MW or below; (iv) substation projects with a voltage level of 330kV or below; (v) power transmission projects with a voltage level of 330kV or below; and (vi) renewable energy power generation projects without size limit.	Grade A qualification in power projects (電力行業(甲級)) under Construction Design Qualification Certificate (工程設計資質證書)

Business segment	Our technical competence[(Note)]	Our Highest-Grade Qualification(s)
	We are qualified to undertake consulting work for power projects of any size or voltage level.	Grade A Credit Qualification Certificate of Construction Consulting Unit (工程諮詢單位甲級資信證書) covering power projects (inclusive of thermal power, hydropower, nuclear power and renewable energy power) (電力(含火電、水電、核電、新能源))
Other services	We are qualified to perform installation, repair and testing activities in respect of power facilities with a voltage level below 330kV.	Grade two qualifications for installation works, overhaul works and testing works (承裝類二級；承修類二級；承試類二級) under Installation (Repair, Testing) of Electricity Facilities License (承裝(修、試)電力設施許可證)
	We are qualified to undertake engineering supervision services for construction projects of professional engineering, as well as project management, technical consultancy, and other related services for construction projects of any level.	Grade A qualification in power project supervision (電力工程監理甲級) under Qualification Certificate of Construction Supervision (工程監理資質證書)

Note: The technical competence of the relevant qualifications are confirmed by Frost & Sullivan.

As for our research and development efforts, we have a dedicated technical management committee responsible for overseeing the discussion and implementation of major technical solutions across different divisions, monitoring and analysing the latest domestic and international technological developments in the industry, and developing and executing our strategic plan for technological innovation.

Leveraging our integrated design and research and development platform, we are able to respond efficiently to project requirements, enhance design quality, and provide technically robust and cost-effective solutions to our customers. Our continuous investment in technology development enables us to keep pace with industry advancements, strengthen our proprietary know-how, and support the delivery of complex engineering projects. This integrated capability differentiates us from many of our peers and reinforces our competitive position in the market.

We have a strong track record in renewable and traditional energy and, environmental protection engineering projects which positions us to benefit from the current industry trend

We have a strong track record in renewable and traditional energy and, environmental protection engineering projects which positions us to benefit from the current industry trend. We position ourselves as a "national non-state-owned comprehensive power engineering design enterprise". Leveraging our extensive project experience, we have developed a deep understanding of sector-specific technical requirements, regulatory standards and operational practices. This enables us to deliver high-quality, reliable and efficient solutions that meet the evolving needs of our customers.

Our Directors believe that our long-standing participation in large-scale power, environmental protection and renewable energy power engineering projects has also strengthened our reputation and credibility among major market participants, including state-owned enterprises, leading non-state-owned companies and local government authorities. This industry recognition enhances our ability to secure new projects, participate in competitive tenders and expand our market presence.

According to Frost & Sullivan, the PRC's continued emphasis on energy transition, environmental governance and infrastructure upgrading is expected to drive sustained demand for renewable energy power engineering services. With our established capabilities, proven execution record and strong client relationships, we believe that we are well positioned to capture growth opportunities arising from these industry developments.

We have strong core technologies and proven track record on pioneering power engineering projects

To develop the core technologies pursuant to the prevailing industry trend of transition to renewable energy, we have jointly developed technologies with universities and state-owned enterprises. For example, we collaborated with Tsinghua University to develop energy saving and clean combustion technology for industrial boilers. We collaborated with Xi'an Jiaotong University to conduct research on 4×1,000MW Coal-Biomass Co-firing and research on Flexible Coaling of Zero-Carbon Biomass with Power Units (4×1,000MW燃煤耦合生物質發行可行性研究和機組靈活耦合零碳生物質研發應用項目).

Our key projects demonstrate our design capabilities across renewable energy, traditional power, and environmental protection. We have been involved in many pioneering projects, among others:

– The 300MW/1,800MWh Advanced Compressed Air Energy Storage National Demonstration Power Plant Project in Feicheng, Shandong (山東肥城300MW/1,800MWh先進壓縮空氣儲能國家示範電站項目) which we designed a 300MW/1,800MWh advanced compressed air energy storage commercial power station based on salt cavern gas storage. Using air as the medium, it enables large-scale grid-side electrical energy storage, providing the grid with peak shaving, frequency regulation, phase modulation, standby power, black start, and other power regulation functions, effectively supporting the stable and efficient operation of the power system.

– The 220kV substation fishery-photovoltaic complementary power project (漁光互補發電項目), which is a 2GW fishery-photovoltaic complementary PV supporting project with an installed capacity of 514.9MWp distributed across 122 arrays and is designed to achieve an average annual on-grid electricity output of 537.3 million kWh. The project utilises two types of bifacial monocrystalline silicon PV modules with different string configurations, both stepped up to 35kV via 3,300kVA transformers before feeding into a newly constructed 220kV booster station. Our Directors consider that, given the massive transformer capacity and unit count, the entire station implements one-click centralised control, smart access control, intelligent metering, robot inspection, and will integrate PV-area UAV inspections, automated cleaning, and other functions into the station's smart operation and maintenance platform.

– The Laiwu Power Station 100MW/200MWh Energy Storage Station which involves the design of a 100MW/200MWh electrochemical energy storage facility and a new 220kV booster station, which will connect to the existing 220kV side of the power plant via a single-circuit 220kV transmission line. Our Directors are of the view that, the system with its millisecond-level response stabilises wind and solar power energy fluctuations, balances grid loads, and provides critical inertia and voltage support, while its fully localised power conversion system, energy management system and control systems break overseas technical barriers in grid-forming energy storage and lead a large-scale deployment of domestic grid-forming decentralised storage technology.

We are well placed to secure and deliver on major and quality projects by leveraging on our established long-term relationships with existing customers and stable partnerships with our suppliers and subcontractors

We are well placed to secure and deliver major and high-quality projects by leveraging our established long-term relationships with existing customers and our stable partnerships with suppliers and subcontractors. Over the years, we have cultivated strong and enduring relationships with a diversified base of reputable customers, including major power generation groups, state-owned enterprises, listed companies, and non-state-owned enterprises. These long-standing relationships are built on our proven track record, reliable project delivery and consistent service quality. Such relationships not only enhance customer loyalty but also provide us with recurring business opportunities and early access to upcoming projects.

