

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS GROUP

OVERVIEW

As of the Latest Practicable Date, our Company was owned as to (i) 41.18% by CHINT Group, which was owned as to approximately 31.23% by Mr. Nan Cunhui (南存輝) and 12.14% by Huitai Limited, and Huitai Limited was owned as to 1% by Mr. Nan Cunhui and 99% by Huitai Partnership, in which Mr. Nan Cunhui acts as the sole general partner holding 99% partnership interests therein; (ii) 8.39% by New Energy Investment, which was owned as to approximately 96.32% by CHINT Group and 3.68% by Shanghai Taiyi, and Shanghai Taiyi was owned as to 80% by Mr. Nan Cunhui; and (iii) 3.45% directly by Mr. Nan Cunhui (together with CHINT Group, New Energy Investment, Huitai Limited, Shanghai Taiyi and Huitai Partnership, collectively referred to as the “**Controlling Shareholders Group**”). For further details, see “History and Corporate Structure–Corporate Structure” in this document.

As of the Latest Practicable Date, our Controlling Shareholders Group in aggregate was interested in 1,139,490,798 Shares of our Company, representing approximately 53.54% of the voting power of our Company (excluding the 20,839,551 A Shares held by our Company as treasury Shares). Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the Controlling Shareholders Group will collectively be entitled to exercise [REDACTED]% of the voting power at general meetings of our Company (excluding the 20,839,551 A Shares held by our Company as treasury Shares). Therefore, they will remain as our Controlling Shareholders Group upon [REDACTED].

CLEAR BUSINESS DELINEATION

Our Business

We are a leading global integrated power and energy solution provider from China, with two complementary business segments: intelligent electrical products and green energy solutions. Our Group primarily focuses on the manufacturing and sale of low-voltage electrical equipment, as well as the new energy industry, in which we specialize in (i) development and operation of PV stations, including residential, commercial & industrial, and ground-mounted PV stations; and (ii) the maintenance of residential PV stations. For further details, see “Business” in this document.

The Business of Our Controlling Shareholders

Apart from the interests in our Group, our Controlling Shareholders, individually or collectively, control and invest in companies principally engaged in, among others, (i) power transmission and distribution equipment manufacturing, (ii) manufacturing and sale of photovoltaic modules, (iii) maintenance services for ground-mounted PV stations and commercial & industrial PV stations, and (iv) other businesses including smart home solutions, investment and incubation activities and financial services.

Notwithstanding that our Group and our Controlling Shareholders operate within the broader electrical and new energy industry, there is a clear delineation between their respective businesses. In particular, our Company focuses on the manufacturing and sale of low-voltage electrical equipment and the maintenance of residential PV stations, whereas our Controlling Shareholders primarily engage in power transmission and distribution equipment and photovoltaic modules manufacturing, as well as maintenance services for ground-mounted PV stations and commercial & industrial PV stations, but not for any residential PV stations. For the three years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, the revenue generated from the maintenance of residential PV stations accounted for approximately 0.6%, 0.9%, 2.0% and 1.2% of our total revenue for the corresponding periods, respectively.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS GROUP

The following table sets out the key differences between our Group and CHINT Group (excluding our Group) in relation to the development, operation and maintenance of photovoltaic power stations:

	Businesses Engaged by our Group		Businesses Engaged by CHINT Group	
	Development & Operation	Maintenance	Development & Operation	Maintenance
1. Residential PV stations	Y	Y	N	N
2. Commercial & industrial PV stations	Y	N	N	Y
3. Ground-mounted PV stations	Y	N	N	Y

Note: “Y” indicates that the relevant party engages in the relevant business, and “N” indicates that the relevant party does not engage in the relevant business.

