



POWER DISTRIBUTION PRODUCTS BUSINESS

BY

YUN CAI

AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENT FOR THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION (INTERNATIONAL PROGRAM)

SOUTHEAST ASIA UNIVERSITY

ACADEMIC YEAR 2022

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Author Yun Cai
Program Master of Business Administration (International Program)
Advisor(s) Tanaset Morasilpin, Ph.D.


Graduate School, Southeast Asia University, was approved as partial fulfillment of the requirements for the degree of Master of Business Administration. (International Program)


 Dean, Graduate School
 (Puttithorn Jirayus, Ph.D.)

 Director, Master of Business Administration
 (Assoc.Prof. Napaporn Khantanapha, Ph.D.) (International Program)

Independent Study Committees

 Chairman
 (Assoc.Prof. Siwarit Pongsakornrungrungsilp, Ph.D.)

 Committee
 (Assoc.Prof. Napaporn Khantanapha, Ph.D.)

 Advisor
 (Tanaset Morasilpin, Ph.D.)

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Abstract

This paper aims to introduce the business development of New Power Electric Technology Co., LTD. The company has rich technology and talent resources of electric power products and services and strives to become bigger and stronger in Guangdong region and then radiate to the national market. Company's main business includes fittings, smart grid, such as business, focusing on the latest national electricity industry policy guidance, the development of cutting-edge power technology, build from the supply chain to the customer's after-sale one-stop service system, through the best quality products and most perfect service for the sustainable development of the company, truly "power technology fu can better life" as the enterprise vision.

Keywords: Electric power technology, Internet marketing, platform

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Section 1

Executive Summary

New Power Power Technology Co., Ltd. is committed to the development of China New Era Power Technology Company's power business, with deep power industry talent and technical resources, to provide power technology product development and back-end services, the main business is mainly power fittings and smart grid business. The company mainly takes the major manufacturers in Guangdong as its main partners, builds a series of electric power hardware services from product development to back-end services, and strives to get customers' trust through the best electric power technology and services. At present, the company not only adds more channel customers, but also presents the trend of diversification and depth of electric power products and services. According to the company's market research, in the past few years, because of the growing carbon neutral market in China, people are more and more inclined to use new electric products and want to get better electric services, and electric energy will become the most important way of energy-driven life in modern society. Therefore, the company adheres to the purpose of "creating a better life with electric power technology", based on the front section of the electric power industry, to provide better electric power services for the society.

Section 2

Introduction to the Company

2.1 Company History

Established in 2016, New Power Power Technology Limited is an electric power technology limited company that focuses on the technical development of products before 2021 and starts to operate with integrated R&D and operation in the second half of 2021. The company is located in Nansha, a national new area and the centre of the Guangdong-Hong Kong-Macao Greater Bay Area. Since its inception, the company has focused on providing innovative technology applications and high-quality innovative solutions for power grids to create a technology-based high-tech enterprise. The company's main business scope also includes electrical power tools, smart grid equipment and grid-related ancillary products.

The company is committed to building an advanced manufacturing enterprise led by scientific and technological innovation, insisting on independent innovation and research and development, supporting the provincial engineering technology research centre standard engineering technology centre, CNAS national accredited laboratory standard testing centre and modern production equipment workshop, equipped with more than ten sets of intelligent control equipment such as CNC machine tools, injection molding machines, laser machines, advanced testing equipment and advanced domestic and international automatic production. Dozens of advanced testing equipment and advanced automatic production equipment from home and abroad.

The company actively works with customers, universities, and research institutions to create a technology sharing platform and an innovation community. It has established joint R&D centres with universities and large group companies in the same industry, sharing the benefits and value of technological innovation and transformation with strategic partners. By 2021, we will apply for more than 40 invention patents to achieve independent innovation of key technologies and

provide strong support and reliable guarantee for the sustainable development of the company.