In addition, we maintain stable and cooperative partnerships with a network of qualified suppliers and subcontractors. These partnerships enable us to secure key materials, equipment and specialised services in a timely and efficient manner, which is critical for the execution of large-scale and complex power engineering projects. Our ability to coordinate effectively with suppliers and subcontractors also enhances project efficiency, reduces operational risks and supports the delivery of high-quality outcomes. We believe that our established customer relationships, together with our reliable supply chain and subcontractor network, provide us with a competitive advantage in securing new contracts, improving project execution capabilities and strengthening our overall market position.

We are flexible and quick to adapt to market changes

According to Frost & Sullivan, while state-owned enterprises dominate the comprehensive power engineering services market in the PRC with closer access to governmental and state-owned enterprises for power infrastructure projects, they may suffer from delays in responding to customers' requests due to hierarchies of internal approvals. As a non-state-owned market participant as concurred by Frost & Sullivan, we enjoy greater operational flexibility and are able to respond and react to customers' requirements more quickly. This makes us to be more appealing to customers with tight time constraints. As we do not have the backup of state-owned enterprises, we need to provide more comprehensive services to our customers and have a more thorough understanding of the market. For example, once an agreement is entered into, we start planning on the project immediately.

We keep up with technological trends and are among the first companies in Shandong Province to enter into the field of renewable energy power engineering design. Our organisational hierarchy is relatively simpler, and the costs of our service are lower than that of state-owned enterprises, which give us a competitive advantage. Our competitive strategy mainly revolves around continuously improving our technology, pricing, and service.

BUSINESS STRATEGIES

Our goal is to continue to expand our market share in the PRC comprehensive power engineering services industry, and further consolidate our position as a prominent market participant, in view of the industry trend of transformation into renewable energy. To achieve our goal, we intend to implement the following strategies:

Continue to elevate our market position and enhancing our market share in the comprehensive power engineering services industry

According to Frost & Sullivan, the share of renewable energy-related demand is expected to increase and enterprises with comprehensive full-life cycle service capabilities will capture market demand better. Further, overseas market having substantial demand for power infrastructure development also represents an important growth direction for PRC power engineering design enterprises.

We aim to elevate our brand into an industry leader in the PRC comprehensive power engineering services industry by continuously strengthening our core competencies in provision of EPC services, and construction design and consultancy services. We intend to further enhance our technical capabilities, optimise our project management systems and deepen our expertise across our key business segments. By doing so, we seek to improve our ability to undertake large-scale, complex high-value and pioneering projects.

To support this objective, we plan to continue investing in talent development, advanced engineering technologies and digital project management tools. We will also enhance internal coordination among our design, procurement and construction teams to improve overall project efficiency, cost control and delivery quality. In addition, we intend to expand our research and development efforts to drive innovation in engineering solutions and maintain our competitiveness amid evolving industry standards, market trends and customer requirements.

Leveraging our extensive experience accumulated in the PRC, we have started to establish our presence in overseas markets, including, among others, entering into a contract in relation to an overseas EPC project for the designing, engineering, procuring, commissioning and testing of a solar photovoltaic power plant, marking a key milestone in our international expansion. During the Track Record Period, we have achieved a good gross profit margin for our overseas market, which we believe demonstrates the viabilities of selectively extending our full-life cycle service capabilities to overseas markets as business opportunities arise.

We believe that these initiatives will enable us to further consolidate our market position, broaden our service capabilities and capture additional opportunities arising from the PRC's ongoing energy transition, infrastructure upgrading and environmental protection initiatives.

Further strengthening our design and research and development capabilities

According to Frost & Sullivan, electricity consumption in the PRC continues to grow, while the energy structure is shifting towards clean and low-carbon energy, driving investment and construction of large-scale power infrastructure, thus the demand for power engineering comprehensive services covering survey, design, EPC services, and provision of such services requires knowledge on renewable energy construction.

As the energy structure is shifting towards clean and low-carbon energy, there is large demand in power infrastructure involving, among others, power grid upgrades and development of new-type power system, transmission and distribution works, which requires new technologies. As such, we have established comprehensive R&D management policies covering R&D-related organisational management, process management and financial management. Our technical management committee has been recognised as a Jinan Municipal Enterprise Technology Centre issued jointly by the Jinan Municipal Bureau of Industry and Information Technology, the Jinan Municipal Bureau of Science and Technology, and the Jinan Municipal Finance Bureau. To strengthen our industry position, we actively collaborate with leading academic institutions such as Tsinghua University and Zhejiang University's Fujian Innovation Centre, and have participated in a national key R&D project on ultra-low emission control, which successfully passed the Ministry of Science and Technology's performance evaluation in 2023. For more details on our research and development capabilities, please see the paragraph headed "– Design, research and development" in this section.

Leveraging our existing technological advantage, we plan to further strengthen our design and research and development capabilities, enhance our ability to translate research outcomes into production capacity, thereby meeting our clients' needs for industrial transformation, energy conservation, and emissions reduction in accordance with current government policies. We are confident that improving our design and research and development capabilities, we will be able to improve the quality and efficiency of our products and services, boost our market competitiveness, and increase profitability. To achieve these goals, we intend to expand our research and development team, upgrade our research and development facilities, continue to collaborate with universities and research institutes on joint development projects, accelerate our digital transformation and continue to adopt intelligent technologies such as Building Information Technology (BIM) and 3D modelling software to achieve greater design precision, visualisation, and efficiency.

OUR BUSINESS MODELS

We principally engage in the following three major business segments: (i) EPC services; (ii) construction design and consultancy services; and (iii) other services (covering construction supervision services and construction operation and maintenance services). The following table sets forth the revenue, gross profit and gross profit margin breakdown of each of our Group's principal business segments during the Track Record Period:

	For the year ended 31 December											
	2023				2024				2025			
	Revenue		Gross profit	Gross profit margin	Revenue		Gross profit	Gross profit margin	Revenue		Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
EPC services	485,070	83.4	36,626	7.6	551,968	81.4	37,927	6.9	651,032	80.3	59,365	9.1
Construction design and consultancy services	92,589	15.9	21,636	23.4	124,059	18.3	39,498	31.8	158,118	19.5	52,518	33.2
Other services	3,970	0.7	291	7.3	2,052	0.3	475	23.1	1,506	0.2	90	6.0
Total	**581,629**	**100.0**	**58,553**	**10.1**	**678,079**	**100.0**	**77,900**	**11.5**	**810,656**	**100.0**	**111,973**	**13.8**

The following table set forth the revenue, gross profit and gross profit margin by type of projects during the Track Record Period:

	2023				2024				2025			
	Revenue		Gross profit	Gross profit margin	Revenue		Gross profit	Gross profit margin	Revenue		Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*RMB'000*	*RMB'000*	*%*	*RMB'000*	*RMB'000*	*RMB'000*	*%*	*RMB'000*	*RMB'000*
Power engineering – renewable energy	386,671	66.4	31,925	8.3	505,093	74.5	38,295	7.6	531,064	65.5	50,838	9.6
Power engineering – traditional energy	141,639	24.4	19,699	13.9	67,551	10.0	11,695	17.3	102,072	12.6	38,992	38.2
Municipal and construction	33,789	5.8	4,933	14.6	58,593	8.6	15,867	27.1	32,540	4.0	5,191	16.0
Environmental protection engineering	19,530	3.4	1,996	10.2	46,842	6.9	12,043	25.7	144,980	17.9	16,952	11.7
Total	**581,629**	**100.0**	**58,553**	**10.1**	**678,079**	**100.0**	**77,900**	**11.5**	**810,656**	**100.0**	**111,973**	**13.8**

The following table sets forth the revenue, gross profit and gross profit margin by location for the years indicated:

	2023				2024				2025			
	Revenue		Gross profit	Gross profit margin	Revenue		Gross profit	Gross profit margin	Revenue		Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
PRC	576,209	99.1	56,045	9.7	677,491	99.9	77,663	11.5	792,038	97.7	104,241	13.2
Others *(Note)*	5,420	0.9	2,508	46.3	588	0.1	237	40.3	18,618	2.3	7,732	41.5
Total:	**581,629**	**100.0**	**58,553**	**10.1**	**678,079**	**100.0**	**77,900**	**11.5**	**810,656**	**100.0**	**111,973**	**13.8**

Notes:

Other locations include Mongolia, Cambodia, Gambia, Mozambique and Nigeria, and the projects undertaken in these locations are all construction design or construction consultancy projects.

The following table sets forth the revenue, gross profit and gross profit margin by type of customers for the years indicated:

	For the year ended 31 December											
	2023				2024				2025			
	Revenue		Gross profit	Gross profit margin	Revenue		Gross profit	Gross profit margin	Revenue		Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
State-owned and stateholding enterprises/government authorities (excluding listed companies)	505,278	86.9	39,022	7.7	476,180	70.3	28,908	6.1	629,024	77.6	57,111	9.1
Listed companies	50,791	8.7	12,921	25.4	157,593	23.2	40,891	25.9	128,207	15.8	28,684	22.4
Private enterprises (excluding listed companies)	25,560	4.4	6,610	25.9	44,306	6.5	8,101	18.3	53,425	6.6	26,178	49.0
Total	**581,629**	**100.0**	**58,553**	**10.1**	**678,079**	**100.0**	**77,900**	**11.5**	**810,656**	**100.0**	**111,973**	**13.8**

Further details of each of our principal business segments are set out as below:

EPC services

Our EPC services refer to the provision of general contracting services for engineering, procurement, and construction projects for our customers. We also take on defined portions of project work. Our EPC projects are generally commissioned by the project owner and contracted to handle the entirety of or certain stages of a project, including procurement, construction, installation, and acceptance. Based on the construction design drawings and design, we procure materials and organise and manage the construction process, and are responsible to the owner for ensuring the quality of the project, adhering to the project schedule, and managing costs as stipulated in the contract.

As a main contractor, we are generally responsible for selecting and recommending suitable professional contractors with relevant qualifications to the customers, based on their needs, to complete the relevant construction tasks through bidding. In addition, we are also responsible for the procurement of related equipment and parts, the overall project management, and quality control. We will implement strict standard control over the project during construction, provide technical support to relevant specialised contractors, and supervise and manage the construction.

After the completion of the construction, we will conduct a preliminary acceptance inspection of the project, and a final acceptance inspection will be conducted after the contract's quality warranty period expires.

For the years ended 31 December 2023, 2024 and 2025, we undertook 59, 67 and 62 EPC projects, respectively, serving major state-owned power groups and large non-state-owned enterprises including among others, power grid enterprises, power generation groups, renewable energy developers, local state-owned enterprises, private energy investment enterprises, industrial and commercial users, and government investment platform companies.

We have been involved in different types of EPC projects, among others:

Power engineering – renewable energy

Our scope of service may include the installation of wind turbines generator, self-consumption photovoltaic systems and distributed photovoltaic solar panels for household and commercial use, with key activities including construction drawing design, engineering survey and investigation, and the design and installation of power generation units.

Power engineering – traditional energy

Services provided mainly encompass the design, installation and construction of coal pulveriser differential pressure materials machines, electrical engineering project, steam piping installation, circulating fluidised bed hot water boiler with turbine generators, grid connection design and thermal heating system retrofitting project.

Municipal and construction

Projects mainly undertaken include the design and construction of civil and municipal infrastructure, heating system auxiliaries and pipe networks, and facility maintenance and corrosion protection.

Environmental protection engineering

Services provided mainly cover the design, preparation and installation of precipitators and desulphurisation systems, flue gas treatment systems, thermal and water recovery systems and air pollution control systems.

The following table sets forth the breakdown of revenue and the number of EPC projects for which we undertook across four project types during the Track Record Period:

	31 December					
	2023		2024		2025	
Project type	*Number of EPC projects*	*RMB'000*	*Number of EPC projects*	*RMB'000*	*Number of EPC projects*	*RMB'000*
Power engineering – renewable energy	20	364,514	17	459,673	19	445,538
Power engineering – traditional energy	20	81,826	16	29,456	11	42,580
Municipal and construction	10	21,349	26	19,674	18	20,961
Environmental protection engineering	9	17,381	8	43,165	14	141,953
Total	**59**	**485,070**	**67**	**551,968**	**62**	**651,032**

Major projects

The table below sets out the details of our major and selected projects based on the top five projects by revenue recognised during each of the Track Record Period:

For the year ended 31 December 2023

	Project	Customer[Note 1]	Project Type	Location	Scope of work	Contract date	Expected/ Actual completion date	Total contract value[Note 2]	Revenue derived from project during the year
								RMB'000	*RMB'000*
1	Hehui 200MW Wind Power EPC Project (合惠200MW風電項目EPC總承包工程項目)	Customer Group A[Note3]	Power engineering–renewable energy	Liaoning, PRC	Construction and installation of 40 wind turbines of 5,000 kW each, where power will be connected to a newly built 220kV booster station	Jun 2023	Sep 2026	1,354,000	141,160
2	19.14MWp Distributed Photovoltaic Power Generation EPC Project in Weifang, Shandong (山東濰坊工商業19.14MWp分散式光伏發電項目EPC工程總承包項目)	Customer Group C	Power engineering–renewable energy	Shandong, PRC	EPC services for 19.14MWp distributed photovoltaic power generation system	Mar 2023	Dec 2024	74,508	64,041
3	Shandong Laizhou Tushan Phase I 600MW Photovoltaic Power Generation Project 300MW Transmission (山東萊州土山一期600MW光伏發電項目300MW送出工程EPC總承包項目)	Customer Group B	Power engineering–renewable energy	Shandong, PRC	EPC services for 600MW photovoltaic power generation system and 300MW transmission line	Dec 2022	Sep 2024	55,807	42,247
4	15MW distributed photovoltaic project in Qipanjing Town, Otog Banner (鄂托克旗棋盤井鎮15MW分佈式光伏項目EPC總承包項目)	Customer Group D	Power engineering–renewable energy	Inner Mongolia Autonomous Region, PRC	EPC services for 15MW distributed photovoltaic power generation system	Sep 2022	Dec 2025	68,964	37,011
5	Research and Demonstration Project of All-Time Denitrification Technology for 1,000MW Coal-fired Power Units EPC Project (1,000MW燃煤火電機組全時段脫硝技術研究與示範工程設備及施工EPC總承包項目)	Customer Group B	Power engineering–traditional energy	Shandong, PRC	EPC services for equipment and construction of the full-time denitrification technology research and demonstration project for a 1,000MW coal-fired thermal power unit	Aug 2022	Dec 2023	22,462	19,878

For the year ended 31 December 2024

	Project	Customer[Note 1]	Project Type	Location	Scope of work	Contract date	Expected/ Actual completion date	Total contract value[Note 2]	Revenue derived from project during the year
								RMB'000	*RMB'000*
1	Hehui 200MW Wind Power Project (合惠200MW風電項目EPC總承包工程項目)	Customer Group A[Note3]	Power engineering–renewable energy	Liaoning, PRC	Construction and installation of 40 wind turbines of 5,000 kW each, where power will be connected to a newly built 220kV booster station	Jun 2023	Sep 2026	1,354,000	332,626
2	Damaidi Photovoltaic Power Station Project (大麥地光伏電站總承包工程施工項目)	Customer Group F	Power engineering–renewable energy	Yunnan, PRC	EPC services for photovoltaic power station	Apr 2023	Dec 2026	152,300	52,944
3	Kaiyuan City Laozhai Village Photovoltaic Power Station Project (開遠市老寨村光伏電站項目)	Customer Group F	Power engineering–renewable energy	Yunnan, PRC	EPC services for photovoltaic power station	Jun 2023	Dec 2025	63,040	38,488
4	New Condensation Water Recovery and Treatment System EPC Project (新增冷凝水回收處理系統EPC工程項目)	Customer Group F	Environmental protection engineering	Shandong, PRC	EPC services for New Condensation Water Recovery and Treatment System	Jan 2024	Dec 2025	58,200	34,571
5	Central Heating EPC Project of Xinqiao Area (新橋片區集中供熱項目EPC總承包項目)	Customer Group G	Municipal and construction	Anhui, PRC	EPC services for Centralised Heating Project	Aug 2023	Jun 2026	77,356	21,499

For the year ended 31 December 2025

	Project	Customer[Note 1]	Project Type	Location	Scope of work	Contract date	Expected/ Actual completion date	Total contract value[Note 2]	Revenue derived from project during the year
								RMB'000	*RMB'000*
1	Hehui 200MW Wind Power EPC Project (合惠200MW風電項目EPC總承包工程項目)	Customer Group A[Note3]	Power engineering–renewable energy	Liaoning, PRC	Construction and installation of 40 wind turbines of 5,000 kW each, where power will be connected to a newly built 220kV booster station	Jun 2023	Sep 2026	1,354,000	402,864
2	Jinan Jiyang District 1×50MW Back-Pressure Unit Cogeneration Environmental Engineering Project (濟南濟陽區1×5萬千瓦背壓機組熱電聯產項目環保工程工程總承包(EPC)項目)	Customer Group I	Environment protection engineering	Shandong, PRC	EPC services for 1×50,000kW back-pressure unit cogeneration project	Oct 2024	Jul 2026	62,883	50,469
3	New Condensation Water Recovery and Treatment System EPC Project (新增冷凝水回收處理系統EPC工程項目)	Customer Group F	Environment protection engineering	Shandong, PRC	EPC services for new condensation water recovery and treatment system	Jan 2024	Dec 2025	58,200	18,823
4	Liquid Ammonia to Urea Technology Upgrade EPC Project (液氨改尿素技術改造項目施工承包項目)	Customer K	Environmental protection engineering	Xinjiang Autonomous Region, PRC	Construction of the liquid ammonia to urea technical transformation system	Aug 2025	Jun 2026	21,100	18,317
5	Damaidi Photovoltaic Power Station EPC Project(大麥地光伏電站總承包工程施工項目)	Customer Group F	Power engineering – renewable energy	Yunnan, PRC	EPC services for photovoltaic power station	Apr 2023	Dec 2026	152,300	14,385

Note 1: Customers that are under the control of the same ultimate holding company, despite being separate legal entities, are grouped together and regarded as one single customer.

Note 2: The total contract value stated is inclusive of VAT. For some of our contracts for our major projects, the contract price is an estimate only and the final contract value shall be determined based on factors such as the amount of work done, the final approved project amount, the installed capacity or the actual volume of projects carried out.

Note 3: Customer Group A is a state-owned enterprise established in 1989 in the PRC with a registered share capital of RMB35.3 billion. Customer Group A had interests in a company which is indirectly held as to 49% by related parties of Supplier Group F, one of the top five suppliers of our Group during the Track Record Period.

Business process

Our EPC service process is divided into project initiation, initial project phase, design and procurement management, construction and installation management, completion and handover, and warranty services.

1) *Project initiation:* After soliciting the bid, we will define the project goals and scope, and finalise the contract with the customer. Final negotiations will also be carried out with the owner on contract terms and details. A project team led by a project manager with full management authority, clear responsibilities and communication channels is assembled with key positions such as technical, quality, safety, commercial, procurement, and construction personnel.