The relevant business delineation reflects the different service models, customer bases and existing capabilities of our Group and CHINT Group in relation to maintenance services. While our Group develops and operates residential, ground-mounted and commercial & industrial PV stations, we provide maintenance services primarily for residential PV stations developed by us as part of the after-sales support, leveraging our existing agent network and digital monitoring platform. By contrast, CHINT Group principally engages in the provision of maintenance services for ground-mounted and commercial & industrial PV stations sourcing business opportunities independently, including through public tendering, and leveraging its specialized maintenance teams and established maintenance systems tailored to the technical and service requirements of such PV stations.

According to the F&S Report, the residential, ground-mounted and commercial & industrial PV station markets are distinct markets serving different customer segments and application scenarios and operating under different business models. Such differences also distinguish the maintenance services provided by our Group and CHINT Group. In particular, residential PV stations are generally smaller in scale and geographically dispersed, and their maintenance primarily focuses on ongoing monitoring and after-sales support, whereas ground-mounted and commercial & industrial PV stations are generally larger and involve more complex equipment and, where applicable, require personnel with qualifications appropriate to the relevant voltage level. Accordingly, CHINT Group typically deploys dedicated professional maintenance teams at the relevant sites, while our Group primarily provides maintenance services through teams within its agent network, supported by its digital and intelligent monitoring platform and standardized training and management systems. Therefore, the respective maintenance businesses of our Group and CHINT Group are clearly delineated by reference to the distinct characteristics of the relevant PV station markets, customer bases, service requirements and service delivery models.

In addition to the above business delineation, our Group and CHINT Group maintain certain mutually complementary business collaborations in the ordinary and usual course of business, based on their respective business needs and resources and capabilities. Our Group has entered into, from time to time, products and services procurement and provision agreements with CHINT Group to (i) procure from CHINT Group the maintenance services for the ground-mounted PV stations and commercial & industrial PV stations developed and operated by us, and photovoltaic modules and other products, including cables, for our development and operation of PV stations; and (ii) provide CHINT Group with low-voltage electrical products and the related services for their assembly of power transmission and distribution equipment. See “Connected Transactions – Non-Exempt Continuing Connected Transactions – 10. CHINT Products and Services Purchase and Provision Framework Agreement” for more details. Such collaborative business arrangement with CHINT Group (i) enables our Group to expand the sale of its low-voltage electrical products and enhance its revenue base; and (ii) supports the efficient development and operation of our PV stations through our procurement of photovoltaic modules and maintenance services for our self-owned ground-mounted PV stations and commercial & industrial PV stations, by leveraging

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS GROUP

CHINT Group’s established resources, technical expertise and service capabilities. For the three years ended 31 December 2023, 2024 and 2025 and the six months ended June 30, 2026, the revenue generated from the provision of services and goods to CHINT Group accounted for approximately 4.0%, 4.2%, 4.7% and 3.9% of our total revenue, respectively, while the procurement amounts from the CHINT Group accounted for approximately 14.2%, 8.6%, 8.1% and 8.5% of our total procurement amount, respectively. Accordingly, such collaborative business arrangement (i) is mutually beneficial to our Group and CHINT Group and expected to continue after [REDACTED]; (ii) does not affect our business independence or the clear delineation between the businesses operated by our Group and CHINT Group.

Therefore, our Directors are of the view that there is a clear delineation between the businesses operated by our Controlling Shareholders and our Group. Our Controlling Shareholders have no interest in a business (apart from our Group’s business), which competes, or is likely to compete, whether directly or indirectly, with our Group, which would otherwise require disclosure under Rule 8.10(1) of the Hong Kong Listing Rules.

