
RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, (i) Zhixin Boyan, a PRC limited liability company established by Mr. Wang and Ms. Zhang and owned as to 50% by each of Mr. Wang and Ms. Zhang, held approximately 36.05% equity interest in our Company; (ii) Pingxiang Qianlin, a PRC limited partnership established and managed by Zhixin Boyan as its sole general partner with 0.10% partnership interest and Ms. Zhang, Mr. Wang and four individuals holding approximately 64.39%, 30.30% and a total of 5.21% partnership interest, respectively, as limited partners, held approximately 18.72% equity interest in our Company. These four limited partners of are passive investors independent of and not associated with any of our Controlling Shareholders and hence they shall not be considered as party of the group of Controlling Shareholders for the purpose of the Listing Rules; (iii) Chengyi Zhixin, a PRC limited partnership managed by Zhixin Boyan as its sole general partner with 70% partnership interest and three senior management of the Company holding 30% partnership interest as limited partners, held approximately 11.36% equity interest in our Company; and (iv) Shenzhen Zuimu, a PRC limited partnership established and managed by Zhixin Boyan as its sole general partner with 0.10% partnership interest and Mr. Wang who holds 99.90% partnership interest as limited partner, held approximately 6.74% equity interest in our Company. Mr. Wang and Ms. Zhang are concert parties, see “History and Corporate Structure — Concert Party Arrangement”.

Pursuant to the partnership agreements of Pingxiang Qianlin and Shenzhen Zuimu, (i) Zhixin Boyan, as the sole general partner, is entitled to managing and controlling the affairs of Pingxiang Qianlin and Shenzhen Zuimu including their respective operation, external investment and management and voting in respect of their respective external investment; (ii) the limited partners are entitled to the economic interest in Pingxiang Qianlin and Shenzhen Zuimu, respectively; and (iii) other matters of Pingxiang Qianlin and Shenzhen Zuimu are decided by majority vote by their respective partners on a one vote per partner basis. See “History and Corporate Structure — Incentive Platform” for details of Chengyi Zhixin.

Immediately after completion of the [REDACTED] (assuming the [REDACTED] or any option that may be granted under the Pre-[REDACTED] Share Option Incentive Scheme is not exercised), each of Zhixin Boyan, Pingxiang Qianlin, Chengyi Zhixin and Shenzhen Zuimu will be entitled to exercise the voting rights attaching to [REDACTED]%, [REDACTED]%, [REDACTED]% and [REDACTED]% of the total issued Shares of our Company, respectively. By virtue of the interests of Mr. Wang and Ms. Zhang in Zhixin Boyan, Mr. Wang, Ms. Zhang, Zhixin Boyan, Pingxiang Qianlin, Chengyi Zhixin and Shenzhen Zuimu will be regarded as a group of Controlling Shareholders pursuant to Chapter 1.1C of the Guide. For further information regarding Mr. Wang and Ms. Zhang, see “Directors and Senior Management”.

Other Business and Interests of Our Controlling Shareholders

As of the Latest Practicable Date, Mr. Wang and Ms. Zhang, through their 50% and 50% interest in Zhixin Boyan, have interests in the following companies: (1) Shaanxi Zhixin Boyan Electric Power Engineering Co., Ltd. (陝西致信博衍電力工程有限公司) (“Shaanxi Zhixin Boyan”), which is a PRC limited liability company ultimately 100% owned by Zhixin Boyan. Shaanxi Zhixin Boyan primarily (i) provides engineering services (“Engineering Services”) covering engineering design, civil engineering, equipment installation engineering, commissioning engineering, construction-in-process insurance and project management to PRC based customers; and (ii) engages in the investment and construction of photovoltaic power generation projects in China (“Photovoltaic Related Services”); and (2) Xuancheng Xuanzhou Jiangxin Jiangxin Engineering Technology Co., Ltd. (宣城市宣州區匠鑫工程技術有限公司) (“Xuancheng Xuanzhou Jiangxin”), which is a PRC limited liability company 100% owned by Zhixin Boyan. Xuancheng Xuanzhou Jiangxin primarily provides technical services and technical consulting services to PRC based customers. The scope of the technical and technical consulting services (“Technical and Consulting Related Services”) provided by Xuancheng Xuanzhou Jiangxin covers development of engineering and technical solutions, facilitation of acquisition of construction subcontracting for the target project and

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signing of labor subcontracting contracts with the project owner, and handling of prerequisite approval documents and permits. On the other hand, the Group is an ESS solution provider primarily generates its revenue through product sales, and while may provide value-added services such as design and planning to support the product sales and do not gain separate commission. As the Group does not engage in Engineering Services, Photovoltaic Related Services and Technical and Consulting Related Services, our Directors believe that other businesses of Zhixin Boyan are not in competition with the business of the Group.

Our Controlling Shareholders confirmed that as of the Latest Practicable Date, none of our Controlling Shareholders and their respective close associates had any interest in any business that competes or is likely to compete, either directly or indirectly with our Group’s business, which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, we believe that our Group is capable of carrying on its business independently of our Controlling Shareholders and their respective close associates after the [REDACTED]:

Management Independence

Our business is managed and conducted by our Board and senior management. Upon the [REDACTED], our Board will consist of four executive Directors and three independent non-executive Directors. See the section headed “Directors and Senior Management” in this document for details. Each of Mr. Wang and Ms. Zhang, two of our Controlling Shareholders, is our executive Director.