2) *Initial project phase:* The project team develops the construction organisation design for owner's and supervisor's approval. Schedule with critical paths and milestones, procurement plan with timing for critical equipment or materials, cost budget and cash flow plan with estimate break down target costs, and quality and safety management plan. Concurrently, site preparations are carried out, including the set-up of project office, temporary facilities and essential utilities and five supplies and one levelling to enable seamless mobilisation.

3) *Design and procurement management:* Detailed preliminary design, working drawings and as-built drawings are subjected to interdisciplinary review to identify optimisation opportunities and resolve discrepancies. For further details on our roles and responsibilities in the management of the design process, please see the paragraph headed "Construction design and consultancy services – Business process of construction design services" below.

   At the procurement stage, we plan for and execute purchases of equipment and materials required. Procurement, inspection, transportation and subcontractor selection are managed to ensure the timely supply of materials and equipment that are fit for construction use.

4) *Construction and installation management:* The project team secures all statutory approvals and obtains written authorisation before commencement of work. Process management focuses on four major controls. Progress control involves monitoring progress through weekly or monthly reports and regular meetings, and implementing appropriate improvement measures following analysis. Quality control ensures that critical processes and concealed works are accepted before proceeding to the next step, while materials are inspected and re-tested in accordance with specifications. Cost control is exercised through regular comparative analysis, management of instructions from the owner or site conditions with cost and schedule implications, and the submission of completed work quantity reports to apply for progress payments. Safety and civilised construction control is achieved through the implementation of safety briefings, training, inspections and rectifications, and the management of on-site environmental protection. Communication and coordination management involves regular meetings to resolve technical and coordination issues, while relationships with all relevant parties are actively managed to ensure compliance and operational efficiency.

We also engage subcontractors to provide assistance for the project within the agreed timeframe to enhance project efficiency. One major area of work that is subcontracted is construction services; we may also enlist the services of subcontractors for other tasks at the survey and design stage. We oversee the subcontractors' work to ensure that it is completed on schedule, in accordance with our guidelines and requirements, and to the satisfaction of our customers and us. For more details, please see "Construction services and labour subcontracting" in this section.

5) *Completion and handover:* A comprehensive pre-acceptance inspection is conducted, followed by the compilation and submission of completion documentation including the compilation and submission of as-built documents, technical archives, quality assurance records, and operation and maintenance manuals. The owner coordinates final acceptance inspections with design, survey, supervision, construction, and quality units and issues a final acceptance report, followed by transfer of equipment and systems and handover of documentation, with project settlement and post-project evaluation conducted.

6) *Warranty services:* During the warranty period, we remedy any notified defects in accordance with the quality warranty certificates, providing free-of-charge repair of any engineering quality defects. A rapid response mechanism is established so that, upon receiving notification from the owner, the issue will be handled within the agreed timeframe. Upon expiration of the warranty period and signing of a defect liability period termination certificate, the remaining project quality assurance bond will be released back to us.

Construction Design and Consultancy Services

Our construction design and consultancy service refers to the service of providing comprehensive support during the planning, design and execution phases of a project, and includes carrying out feasibility studies, preparing preliminary design documents and construction drawings, and providing technical advisory services based on project-specific technical, economic and environmental conditions, leveraging our proprietary patents to deliver tailored solutions. We also provide professional advice and reports on project design, implementation and management, bringing technical knowledge, industry experience and problem-solving capabilities to address customers' specific needs. Our construction design and consultancy services cover projects across power engineering with a growing focus on renewable energy, including the development, surveying and design of photovoltaic and energy storage facilities, as well as power plant design and upgrades.

Major projects

The table below sets out the details of our major and selected projects based on the top five projects by revenue recognised during each of the Track Record Period:

For year ended 31 December 2023

	Project	Customer[Note 1]	Project Type	Location	Scope of work	Contract date	Expected/ Actual completion date	Total contract value[Note 2]	Revenue derived from project during the year
								RMB'000	*RMB'000*
1	Nigeria Enugu 15MW Coal-fired Power (尼日利亞Enugu 15MW燃煤電站EPC項目)	Customer L	Power engineering–traditional energy	Enugu, Nigeria	Providing project engineering design and technical consulting services	Sep 2021	Mar 2023	3,400	3,208
2	She County Solid Waste Pyrolysis Gasification (Modification) Power Generation Project (涉縣生活垃圾熱解氣化(改性)發電工程項目)	Customer M	Power engineering–traditional energy	Hebei, PRC	Providing design services in domestic waste pyrolysis gasification power generation project	Dec 2020	Aug 2023	3,000	2,830
3	Photovoltaic Project in Yongxing County, Chenzhou, Hunan Province Project (湖南郴州永興縣光伏項目勘測設計項目)	Customer Group N	Power engineering–renewable energy	Hunan, PRC	Conducting survey and design contract for photovoltaic projects	Mar 2023	Dec 2023	5,904	2,785
4	Vietnam 4 Phases Thermal Power Project (越南四期熱電項目)	Customer Group O	Power engineering – traditional energy	Svay Rieng, Cambodia	Providing project engineering design services of Phase I and II of the thermal power plant project	Mar 2021	Feb 2023	2,769[Note 3]	2,407
5	Renovation and Expansion Project of the North District Heat Source Plant in Xifeng District, Qingyang (慶陽市西峰城區北區熱源廠改擴建項目)	Customer P	Power engineering–traditional energy	Gansu, PRC	Providing design services in heat source plant renovation and expansion project	May 2020	Jan 2023	2,316	2,185