2.2 Mission Statement

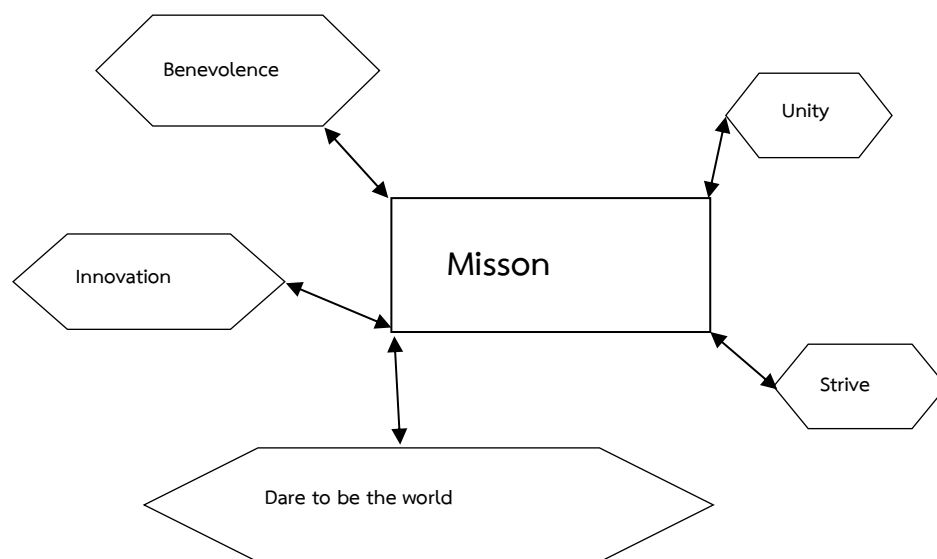
Unity - to create a fair and equitable corporate environment through communication, co-ordination, co-operation and to form a unified and coherent situation at all levels.

Strive - to be accurate and efficient in our work, and to have the heroic spirit of "not going to the Great Wall is not a good man" and "not bowing down, not admitting defeat, wiping away tears and holding on" when completing tasks. In setting realistic milestones, we encourage moderation and over-achievement, and oppose costly exaggeration.

Benevolence -- Through a perfect care system to let employees feel the respect, help and love of the enterprise, so that employees love the enterprise, love their work, love the enterprise as a family, retaining good employees is the wealth of the enterprise.

Innovation -- Innovation is the soul of the development of this enterprise, through the development of extensive scientific research activities and staff rationalization proposals, to achieve full innovation; through the modernization of management concepts and means, information technology and standardization, to achieve technological innovation and management innovation; through extensive external exchanges and cooperation, to achieve win-win cooperation in new technologies.

Dare to be the world - Dare to be the world is the source of business success, the enterprise advocates that all employees should dare to learn and practice innovation. We must learn and adapt in the midst of change, generate and develop in the midst of adaptation, and regard the courage to take the initiative to learn and innovate as a working ability. Any employee of the company has and should have the spirit of daring to the world when it comes to the changing market and the relationship with fellow industry players.



2.3 Products and service

According to the market survey and research, the comprehensive performance of the traditional metal fittings has great defects, especially after a certain period of use, it is easy to oxidize and rust, increase the resistance and heat, natural loosening, damage the distribution cables and other situations under different outdoor operating environments, which will easily cause the failure of the power grid operation and seriously increase the contact resistance.

This can lead to safety accidents such as heat and fire. In view of the above problems, we have designed and researched from the perspectives of economy and practicality, reduction of safety hazards, aesthetic introduction and convenient installation. We have developed new types of gold fixtures such as cable connection products, fastening and non-loosening gold fixtures, one-key grounding products, safety protection products, etc. Our new types of gold fixtures are intended to be put into use in many provinces and cities of the national grid and the southern grid.

During the operation of the products, the operating conditions may vary slightly because the products operate in different geographical environments. We will often communicate with customers in different regions to understand the operating conditions of the products and whether there is a need for improvement and optimization. We will also continue to develop new products that our customers

need and that are easy to install and maintain, which reflects our complete service spirit.

2.4 Current status of the company

The company has made remarkable achievements in the establishment and improvement of various systems, the training of talents, the completion of innovative projects for employees, the implementation of safety work and the promotion of market operation since the development of technology and market operation. Especially since this year, the production capacity and sales performance have increased substantially, with an average monthly production volume of 100,000 pieces of products and a monthly sales revenue of RMB 3 million. A total of more than 70 partners have been established nationwide, of which 10% are quality partners with stable monthly sales of more than 300,000.

2.5 Legal status and ownership

Shareholders	Amount of funds contributed (million)	Share of capital contribution (%)
Mr. Guan	3600	30
Mr. Yang	2700	22.5
Mr. Cai	1440	12
Ms. Liu	1320	11
Ms. Xie	1200	10
Mr. Chen	1200	10
Mr. Huang	540	4.5
Total	12000	100

2.6 Choice of company name

The name "New Power" is a direct indication of the power of electricity as the main source of energy for the emerging modern society that gives the world its ability to function.

The reason for choosing these three words as the name of the company is also because the company emphasises the importance of electricity technology in contemporary society, not only as a kinetic energy source, but also as a strong support for social development.

2.7 The primary consideration in naming the company

Vision: To be a world-class power technology company that creates a better electric life for humanity.

Mission: To provide people with better electricity services through continuous innovation in electricity technology.

The company's core values unity and cohesion, enterprise, selflessness and dedication.

2.8 Legal issues

1. the validity and exclusivity of the company's patent rights (the validity and exclusivity of each of the company's patented technologies must be confirmed).