Our Directors believe that our Board and senior management have been and will continue to be able to independently manage our business and function independently from our Controlling Shareholders based on the following grounds:

- (i) each of our Directors is aware of his or her fiduciary duties as a Director which require, among other things, that he or she acts for the benefit and in the best interests of our Company and does not allow any conflict between his or her duties as a Director and his or her personal interest;
- (ii) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between us and our Directors or their respective associates, the interested Director(s) shall abstain from voting at the relevant board meetings of our Company in respect of such transactions and shall not be counted in the quorum;
- (iii) our daily management and operations are carried out by our executive Directors and our senior management team. Other than Mr. Wang and Ms. Zhang, who are two of our Controlling Shareholders, the other executive Directors and senior management are independent from our Controlling Shareholders and have substantial experience in the industry in which our Company is engaged and/or business management in general, and will therefore be able to make business decisions that are in the best interest of our Group;
- (iv) we have three independent non-executive Directors who have extensive experience in different professions. They have been appointed to ensure that the decisions of the Board are made only after due consideration of independent and impartial opinions. Our Directors believe that the presence of our independent non-executive Directors from different backgrounds provides a balance of views and opinions; and

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- (v) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. See “— Corporate Governance Measures” below in this section.

Having considered the above factors, our Directors are satisfied that our Board together with the senior management team as a whole is able to perform their roles independently from our Controlling Shareholders and close associates after the [REDACTED].

Operational Independence

We are capable of operating independently from our Controlling Shareholders and their respective close associates, including: (i) we have established our own organizational structure, which comprises individual departments and each department has its own administrative and corporate governance infrastructure; (ii) we hold all of the relevant licenses and intellectual property rights material to our business operation and has sufficient capital, facilities, equipment and employees to operate our business independently; (iii) our Controlling Shareholders have no interest in any of our five largest suppliers and customers during the Track Record Period. We do not rely on our Controlling Shareholders or their close associates and have independent access to our suppliers and customers; and (iv) we have established a set of internal control procedures to facilitate the effective operation of our business independent from our Controlling Shareholders.

Having considered the above factors, our Directors are of the view that we are capable of carrying on our business independently from our Controlling Shareholders and their respective close associates.

Financial Independence

Our Group has an independent financial, internal control and accounting system. We make financial decisions according to our own business needs. We also have an independent finance department responsible for discharging the treasury function, and the Audit Committee to oversee our accounting and financial reporting processes. We have sufficient capital to operate our business independently, and has adequate internal resources and a strong credit profile to support our daily operations. During the Track Record Period, our Group obtained certain banking facilities which were guaranteed by Mr. Wang and/or Ms. Zhang, our Controlling Shareholders. As of the Latest Practicable Date, the total amount of banking facilities guaranteed by Mr. Wang and/or Ms. Zhang was RMB829.0 million. Such banking facilities are expected to be (i) fully settled before or upon the [REDACTED] or (ii) released and replaced by a corporate guarantee to be given by us before or upon the [REDACTED]. Our Group also had an aggregate amount of RMB3.02 million, nil, RMB14.707 million and nil due from Zhixin Boyan (one of our Controlling Shareholders) and Shenzhen Zhixin Yuntou New Energy Co., Ltd. (深圳市致信雲投新能源有限公司) (a PRC company controlled by Zhixin Boyan) as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively. Such amounts due have been fully settled as of the Latest Practicable Date. See note 20 to the financial information in Appendix I to this document for more information.

Other than the above, our source of funding and our finances are independent from our Controlling Shareholders and none of our Controlling Shareholders and their respective close associates financed our operations during the Track Record Period. Our Directors confirm that our Group does not intend to obtain any further borrowing, guarantees, pledges and mortgages from any of our Controlling Shareholders or their respective close associates. Having considered the above factors, our Directors are of the view that we have no financial dependence on our Controlling Shareholders.

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CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in protection of our Shareholders’ interests. We have put in place sufficient corporate governance measures to manage the conflict of interest and potential competition from our Controlling Shareholders and safeguard the interest of our Shareholders, including:

- (a) where a Shareholders’ meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their close associates has a material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;
- (b) our Company has established internal control mechanism to identify connected transactions. After the [REDACTED], our Company will comply with the requirements in connection with connected transactions under the Listing Rules if our Company enters into connected transactions with our Controlling Shareholders or any of their respective associates;
- (c) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between our Group and the Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;
- (d) where our Directors reasonably request the advice of independent professionals, such as independent financial advisors, the appointment of such independent professional will be made at our Company’s expense;
- (e) we have appointed Quam Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance;
- (f) we have established the Audit Committee, Remuneration Committee and Nomination Committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code;
- (g) our Controlling Shareholders will confirm the status of their non-competing interest (if any) on an annual basis and to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by our Company; and
- (h) our Company will disclose decisions (with basis), if any, on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements.

Our Directors consider that the above corporate governance measures are sufficient to manage any potential conflict of interests between our Controlling Shareholders and their respective close associates and our Group and to protect the interests of our Shareholders, in particular, the minority Shareholders.