For year ended 31 December 2024

	Project	Customer[Note 1]	Project Type	Location	Scope of work	Contract date	Expected/ Actual completion date	Total contract value[Note 2]	Revenue derived from project during the year
								RMB'000	*RMB'000*
1.	Feasibility Study and Preliminary Technical Services of Renewable Energy Project in Honghe County, Honghe Prefecture, Yunnan Province (雲南紅河州紅河縣新能源項目可研及前期專題技術服務)	Customer Group F	Power engineering–renewable energy	Yunnan, PRC	Conducting renewable energy project feasibility study and providing preliminary specialised technical service	Mar 2022	Jan 2024	7,000	5,703
2.	Quartz sand (powder) and potassium feldspar sand (powder) production line construction project (石英砂(粉)、鉀長石砂(粉)生產線建設項目)	Customer Group Q	Environmental protection engineering	Gansu, PRC	Providing design services to quartz sand (powder) and potassium feldspar sand (powder) production line construction project	Aug 2022	Feb 2024	4,864	4,589
3.	Design for 200MW photovoltaic power generation project in Baigoulin, Qiaojia County, Three Gorges (三峽巧家縣白溝林200MW光伏發電工程設計)	Customer Group R	Power engineering –renewable energy	Yunnan, PRC	Conducting 200MW photovoltaic power generation engineering design project	Mar 2023	April 2024	3,650	3,443
4.	Integrated design of feasibility study, preliminary design, and power grid transformation project for the 10 kV and below coal-to-electricity conversion project 2022–2024 (2022–2024年煤改電10千伏及以下配套電網改造項目可研初設一體化設計工程)	Customer Group S	Power engineering –traditional energy	Inner Mongolia Autonomous Region, PRC	Conducting design project for the fesibility study and preliminary design of the 10kV and below supporting and upgrades, for a coal-to electricity projects	Apr 2023	Dec 2024	8,000	2,778
5.	Design services for natural gas energy project (天然氣能源項目設計服務)	Customer Group T	Power engineering –traditional energy	Shandong, PRC	Conducting natural gas energy project design services	Apr 2023	Jun 2024	3,980	2,628

For year ended 31 December 2025

	Project	Customer[Note 1]	Project Type	Location	Scope of work	Contract date	Expected/ Actual completion date	Total contract value[Note 2]	Revenue derived from project during the year
								RMB'000	*RMB'000*
1	2×330MW power plant in Bayan soum, Tuv province (蒙古中央省巴彥蘇木電廠2×330MW機組)	Customer O	Power engineering-traditional energy	Tuv, Mongolia	Providing design services for 2×330MW power plant project	Jan 2025	Dec 2025	13,250	12,500
2	Feasibility study and preliminary technical services of renewable energy project in Luxi County, Honghe Prefecture, Yunnan Province (雲南紅河州瀘西縣新能源項目可研及前期專題技術服務合同)	Customer Group F	Power engineering–renewable energy	Yunnan, PRC	Conducting renewable energy project feasibility study and providing preliminary specialised technical service	Mar 2022	Sep 2025	7,000	9,582
3.	Feasibility study and preliminary technical services of new energy project in Gejiu City, Honghe Prefecture, Yunnan Province (雲南紅河州箇舊市新能源項目可研及前期專題技術服務合同)	Customer Group F	Power engineering–renewable energy	Yunnan, PRC	Conducting renewable energy project feasibility study and providing preliminary specialised technical service	Mar 2022	Sep 2025	7,000	8,909
4	Engineering Design for a thermal power plant technology upgrade and renovation project, and a pithead power station boiler relocation, upgrading and supporting unit construction project (熱電站技術改造及提升項目、坑口電廠鍋爐搬遷改造及配套機組建設項目工程設計)	Customer U	Power engineering–traditional energy	Henan, PRC	Conducting a thermal power station technical renovation and upgrading project and supporting unit construction engineering design	Sep 2020	Sep 2025	5,260	4,962
5	EPC Design for Phase I of the 300MW photovoltaic composite power generation project in Xiazhang Town, Daiyue District, Tai'an City, Shandong Province (山東省泰安市岱岳區夏張鎮300MW 光伏複合發電專案工程一期總承包(EPC)設計)	Customer V	Power engineering–renewable energy	Shandong, PRC	Providing design services for a 300MW photovoltaic hybrid power generation plant	Jan 2025	Dec 2025	4,000	3,774

Note 1: Customers that are under the control of the same ultimate holding company, despite being separate legal entities, are grouped together and regarded as one single customer.

Note 2: The total contract value stated is inclusive of VAT. For some of our contracts for our major projects, the contract price is an estimate only and the final contract value shall be determined based on factors such as the amount of work done, the final approved project amount, the installed capacity or the actual volume of projects carried out.

Note 3: The total contract value is approximately US$0.4 million, which is converted into RMB based on the exchange rate as specified in the section headed "Information about this document and **[REDACTED]**".

Business process of construction design services

Our construction design service process is divided into preliminary design, construction drawing design, construction support, as-built drawing preparation, and post-design review.

1) *Preliminary design:* After the project owner commissions the design work, our team then confirms the feasibility and grid-connection basis, completes site surveys and key technical parameter checks, coordinates major equipment tendering and technical agreements, and formulates design principles to define the construction plan and investment scale, after which each discipline prepares preliminary design documents and budget estimates, undergoes review and quality checks, obtains formal approval, and submits the results to the competent authority so that the approved outputs can support project commencement and subsequent tendering and construction drawing design.

2) *Construction drawing design:* Based on the approved preliminary design, our design team resolves outstanding approval items, develops overall and discipline-specific design plans, conducts supplementary surveys, coordinates technical information with major equipment manufacturers, and allocates the approved budget by discipline. The chief designer in the design team then organises the master plan to coordinate all disciplines and the design team produces discipline-specific construction drawings and budgets through cross-disciplinary exchanges, refined calculations, multi-level review, and sign-off. The finalised construction drawing documents are then published and delivered to the owner or construction contractor according to the schedule.

3) *Construction support:* Our design team provides on-site technical services and quality supervision under the Resident Engineer System by appointing and briefing resident engineers, issuing formal notifications to relevant parties, conducting unified and sub-project briefings, and providing continuous technical support, equipment installation, and commissioning to coordinate and resolve design-related issues. Upon project completion, each discipline prepares a summary of resident engineer work.

4) *As-built drawing preparation:* After commissioning by the project owner, our design team prepares as-built drawings that accurately reflect the completed works by collecting design change notices, site correspondence, construction records, and commissioning data, verifying any missing items through on-site inspections and acceptance records, and having each discipline compile as-built drawing files based on approved changes and actual conditions. Upon completion, the as-built drawing documents are finalised and delivered to the project owner.

5) *Post-design review:* After the project is placed into operation, our design team conducts a post-design review in accordance with relevant guidelines by scheduling the review with the operating unit, confirming the participation of key design personnel, performing on-site inspections and discussions to collect feedback on design performance and operational experience, analysing the feedback to identify improvement areas, and working with operating and construction units to propose feasible optimisation measures. The chief designer then submits the post-design review report and as-built drawings reflecting the actual construction work carried out to company management.

All deliverable, materials and technical documents generated during each of the stages are compiled and archived in accordance with relevant requirements.