2. The validity of the business licence and the original identity cards of all shareholders (to confirm the validity of the business licence and the impact of the original identity cards of all shareholders to be retained within the company's archives).

3. the proportion of capital contribution of all shareholders (reasonable arrangement of the company's shareholders' shares, the appointment of management and operational requirements)

4. the scope of the company's business (the company's electricity part of the business may involve the need to confirm the relevant qualifications or licenses)

5. legal proceedings (the actual operation of the company requires constant attention to public opinion and legal proceedings and other related negative impacts).

Section 3

Industry Analysis

3.1 Industry scale, growth rate and sales forecast

China's network has built about 26,000 kilometres of lines, with a transmission capacity of 94.4 million kilometres, a cross-regional transmission capacity of 450 million kilowatts, and a transmission capacity of 1.87 trillion kilowatts, making it the country with the most DC transmission projects, the longest transmission lines and the largest capacity in the world.

Due to the strengthening of power engineering construction, the demand for power fittings is also on the rise, which brings new development opportunities to the power fittings industry as well. National electric power engineering construction completed investment of 857.6 billion yuan, an increase of 9.87%.

Among them, the power supply engineering construction completed investment 393.6 billion yuan, an increase of 6.78%, accounting for 45.90% of the total investment in the national power engineering construction, power grid engineering construction completed investment 464 billion yuan, an increase of 12.64%, including ultra-high voltage AC and DC projects completed investment 46.4 billion yuan, accounting for 10% of the proportion of the completed investment in power grid engineering construction.

At present, there are about 30 enterprises qualified to produce 500KV power transmission and substation fittings, 15 enterprises producing 750KV power transmission and substation fittings and 11 enterprises producing 1000KV UHV power transmission and substation fittings, all of which have strong production capacity and high management level and are in the leading position of power fittings. In the construction of electric power projects, the demand for electric power fittings accounts for about 5% of the total investment in electric power projects, so the demand for electric power fittings is influenced by the development of the electric power engineering construction industry.

In 2022, the annual power grid investment plan of the State Grid exceeded 500 billion yuan for the first time. New energy generation accounted for an increase in the proportion of electricity, electricity load structure changes and other factors led to a significant increase in the complexity of the power grid structure, power grid to accelerate the need for upgrading and transformation significantly.

13 January 2022, the State Grid annual work conference pointed out that the 2022 power grid plan investment will reach 501.2 billion yuan, for the State Grid annual power grid investment plan for the first time exceeded 500 billion yuan, a record high, year-on-year The growth is 8.84%.

South network released the "fourteen five" power grid development plan, the scale of investment has increased significantly. During the "14th Five-Year Plan" period, South China Power Grid will plan to invest about 670 billion yuan to accelerate the construction of digital power grids and modernization of the grid process, and promote the construction of a new power system with new energy as the mainstay. In terms of investment amount, during the 14th Five-Year Plan period, South China Power Grid will invest approximately RMB 670 billion in grid construction, an increase of 51% compared to the 13th Five-Year Plan; the average annual investment amount is RMB 134 billion, an increase compared to the highest investment year in 2019.

3.2 Industry characteristics

The power system industry chain has different characteristics corresponding to different needs. On the production side of electric energy, the most downstream is the user who pays for electricity, the midstream can be divided into five major and four minor power generators and grid operators such as State Grid according to the feed-in tariff and transmission and distribution tariff, while the upstream industry mainly includes electrical equipment manufacturing, planning, design and construction, which also includes more upstream industries such as raw materials and industrial appliances.

At present, China's power grid operators are State Grid Corporation, China Southern Power Grid Limited Liability Company, as well as the operating entity in the

incremental distribution grid reform pilot. The Southern Power Grid operates in five provinces - Guangdong, Guangxi, Yunnan, Guizhou and Hainan - while the State Grid operates in the remaining provinces (except for Hong Kong, Macau and Taiwan).

The two grids are relatively independent in physical structure and are currently connected only through the Three Gorges-Guangdong $\pm 500\text{kV}$ DC line and the Fujian-Guangdong interconnection project under construction. In contrast to the largely monopolistic grid operator, the upstream equipment manufacturing and service industry is largely oligopolistic or perfectly competitive. The higher the voltage level and the greater the technical difficulty of the relevant equipment, the fewer the parties involved in the competition, while the low-voltage equipment manufacturing industry is almost completely competitive. The service industry mainly includes engineering services, scientific research and innovation services and information technology services, of which information technology services have greater customer stickiness and faster growth rate.

China's electric power fittings industry chain is constantly enriched with participants, and the industry ecology is gradually sound. The industry located in the middle of the industry chain is different from other countries. Due to the different customer orientation, the core service target is the parent company. Value services are also more focused on how to bring value to the parent company, i.e. what mechanisms and organisational arrangements are provided to help the parent company practice openness and innovation.