NON-COMPETITION AGREEMENT AND UNDERTAKINGS

In March 2008, for the purpose of the listing of our A Shares on the Shanghai Stock Exchange and in order to avoid potential competition with our Company, CHINT Group entered into a non-competition agreement in favor of our Company. Pursuant to the non-competition agreement, CHINT Group has irrevocably undertaken, among other commitments, with effect from the execution date and terminating on the earlier of: (a) the date on which CHINT Group ceases to be our controlling shareholder; or (b) the date on which the Shares cease to be listed on the Shanghai Stock Exchange, that:

- (a) it and its controlled entities shall not, and it shall use its best endeavors to procure its investee enterprises not to, (i) directly or indirectly, in any form, alone or with others, engage in, participate in or assist in engaging in or participating in any business within or outside the PRC that constitutes or may constitute direct or indirect competition with our principal business of manufacturing, selling, and providing technical services of low-voltage electrical products (the “**Principal Business**”); or (ii) support any third party, other than the Company or its subsidiaries, in conducting any business within or outside the PRC that constitutes or may constitute competition with our current or future Principal Business; or (iii) intervene, directly or indirectly, in any other manner in any business or activity that competes with our current or future Principal Business;
- (b) if it or its controlled entities becomes aware of any new business opportunity, which is or may be in direct or indirect competition with the Principal Business, CHINT Group shall promptly notify our Company in writing. Upon receipt of such notice, we shall within thirty (30) days notify CHINT Group in writing if we have an intention to pursue such opportunity, and CHINT Group or its relevant controlled entity shall use its best efforts to ensure that the business opportunity is firstly provided to our Company on reasonable and fair terms and conditions; and
- (c) if our Company or our subsidiaries, for any reason, decide not to pursue the aforementioned new business, we shall promptly notify CHINT Group. In such case, provided that the new business does not compete with the Principal Business, CHINT Group or its controlled entities may pursue such new business, while our Company shall be entitled to (i) acquire, at any time, either in one or multiple instances, any equity, assets, or other interests held by CHINT Group or its controlled entities in the new business, which is or may be in direct or indirect competition with the Principal Business, or in a manner permitted by applicable law, to entrust the operation, lease, or contract operation of CHINT Group’s assets or business in such new business; (ii) exercise the right of first refusal within thirty (30) days from receipt of a written notice from the CHINT Group, to acquire any such new business, which CHINT Group or any of its controlled entities intends to transfer, sell, lease, license, or otherwise make available to any third party.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS GROUP

In addition, in March 2008, each of CHINT Group and Mr. Nan Cunhui further provided a long-term non-competition undertaking in favor of our Company, pursuant to which, each of CHINT Group and Mr. Nan Cunhui has undertaken that, among others:

- (1) Neither CHINT Group nor any entities controlled by CHINT Group or Mr. Nan Cunhui engage, directly or indirectly and in any form, in any business within or outside the PRC that constitutes or may constitute direct or indirect competition with the principal business currently conducted by our Company.
- (2) Neither CHINT Group nor any entities controlled by CHINT Group or Mr. Nan Cunhui will, directly or indirectly, engage in or operate any business within or outside the PRC that constitutes or may constitute direct or indirect competition with the principal business of our Company.
- (3) In the event that any competition with our Company becomes unavoidable due to changes in national policies, force majeure or other unforeseen circumstances, or if there may be potential competition with our Company, our Company shall be entitled to require the elimination of such competition by any appropriate measures, including but not limited to the acquisition by our Company of equity interests in any relevant entities controlled by CHINT Group at market prices.
- (4) Each of CHINT Group and its controlled subsidiaries and Mr. Nan Cunhui shall strictly comply with the above undertakings, and in the event of any breach, shall be liable for all losses and damage suffered by our Company in accordance with applicable laws.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS GROUP

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently of our Controlling Shareholders Group and their respective close associates upon [REDACTED].

Management Independence

Upon [REDACTED], our Board will comprise ten Directors, including four executive Directors, two non-executive Director and four independent non-executive Directors. Our management and operational decisions are made collectively by our Board and senior management, most of whom have served our Group for a significant period of time and have substantial and extensive relevant industry experience and expertise as set out in “Directors and Senior Management.”