Business process of construction consultancy services

Our construction consultancy service follows a structured yet flexible approach, from engagement and team formation through to final delivery and post-project evaluation. We first assemble a multidisciplinary team upon contract signing, then conduct thorough site investigations and data collection in coordination with the customer. Based on our findings, we develop a consulting outline and work plan for internal and client review. All deliverables undergo rigorous multi-level internal vetting, followed by third-party or client-led review, with revisions made as needed until approval is secured. The final report is then delivered and all project materials archived followed by a post-project evaluation, gathering client feedback and preparing a summary report to drive continuous improvement.

Other services

During the Track Record Period, we also generated revenue from a variety of sources that were ancillary to our construction business, such as construction supervision, and construction operations and maintenance.

Construction supervision

Our construction supervision service refers to the supervision of the construction projects of third-party companies. We will not participate in the supervision of our construction projects.

Our project supervision team manages the entire project lifecycle across different phases to ensure full compliance with quality, safety, budget, and schedule targets. Our project supervision team manages risk, quality, and compliance from pre-construction setup through construction oversight to final project close-out. Key responsibilities include verifying contractor qualifications, conducting on-site inspections, overseeing health and safety standards, and managing the defect liability period.

Construction operation and maintenance

Our construction operations and maintenance service refers to the provision of systematic, professional and continuous technical support to ensure the safe, stable and efficient operation of engineering facilities and systems. Leveraging our technical expertise, industry experience and established management processes, we provide customers with comprehensive operations and maintenance solutions tailored to their operational needs.

PROJECT MOVEMENT AND CONTRACT VALUES

Backlog refers to our estimate of the contract value of work that remains to be completed as of a certain date subject to price adjustments and fluctuation in cost of materials and labour costs. The contract value represents the amount that we expect to receive under the terms of the contract, assuming the contract is performed in accordance with its terms.

Project movements and backlog

The table below 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 awarded 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.

For project numbers, the backlog calculation begins with the opening count of uncompleted projects at the start of each year/period. This number is then adjusted by adding newly awarded projects and deducting those completed within the period, resulting in the ending project count.

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 awarded 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 revenue for projects that remain uncompleted at the end of each year/period.

The backlog value calculation starts with the total contract value of projects awarded but not yet completed at the beginning of the period. We add the contract values of new projects awarded and adjusted. From this adjusted total, recognised revenue for the period is subtracted, yielding the backlog value to be carried forward.

During the Track Record Period and up to the Latest Practicable Date, both project counts and backlog values exhibited varied movements, primarily influenced by the nature, scale, and timing of project completions and new awards. These trends reflect typical patterns in project-based industries, where customers' payments and backlog metrics align closely with project progression, and where the mix of large-scale versus smaller projects can cause project count and backlog value to move in different directions.

For the year ended 31 December, 2023, the project count increased by approximately 75.6% from 271 to 476, while the backlog value surged by approximately 475.9% from RMB285.8 million to RMB1,645.9 million. This substantial growth in backlog value was primarily attributed to the award of the Hehui 200MW Wind Power Project (合惠200MW風電項目EPC總承包工程項目). For more details on the project, please refer to the paragraph headed "– EPC services – Major projects"in this section.

For the year ended 31 December 2024, the project count grew by approximately 26.9% from 476 to 604, but, the backlog value declined by approximately 23.3% from RMB1,645.9 million to RMB1,262.4 million. The was primarily driven by the substantial recognition of revenue during the period, which outpaced the value of new contracts added.

For the year ended 31 December, 2025, both project count and backlog value increased, with the project count rising by approximately 30.0% from 604 to 785 and the backlog value growing by approximately 19.3% from RMB1,262.4 million to RMB1,505.9 million. The volume and value of new contracts comfortably exceeded revenue recognised during the year, reinforcing our growing project pipeline.

After the Track Record Period and up to the Latest Practicable Date, the project count increased by approximately 30.8% from 785 to 1,027, while the backlog value declined by approximately 10.4% from RMB1,505.9 million to RMB1,349.1 million. The relatively higher number of new projects awarded compared to completed projects reflects the seasonality of our business, which is typical of the project cycle where a significant portion of projects are scheduled for completion in the second half of the year. We expect that the second half will see improved performance.

From an industry perspective, these levels of backlog – in both project count and value – remain consistent with sector norms, reflecting a healthy flow of projects that supports long-term revenue generation. This balance ensures that we continue to capitalize on market opportunities while maintaining a stable and scalable operational model. business health and future prospects.

During the Track Record Period, we recorded four loss-making projects which has completed construction during the Track Record Period, with the total contract sum of these projects being approximately RMB6.8 million. In the same period, the total gross loss recorded for these projects during the Track Record Period was approximately RMB0.2 million, among which, three of them recorded a trivial loss of less than RMB5,000 each. Gross loss was recorded for these projects mainly because of cost overruns such as price volatility in certain materials for our EPC projects. Save as disclosed above, our Group did not have any other loss-making projects during the Track Record Period and up to the Latest Practicable Date. The revenue and gross loss contributions from these loss-making projects during the Track Record Period were generally insignificant relative to our total revenue and gross profit. Therefore, the occurrence of these loss-making projects did not have a material adverse effect on our overall business operations.

DESIGN, RESEARCH AND DEVELOPMENT

Design, research and development are crucial for our operation and business. For the years ended 31 December 2023, 2024 and 2025, our research and development accounted for approximately RMB8.5 million, RMB8.6 million and RMB9.6 million, respectively. Our research focuses primarily on technological development, construction application, surveying applications and project management, based on the needs and specifications of individual projects.

We have been dedicated to research and development in construction and surveying technologies and applying best industry practices. Annually, we organise our technical personnel to conduct research and development discussions. Potential projects are screened and selected based on the applications submitted by individual technical staff members. Below is a summary of our key efforts:

- **Construction Application:** We strengthened our efforts in construction drawing, design and technical disclosure, multi-disciplinary coordination, quality control, on-site technical services and deliverable submission, ensuring accurate design execution, efficient workflows and high-quality project delivery.

- **Surveying Applications:** We strengthened our research on integrating surveying data into engineering design and construction processes, utilising advanced technologies to improve project accuracy, site analysis and progress monitoring.

- **Project Management:** We focused on improving project management capabilities including full-process consulting and comprehensive project management services, covering feasibility studies, planning, cost control, schedule management, risk assessment and procurement coordination to ensure timely and cost-effective project delivery.