Industrial innovation power grids serve as a buffer between the entrepreneurial team and the company's internal system, not only to reduce mutual influence, but also to bring in external technological resources, speed up the process of technology commercialisation and reduce the cost of corporate innovation.

At the same time, it can also provide an external commercialisation path for internal unused innovation results, thus stimulating the "entrepreneurial spirit" within the company and sharing innovation risks with external resources. As a result, large companies play a decisive role in the development of national industrial innovation geographies and have an absolute say in their segmented industrial chains.

However, it is these large enterprises that continue to drive the transformation and upgrading journey of the power fittings industry at this stage.

Electric power fittings since the implementation of the product production license, the existing license more than 250 enterprises, including three foreign-funded enterprises, a total of more than 410 product units. Manufacturers are distributed throughout the country, including Jiangsu, Zhejiang Province, the most, accounting for about 1/3 of the total number of more than the enterprise product units, different varieties, production scale varies greatly, the annual output value from a few million to several hundred million. At present, there are about 30 enterprises with production qualification of 500KV transmission and substation fittings, 15 enterprises producing 750KV transmission and substation fittings, and 11 enterprises producing 1000KV ultra-high voltage transmission and substation fittings; these enterprises have strong production capacity and high management level, and are in the leading position of current power fittings.

3.3 Industry trends

During the "14th Five-Year Plan" period, the intelligence of the distribution network is the core of the new power system construction. The total investment target of the State Grid for 2022 is RMB 579.5 billion, of which RMB 501.2 billion is planned for power grid investment; the planned investment scale of the Southern Power Grid during the 14th Five-Year Plan is RMB 670 billion, an increase of nearly 20% compared to the 13th Five-Year Plan.

In January 2022, the National Development and Reform Commission (NDRC) and the National Energy Administration (NEA) issued the Opinions on Improving Institutional Mechanisms and Policy Measures for Green and Low-Carbon Energy Transition, which proposed to "vigorously promote the construction of smart distribution grids with a high proportion of distributed new energy power", further promoting the functions and characteristics of smart distribution equipment towards having self-healing capabilities and higher efficiency.

It further promotes the development of the functions and features of intelligent power distribution equipment in the direction of self-healing capability, higher security, higher power quality, support for mass access of distributed power sources, support for interaction with customers, visual management of the distribution network and its equipment, improved utilisation of distribution assets and enhanced informationisation of distribution management.

In the notice of Guangdong Provincial People's Government and Southern Power Grid Company on "Building a New Electricity System in Guangdong Province to Promote High-Quality Development of Electricity (2021-2025)", it is proposed to "comprehensively strengthen the construction of urban distribution grids, build a strong, simple, orderly, flexible, reliable, advanced and applicable distribution grid, and improve the level of power supply and safety in urban areas. The government will also focus on solving the problems of insufficient load supply capacity, weak network structure and heavy equipment overload".

Therefore, the future construction of new power system will focus on the distribution network, and the construction of digital distribution network will be based on the core of "distribution terminal +", integrating the technical features of new sensing, 5G communication, artificial intelligence, Internet of Things and other cross-field integration applications, developing various forms of distribution terminals, and deeply integrating with primary equipment to form a complete Intelligent power distribution digital solutions.

In December 2021, the State Council issued the "Metering Development Plan (2021-2035)", proposing to promote the digital transformation of metering.), proposing to promote the digital transformation of metering, strengthen the traceability, credibility and security of metering data; to improve the carbon emission measurement system, carry out research and application of technologies such as electricity consumption information to project carbon emissions and flue gas emission measurement; and promote the research and application of metering and testing technologies for photovoltaic and other clean energy generation, energy storage and grid-connected control.

Under the new power system, the measurement system will be able to accurately measure the power of different types of power sources in all aspects of generation, transmission, distribution and use, and also provide accurate low-voltage side topology files and access to clean energy, distributed energy and other power sources in the station area, which will put forward higher requirements for the sensing capability, measurement object access capability, data collection capability, dynamic instant interaction capability and business application capability of the corresponding power measurement system.

3.4 Long-term trends

The power industry is the most important basic energy industry in the development of the national economy, is a priority in the national economic development strategy, and plays an important role in promoting the development of the national economy and the progress of society. At present, China has reversed the electricity shortage for more than 20 consecutive years and has become the world's second largest electricity producer and consumer, with electricity supply meeting the needs of the national economy and people's lives.

For the smart grid industry, the future development of smart grid should also be closely based on, and closely serve the needs of the national energy strategy. Specifically, the development of the grid should adapt to the development and use of clean energy, promote energy saving and emission reduction, promote the change of the grid development mode, optimise the energy structure and reasonable layout, and drive the development of energy technology industry.