Save as disclosed below, none of our Directors or members of our senior management holds a directorship or senior management position in our corporate Controlling Shareholders and their close associates (excluding our Group):

Name	Position(s) in our Company	Position(s) in our Controlling Shareholders and/or its close associates
Mr. Nan Cunhui	Executive Director and chairman of the Board	Director of Huitai Limited, Shanghai Taiyi, CHINT Group and three of its close associates General partner of Huitai Partnership
Mr. Chen Guoliang (陳國良)	Executive Director and president	Director of CHINT Group and 12 of its close associates
Mr. Lin Yiming (林貽明)	Executive Director, vice president and financial director	Director of 16 close associates of CHINT Group

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS GROUP

Name	Position(s) in our Company	Position(s) in our Controlling Shareholders and/or its close associates
Mr. Nan Er (南爾)	Executive Director and vice president	Director of CHINT Group and 12 of its close associates
Mr. Zhu Xinmin (朱信敏)	Non-executive Director	Director of CHINT Group and 13 of its close associates
Mr. Lu Chuan (陸川)	Non-executive Director	Director of CHINT Group and ten of its close associates

Notwithstanding the fact that four executive Directors, namely Mr. Nan Cunhui, Mr. Chen Guoliang, Mr. Lin Yiming, Mr. Nan Er, and two non-executive Directors, namely Mr. Zhu Xinmin and Mr. Lu Chuan, hold overlapping directorship or senior management positions in our Controlling Shareholders and their close associates, we are of the view that our Company and our corporate Controlling Shareholders can be managed independently for the following reasons:

- (i) Mr. Nan Cunhui, the founder of both our Group and CHINT Group, holds leading positions in our Company, our Controlling Shareholders and their close associates, which reflects recognition of his leadership, contributions, and seniority. Nevertheless, when performing his duty as the executive Directors and the chairman of the Board of our Company, Mr. Nan Cunhui has been devoting and will continue to allocate adequate amount of time and effort to the management and operation of our Group and would bear the best interests of our Company and Shareholders as whole in mind;
- (ii) Save that Mr. Lin Yiming acts as the executive director and chairman of the board of directors of Zhejiang Private Enterprise Joint Investment Co., Ltd. (浙江民營企業聯合投資股份有限公司) (“**Zhejiang PEJ Investment**”), in which CHINT Group holds approximately 40% equity interest, none of our other executive Directors, namely Mr. Chen Guoliang, Mr. Lin Yiming and Mr. Nan Er, is acting as directors with management roles or holds any senior management positions in our Controlling Shareholders and their close associates.

Our Directors are of the view that the aforementioned roles of Mr. Lin Yiming in Zhejiang PEJ Investment, do not affect the management independence of our Group, due to the following reasons:

- (i) Zhejiang PEJ Investment is not a subsidiary controlled by CHINT Group, (ii) Mr. Lin Yiming is only involved in the high-level decision-making of Zhejiang PEJ Investment and when performing his duties, he has been and will continue to be supported by the senior management team of Zhejiang PEJ Investment, which is responsible for the day-to-day operation and management of Zhejiang PEJ Investment; and (iii) Mr. Lin Yiming does not expect that his role in Zhejiang PEJ Investment will require substantial time commitment, and he has been devoting and will continue to devote sufficient time and effort to discharge his responsibilities in our Group effectively.
- (iii) Mr. Zhu Xinmin and Mr. Lu Chuan are our non-executive Directors, who will be mainly responsible for providing guidance for the overall management and development of our Company and will not be involved in the day-to-day operation and management of our Company. The day-to-day management and operations of our Company will be dealt with by our executive Directors and senior management;
- (iv) each Director is aware of his or her fiduciary duties as a Director which require, among other things, that such Director acts for the best interests of our Company and our Shareholders as a whole and should not allow any conflict of interests between his or her duties as a Director and his or her personal interests;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS GROUP