Our Research and Development Team

As of 31 December 2025, we had 81 research and development personnel, including 2 engineering technology application researchers, 35 senior engineers, 35 recognised Jinan Municipal high-level talents, 17 first-class registered engineers, and 17 holding a master's degrees or above. Members of our research and development team possess extensive academic and technical experience and each of the core members have attained numerous technical achievements and accumulated over 15 years of work experience including independently leading large-scale industrial projects. All of our research and development personnels have participated in national key technology research and development projects and possess independent research and development capabilities backed by full-chain practical experience from research through to application. Their collective expertise forms the foundation of our core technological strength.

We collaborated with famous universities in China to develop technologies and construction methods. We cooperated with Tsinghua University to conduct research and development on "Ultra-low Emission Control Technology for Pollutants (污染物超低排放控制技術)" aimed at improving fine particulate removal efficiency for industrial boilers in China; assisted Xi'an Jiaotong University to jointly design and prepare a feasibility study report on "co-firing biomass in coal-fired power generation". Our contracts with our cooperating universities typically represent our standard terms for design and feasibility/research and development services, covering (i) responsibilities and performance standards, particularly that we will produce and deliver design documents or study deliverables in the required quantities and timelines and maintain document quality, (ii) a fixed service/design responsibility period, and (iii) remedies where omissions or design errors lead to quality incidents with the responsibility party being required to make remedial action, waive the defective portion of the design fee (or related fees), and pay compensation proportional to the loss. In addition, we shall allocate our personnel for on-site coordination and shall be required to bear the costs in procuring of materials and equipment. The technical results are typically shared or jointly owned by us and the contracting parties, and any assignment of intellectual property to third parties requires prior written consent.

Details on R&D competitive edge and technological advancement

Our research and development capability is part of our core competitiveness. We have established a comprehensive set of research and development management policies covering project organisation, investment accounting, and reserve funds, with annual procedures for project application, approval, execution and evaluation. We also place great emphasis on technological innovation and the development of research and development organisational management, evidenced by the setting up of a technology management committee equipped with advanced design software and hardware, which has been recognised as Jinan Municipal Enterprise Technology Centre.

We adhere to the development of research and development technologies to consolidate our position within the industry by carrying out numerous research collaborations with China's top universities including Tsinghua University and Zhejiang University. Among which, we have participated in a national key research and development project on ultra-low emission control, which passed the Ministry of Science and Technology's performance evaluation in 2023.

We strive to maintain a strong focus on both research and development and the commercialisation of our technological outcomes. For details of our invention patents and utility model patents, please refer to the section headed "Appendix VI – Statutory and General Information". As a long-standing national high-tech enterprise, we have developed significant expertise in new energy planning and design and continue to drive technological upgrading across the industry. Our strong research and development capabilities, combined with a proven track record of commercialisation, have earned us business qualification certificates from the Shandong Provincial Department of Housing and Urban-Rural Development and other regulatory authorities.

SALES AND MARKETING

During the Track Record Period, we secured new businesses mainly through (i) tender opportunities; or to a lesser extent, (ii) quotation request by customers.

Our customers generally invite tenders from entities in respect of their projects. We obtain tender informations through multiple channels and upon receipt of tender information, we conduct an assessment of each project on, among other things, qualification requirements, funding reliability, project scale, submission deadlines and the reputation of the tendering entity.

Alternatively, to a lesser extent, some of our customers will issue quotation requests, where we will project assessment procedures and submit our quotations if the assessment results meet our requirements.

After our management has approved to tender for a project, we obtain a full set of tender documents and establish a bidding team to prepare and submit the tender. The specific tasks include collection and study of project details, preparation and review of the tender documents and submission of the tender for the customer's assessment.

The table below sets forth the number of projects for which we have submitted the tender, the number of projects awarded and the success rate during the Track Record Period:

	For the year ended 31December,		
	2023	**2024**	**2025**
Number of projects for which we have submitted the tender	1,185	761	762
Number of projects awarded	774	493	501
Success rate	65.3%	64.8%	65.7%

In the above table, the success rate for a financial year is calculated based on the number of projects awarded for tenders submitted in that financial year (whether awarded in the same financial year or thereafter).

The following table sets forth, the number of projects tendered, awarded and the tender success rate in which we participated by each business segment during the Track Record Period:

Business segment		EPC services	Construction Design and Consultancy services	Other services
For the year ended 31 December 2023	Projects tendered	77	1,066	42
	Projects awarded	49	697	28
	Tender success rate	63.6%	65.4%	66.7%
For the year ended 31 December 2024	Projects tendered	46	687	28
	Projects awarded	30	445	18
	Tender success rate	65.2%	64.8%	64.3%
For the year ended 31 December 2025	Projects tendered	42	703	17
	Projects awarded	27	463	11
	Tender success rate	64.3%	65.9%	64.7%

The tender success rate remained stable during the Track Record Period, while there was a higher number of tender bids submitted in the year ended 31 December 2023, as we participated in more tenders with lower contract value.

Leveraging our strong resource integration and technological capabilities, established business channels, and information networks, we focus our resources on core sectors (namely, renewable energy power engineering) and key customers and strive to enhance our brand reputation. We extensively collect project information relevant to our business and promptly obtain preliminary project materials and client requirements. Upon acquiring project information, we mobilise personnel to conduct on-site inspections, research and analyse data and documents provided by customers, while considering various factors such as customer requirements, design fees, design cycles, and subcontracting services to determines whether to undertake a project. If approved, relevant personnels are assigned to manage negotiations and tendering process. We have also built a collaborative ecosystem with research institutions, suppliers, subcontractors and industry partners to create mutual value and operational efficiency.

For direct client commissioning model relies on our extensive experience, accumulated resources, and established brand reputation to secure new projects. Upon receiving project information from a prospective customer, our sales team will proactively engages with the customer to conduct through due diligence and feasibility assessments, and a business contract shall be entered into with the customer upon finding that the project satisfies our Group's criteria.

Our sales and marketing responsibilities are delegated to each of our major business divisions with our senior management and the relevant division directors overseeing the performance of our sale and marketing teams. As at 31 December 2025, our sales and marketing teams had collectively 17 employees. Each of our sales and marketing team possesses relevant academic background, professional qualification and experience, and thereby is capable of identifying the key specifications of the projects, conducting market research, negotiating and tracking contracts, coordinating contract tendering and quotations, following up on unpaid invoices, managing customer relationships contract negotiation as well as ensuring our high quality services to customers at all times.