The supply and demand of energy resources in China are distributed in the reverse direction over long distances, which requires further deepening research and exploring how to apply UHV transmission technology on a larger scale, and the development of high-capacity, long-distance flexible transmission technology.

By researching fully-controlled device based high-capacity flexible AC transmission technology, key multi-terminal DC transmission technology, new fault current limiting technology and thyristor-controlled phase shifting technology, the EHV DC transmission current will be increased to 6250 A and voltage to ± 1100 kV, realising a

powerful and flexible grid tide control capability, significantly improving the scale and efficiency of grid energy resource allocation, and realising EHV and trans-regional transmission capacity of 210 million kilowatts and 450 million kilowatts in 2015 and 2020 respectively.

The highly integrated integration of power flow, information flow and business flow is the development trend of smart grids, and a breakthrough is needed in the comprehensive sensing, reliable transmission and intelligent processing of power information. Through the unified modeling technology of power information, new sensing technology for power, power Internet of Things technology, massive data cloud processing technology and basic service cloud platform technology, we need to break the resource barriers between links and system applications, realize the deep perception of power physical body and cross-domain cooperation of power business, realize the deep mining of massive data, and greatly improve the intelligence level of power system. Building smart grids involves many areas of the economy and society, and only by combining smart grid-related policies with other related policies can we make them more effective.

The market for smart grids is large and has diverse needs. The global smart grid market is expected to grow rapidly from US\$22.22 billion in 2018 to approximately US\$39.1 billion in 2023, at a compound annual growth rate (CAGR) of 11.97% between 2018 and 2023, according to forecasts from relevant organisations. It is foreseeable that there will be a greater demand for terminal sensing devices, data transmission gateways and supporting data service cloud platforms, with companies building energy efficiency systems, safe electricity systems and environmentally friendly electricity monitoring systems for users around their needs, providing a full range of intelligent electricity data services. In recent years, with the development of Internet and IoT technologies, terminal sensing devices, data transmission and data acquisition methods have all been developed rapidly, and industry applications are being extended to more new areas, including environmental protection and fire fighting.

Energy efficiency management systems infused with digital technology will gradually become a necessity for enterprises to manage their smart grids in an integrated manner, ensuring that they save energy and run smoothly while co-ordinating the use of electricity. There are still some problems with the development of the smart grid industry in China. For example, the understanding of smart grids is still not uniform and there is a lack of technical standards and specifications.

In addition, due to the high investment costs in the early stages of smart grid construction, especially for energy storage systems and monitoring systems, as well as the need to equip corresponding operation and maintenance personnel at a later stage, the overall industry investment operation and maintenance costs are high, and the project investment payback period is long. Especially for private enterprises, need to get more policy support. With the improvement of renewable energy efficiency, the accelerated development of the energy storage industry and policy support, the smart grid industry will usher in rapid development.

Section 4

Market Analysis

4.1 Market model analysis

4.1.1 PEST Analysis

Political factors	Economic factors
<p>China has incorporated smart grid construction into one of its national strategic plans and has introduced a series of encouraging policies to promote the continuous and rapid development of smart grid. A series of national policies to support the construction and upgrading of smart grids will create a good policy and market environment for the development of China's smart grid industry.</p>	<ol style="list-style-type: none"> 1. the power industry has a state monopoly nature, with relatively stable business performance, is a capital-intensive industry, and has special advantages in terms of capital and other aspects and can obtain sufficient financial support without having to worry about the capital chain of power grid projects. 2. the intelligent distribution network industry is a livelihood industry that optimises electricity resources and can form a solid internal cycle of demand on the demand side, which can create stable economic returns
Social factors	Technical factors
<p>with the development of the times and the popularisation of the concept of low carbon and environmental protection, new green power energy is emerging, mainly: clean energy: hydropower, wind power, photoelectricity, research on advanced energy storage technology, reduction of thermal and nuclear power,</p>	<ol style="list-style-type: none"> 1. the demand for technology iteration in the electric power industry is large, although the country's basic get rid of the industry, but the update speed of electric power-related technology is slow, there is still a lot of space for market exploration in this area. 2. stimulated by policies and the rapid

the emergence of intelligent distribution networks will reshape the productivity of the power industry and make the underlying logic of the power industry more in line with the requirements of low carbon and environmental protection in society.	development of intelligent technology, the technological update of the intelligent distribution network industry will be accelerated, and more technical talents will be absorbed into the industry to promote market development
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4.1.2 SWOT