- (v) our daily management and operation decisions are made by our executive Directors and senior management, all of whom have substantial experience in the industry in which we are engaged and will be able to make business decisions that are in the best interests of our Group. For details of the industry experience of our executive Directors and senior management, see “Directors and Senior Management” in this document;
- (vi) our Company has established internal control mechanisms to identify connected transactions to ensure that our Shareholders or Directors with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions pursuant to the relevant requirements under our Articles of Association and/or the Listing Rules;
- (vii) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective close associates, the interested Director(s) is required to declare the nature of such interest before voting and shall abstain from voting in respect of such transaction and not be counted towards the quorum at the relevant Board meetings of our Company; and
- (viii) we have appointed four independent non-executive Directors, comprising more than one third of the total members of our Board, who have sufficient knowledge, experience and competence to ensure that the decisions of our Board are made after due consideration of independent and impartial opinions and in the best interests of our Company and our Shareholders as a whole.

Based on the above, our Directors are of the view that our Board as a whole and together with our senior management are capable to perform their roles in our Company independently and manage our business independently of our Controlling Shareholders Group and their respective close associates after the [REDACTED].

Operational Independence

We have full rights to make all decisions regarding, and carry out, our business operations independently. We have established our own organizational structure, with each department assigned to specific areas of responsibilities which have been in operation and are expected to continue to operate independently of our Controlling Shareholders Group and their respective close associates. Our access to, and relationship with, our key customers and suppliers are independent from our Controlling Shareholders Group. We are in possession of, or have the right to use, all material assets, licenses, intellectual property rights and research and development facilities necessary to carry on and operate our business.

Due to the nature and characteristics of our businesses, we entered into certain continuing connected transactions with CHINT Group and its associates in respect of some of our businesses, including the licensing of certain trademarks from CHINT Group to our Group, the leasing of certain office premises and machinery equipment to and from CHINT Group and its associates, the procurement of financial services from CHINT Group, and the provision and procurement of products and services to and from CHINT Group and its associates. Such connected transactions with the CHINT Group will be conducted on arm’s length basis and on normal commercial terms in the ordinary and usual course of our business. For more details, see “Connected Transactions”. Considering that our access to independent sources and the sufficiently competitive market, our Directors believe that, even if such agreements are terminated, our Company will be able to easily identify other suitable partners or substitutes that would be readily available to our Company through fair negotiation at similar terms and conditions in line with the market terms to meet our business and the operational needs without causing any undue delay.

Based on the above, our Directors are satisfied that we have been operating independently from our Controlling Shareholders Group and their respective close associates during the Track Record Period and will continue to be able to operate independently upon [REDACTED].

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS GROUP

Financial Independence

We are able to operate independently from our Controlling Shareholders Group and their respective close associates from a financial perspective. We have an independent financial system and make financial decisions according to our own business needs. We have our independent financial department with a team of financial staff responsible for financial control, accounting and reporting function, and an audit committee comprising solely of independent non-executive Directors to oversee our accounting and financial reporting processes. We make tax registration and pay tax independently with our own funds. As such, our financial functions, such as cash and accounting management, invoices and bills, operate independently from our Controlling Shareholders Group and their respective close associates.

During the Track Record Period, our Controlling Shareholders provided guarantees (the “**Connected Guarantees**”) for our Group’s bank borrowings and credit facilities (the “**Guaranteed Borrowings and Credit Facilities**”) from various commercial banks and financial institutions. Connected Guarantees in an aggregate amount of approximately RMB6.4 billion was not released as of June 30, 2026 and are not expected to be released upon the [REDACTED]. Besides, we have been receiving financial services from CHINT Finance, a subsidiary of CHINT Group, including deposit services, credit services and other financial services in connection with our ordinary course of business operation, which are expected to continue after [REDACTED] and subject to compliance with the applicable requirements under Chapter 14A of the Listing Rules. As of June 30, 2026, the aggregate amount of credit services provided by CHINT Finance to our Group was approximately RMB6.3 billion. For more details, see “Connected Transactions”.