Strength	Weakness
<ol style="list-style-type: none"> 1. A series of national policies to support the electric power hardware and smart grid industry 2. power technology for the benefit of people's livelihood, the demand side will not decline 3. the power industry has a relatively stable operating performance, is a capital-intensive industry, the company has market advantages in financing 4. relatively abundant technical resources in the power industry 	<ol style="list-style-type: none"> 1. most of the electricity commodities are produced and consumed within the region, the phenomenon of administrative monopoly is prominent, the market is fragmented, inter-regional electricity exchange is difficult to achieve 2. High barriers to entry and huge investment in the electricity market make it difficult for us to expand our sales channels 3. Increasingly strict environmental protection regulations lead to a complicated approval system by the relevant agencies, making it more difficult for us to obtain an efficient supply of raw materials

Opportunity	Threat
<p>The restructuring of electricity has been effective, and the increasing maturity of new energy technologies will reshape the productivity of the power industry and bring the underlying logic of the power industry more in line with society's low carbon and environmental requirements.</p>	<p>1. the power industry has a serious technology monopoly, and the market is very saturated with competition in terms of patented technology, which may lead to strong industry suppression for the Division</p> <p>2. R&D talent in power technology is hard to come by and product differentiation requires strong technical and creative support.</p>

4.2 Purchaser behavior

In terms of purchaser behaviour, our company follows the procurement behaviour of the power industry, and the procurement bidding behaviour is based on the guiding ideology of promoting the development of enterprises to save costs and ensure safety and conducting bidding and procurement in accordance with national laws and regulations and the principles of openness, fairness and transparency. The current procurement model is mainly based on open bidding, and our company's current model is also applicable to both enquiry and open bidding.

Thanks to the unified national regulation of procurement bidding in the power industry, such a bidding and purchasing behaviour paradigm can maximise the regulation of purchaser behaviour and also promote the efficiency of the entire procurement process. Such a procurement paradigm enables the company to achieve a better division of labour arrangement, allocating more resources to core aspects such as research and development, and enhancing the efficiency of the company's resource utilisation.

4.3 Competitor Analysis

Competitors in the industry are mainly in terms of products, brands, markets, sales channels, after-sales services and corporate operations as well as business models. To sum up, competition in the industry is most dominated by cost advantages and technological advantages.

Firstly, cost advantage means that the company's products are more profitable than those of other enterprises in the same industry through low cost. Our company uses key key technologies and adopts the OEM production model to produce products. This model is different from the traditional assembly line model, which does not require a lot of manpower investment and greatly reduces labour costs, while focusing on product development technology and sales, product quality and price are better than most enterprises in the industry.

Secondly, technological advantage refers to the company's ability to provide products with more technical value and level than other companies.

The company intends to cooperate with the Southern Power Grid and the State Grid in more than 70 innovative projects, establish joint research and development centres with a number of universities and large group companies in the same industry, and share technological innovation with strategic partners. In addition, the company has applied for more than 40 invention patents, and various special technologies are protecting the production and use of the products. With the support of such technical background, the company's technological advantage in the industry will not be in a backward situation.

As the development of China's smart grid industry is still in the demonstration and pilot stage, the industry concentration is relatively fragmented. In terms of the competitive landscape of the industry, there are three main types of companies. The first type is the national team members, mainly serving the national network/backbone network, with rich customer resources, strong R&D and financial strength, strong contract certainty but weak bargaining power, but the number of such enterprises is relatively small; the second type is the overseas giant companies such as Schneider, this type of company has an early start in development, strong

comprehensive technical ability, strong brand value and premium ability, but the product service cost and selling price are higher.

The third category is private SMEs, which have low brand awareness, weak product customisation capabilities and overall weakness at the technical level compared to overseas giants and national teams. However, some of the leaders benefit from flexible operation and response mechanisms and can achieve faster development in the industry.

Through some of the power projects in recent years can be seen, survey and design business mainly by China Energy Construction, China Power Construction and other large construction state-owned enterprises subordinate research institutes to do, the State Grid, State Power Investment subordinate research institutes and construction of private enterprises Yongfu shares also participate; engineering construction business mainly by China Energy Construction, China Power Construction and local power transmission and transformation engineering enterprises to do, some of which power transmission and transformation engineering enterprises for the State Grid. Some of them are subsidiaries of State Grid.

In comparison with its competitive advantages, China Energy Construction has completed 90% of the design business in the domestic ultra-high voltage and ultra-ultra-high voltage transmission market, designed and constructed all the ultra-high voltage projects under construction and in operation in China, and has advanced technological experience in the research and development and production of transmission and transformation equipment, while China Power Construction has rich business experience and talent reserves in the field of ultra-high voltage engineering survey and design and construction.

The Company has a comprehensive grasp of UHV and all types of cable survey and design, and is ranked in the first echelon in China. The Company will take the leading companies in the industry as benchmarks and vigorously develop its core technical advantages to gain a good competitive advantage in the industry.

4.4 Annual Sales and Market Share Forecast

Dimension	2022	2023	2024	2025
Average daily present value(million)	75	94	168	267
Average daily orders	58	86	115	136
Average Unit conversion rate	68%	76%	84%	91%
Average daily sales (million)	35	64	89	106
Average annual sales (in millions)	462	647	868	1034

Section 5

Marketing Plan

5.1 Overall marketing plan

As an emerging electric power technology-based enterprise, the core marketing concept of our company lies in making customers feel the beautiful value of electric power with high-quality electric power products and fast and precise humanized services. In this Internet era, our company will develop a marketing plan that combines online and offline precision, so that customers can intuitively understand the advantages of our company, thus generating trust and the urge to consume.

5.2 Pricing Strategy

5.2.1 Tender pricing strategy

Tendering is a very common bargaining method in the electricity industry. Especially for state-owned enterprises represented by power grid companies, basically all purchases go through a bidding process. Usually a tender notice is issued on their dedicated procurement platform website, stating the specific requirements of the services to be procured, requiring qualified suppliers to complete the tender quotation process within the deadline specified in their notice, opening the bids within the deadline in accordance with the relevant regulations, selecting the supply unit with the lower quotation and guaranteed product reputation and quality, and signing the contract.

The tender price is based on the Company's analysis of the tenderer's tender and the relevant background research, supplemented by the estimation of the tender price of other participating supply units, and is not entirely in accordance with its own costs or other current market demand, with the corresponding special characteristics.

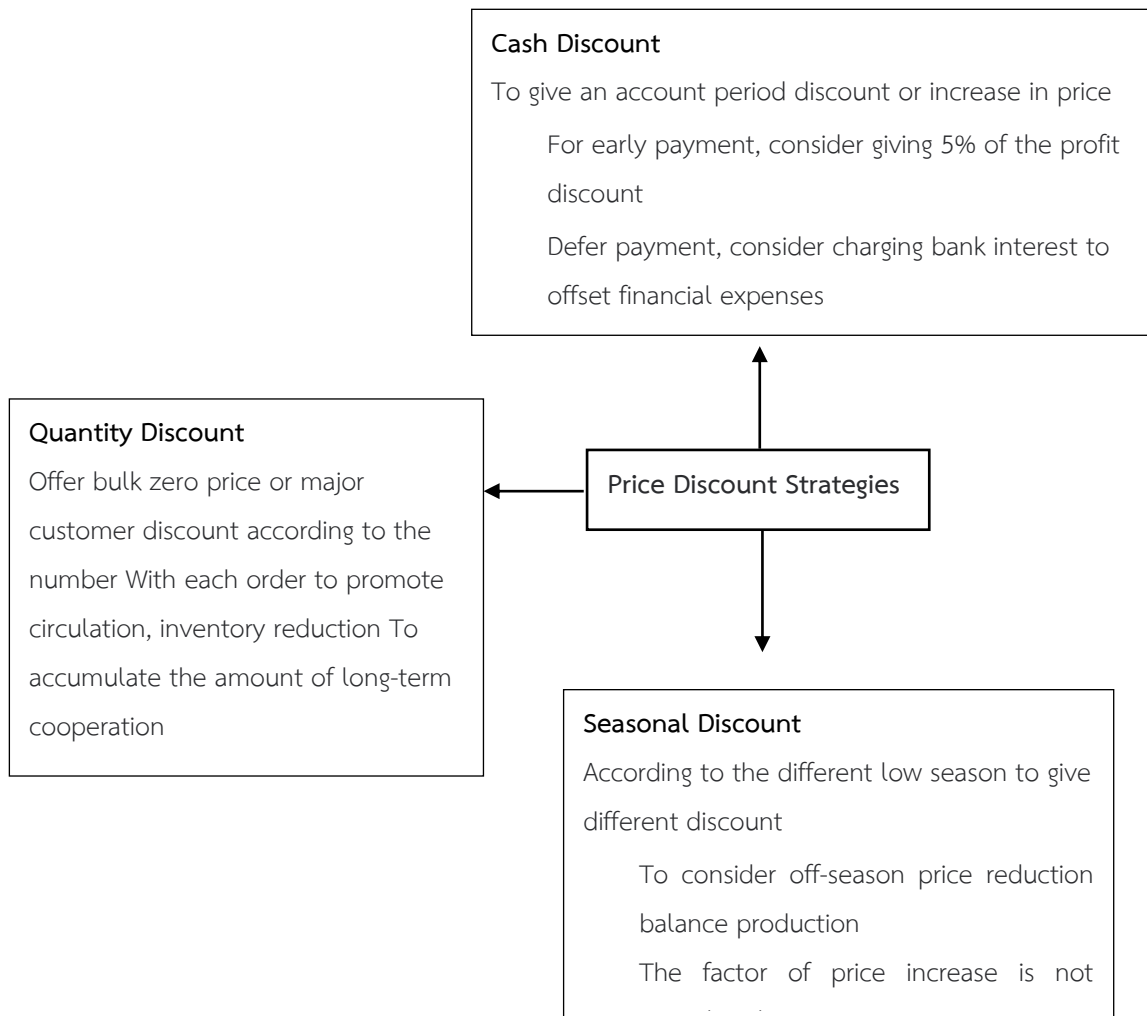
At present, in addition to the lowest bid stated in the tender, all tenders are awarded using the intercept price, i.e. the bid unit closest to the intercept price is the winning unit. The way in which the intercept price is constituted varies from enterprise to enterprise and is not communicated to the bidding unit in the actual winning process. This requires the bidding unit to collect a wide range of relevant information, analyse the previous work habits of the bidding unit, try to guess the rules of the composition of the intercept price, to provide reference for the business offer, the specific strategy of bid pricing can be referred to the figure as follows.