We are of the view that the early release of all guarantees provided by our Controlling Shareholders prior to the [REDACTED] is not in the best commercial interests of our Company and Shareholders as a whole, as our Group would need to go through the formalities for refinancing and incur unnecessary additional costs, expenses and time. In addition, our Directors consider that the financial services arrangements with CHINT Group are fair and reasonable and are in the interests of our Group and the Shareholders as a whole. To maintain the procurement of financial services from CHINT Group provides our Group with an additional financing channel and enhances flexibility in treasury management. Our Group is able to choose deposit services, loan services and other financial services provided by Independent-Third-Party commercial banks and financial services institutions, even if the arrangements with CHINT Finance is terminated. Therefore, our Group expects to continue such arrangements after [REDACTED]. For further details of the Connected Guarantees and the procurement of financial services, see “Connected Transactions” in this document.

Notwithstanding the above, our Directors believe that our Group is capable of operating financially independently from our Controlling Shareholders and their close associates for the following reasons:

- (i) as of June 30, 2026, we obtained unutilized credit facilities from independent financial institutions in an amount of RMB43.4 billion, which were not guaranteed by our Controlling Shareholders or their close associates. Such amount substantially exceeds the aggregate amount of the Connected Guarantees;
- (ii) during the Track Record Period, in addition to the credit facilities guaranteed by the Controlling Shareholders, we have been able to obtain credit facilities from independent commercial banks and financial institutions without any guarantee from our Controlling Shareholders or their close associates;
- (iii) the Guaranteed Borrowings and Credit Facilities and the loan facilities provided by CHINT Finance were entered into on normal commercial terms, and the applicable interest rates were not more favorable than those applicable to other financing obtained by us from Independent Third Parties for comparable financings, and without guarantees from our Controlling Shareholders or their

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS GROUP

close associates. The Connected Guarantees are consistent with prevailing market practice, as such guarantees are commonly required by certain commercial banks as standard credit enhancement arrangements. Accordingly, we do not have undue reliance on our Controlling Shareholders for financing; and

- (iv) we are in a solid financial position. As of June 30, 2026, our cash and cash equivalents amounted to approximately RMB14.9 billion, and such cash and cash equivalents are sufficient to fully repay the borrowings guaranteed by our Controlling Shareholders and the loan facilities provided by CHINT Finance if needed.

Save for the above, as of the Latest Practicable Date, there were no outstanding loans, borrowings or guarantees provided to our Group by any of the Controlling Shareholders Group and/or their close associates.

Based on the above, our Directors are satisfied that from a financial perspective, we are capable of carrying on our business independently of, and do not place undue reliance on our Controlling Shareholders Group and their respective close associates after the [REDACTED].

CORPORATE GOVERNANCE MEASURES

In order to further safeguard the interests of our Shareholders, we will adopt the following corporate governance measures to manage any potential conflict of interests with our Controlling Shareholders Group and their respective close associates:

- (i) a Director shall abstain from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her close associates has a material interest, nor shall such Director be counted in the quorum present at the Board meeting;
- (ii) where any proposed transaction in which any of our Controlling Shareholders or any of their respective associates has a material interest is to be considered at a Shareholders’ meeting, such Controlling Shareholders and their respective associates shall abstain from voting on the relevant resolution;
- (iii) a Director with material interests shall make full disclosure in respect of matters that conflict or potentially conflict with our interest and absent himself from the Board meetings on matters in which such Director or any of his/her close associates have a material interest;
- (iv) our Company has established internal control mechanisms to identify connected transactions. Upon [REDACTED], if our Company enters into connected transactions with our Controlling Shareholders Group or any of their associates, our Company will comply with the applicable requirements under the Listing Rules; and
- (v) we are committed that our Board shall include a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors). We have appointed four independent non-executive Directors, and we believe our independent non-executive Directors possess sufficient experiences and are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our Shareholders as a whole. For details of our independent non-executive Directors, see “Directors and Senior Management–Directors–Independent Non-Executive Directors” in this document.

We have appointed Altus Capital Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors’ duties and corporate governance.