5.2.2 Price discounting strategy

Price discounting is an important marketing objective for the Company, but profits are not really reflected until payment is received. Although the Company's products are in a steady state of sales, in order to recover costs early or to gain customers, a price discount strategy is implemented considering different situations with the aim

of promoting sales or reducing risk by recovering payments early. Companies may consider discounts such as the one shown in the following figure.



5.3 Promotion plan

As an electric power technology company, in such an era where the Internet is king, creating a good corporate image and guiding public opinion in a positive direction is the most central promotion plan for our company, specifically, the promotion can be reached through the following measures.

Firstly, strengthen new media publicity. Strengthen the financial investment for corporate publicity, build a brand image of responsible, green development and wholeheartedly serving the people, actively operate advertisements on new media

platforms such as Jieyin, Crypto and Weibo to showcase the company's shining points, firmly establish a public image that shows the responsibility of private enterprises to take charge, cultivate good customer relations, build good stakeholder relations and social public relations, and maximise the understanding and support of local governments, electricity customers and The Company will continue to build up its public image as a responsible private enterprise, cultivate good customer relations, build good stakeholder relations and social public relations, and maximize the understanding and support of local governments, electricity customers and the public.

During the 14th Five-Year Plan period, the Company will strengthen its brand communication power and corporate reputation, strive for advanced levels in the industry, focus on energy transformation, point the camera at the front line of marketing services, launch artisans and models with contemporary characteristics, and show the positive energy of the Company in serving the general public.

Secondly, enhance the advertising and marketing of emerging power business. The company's main electric power fittings and intelligent distribution network services business fully cooperate with the promotion and marketing of emerging business, in the process of new groups of customers power services, vigorously promote the company's related value-added services, so that customers can enjoy the company's power services at the same time, but also feel the company's humanistic care, to achieve a win-win situation for both the value of services and corporate image. In addition, the company intends to establish a deep cooperation mechanism with traffic

enterprises to jointly promote the network, to consumers, especially young consumers to create the formation of low-carbon, environmental protection, cost-effective image concept, as a marketing grip, to attract more customers to the company's attention, so as to promote the promotion.

5.4 Distribution channels

As a power technology company, the Company's distribution channel strategy is mainly focused on the maintenance of the service side. The Company firmly

believes that good distribution services can feed the innovation and upgrading of products, specifically, the Company will distribute in the following aspects.

Firstly, restructuring and upgrading offline service channels. The traditional offline channels of power companies are very restricted, and in the past business expansion, the service channels were built with dense outlets and large investment resources. The Division continues to focus on customer needs, leaning and upgrading the original scattered and weakened offline channels, in particular by eliminating unnecessary branch physical outlets, bringing into play core geographical radiation functions, increasing energy efficiency service responsibilities, strengthening the intelligence level of data central control and promoting the transformation of service management to digitalisation. In the process of promoting digitalisation, we also need to do a good job of differentiating our services, build a multi-dimensional channel assessment model, and evaluate the results for lean management of the company's channel services.

Secondly, we will make every effort to promote the "Internet+" online service channel. The Company will make full use of mobile operating terminals and intelligent information technology to bring into play the new Internet technology's ubiquitous, flexible, intelligent and interactive features to fully integrate into the various processes of marketing services, achieve rapid active service, enhance customer experience and improve the digital and intelligent level of marketing. The Company will vigorously lay out on-site service cloud terminals to improve the linkage between on-site and cloud-based services and help promote the complementarity of service work online and offline.

Section 6

Management Team and Company Structure

6.1 Management team

This plan divides the company's core management team into two parts, one part is mainly responsible for the company's technology research and development and product sales, which is the main source of profit for the company's core team, and the other part is mainly responsible for the functional operation of the company's various departments, which play a role in maintaining the normal operation of the company.

R&D Department: The R&D Department is mainly responsible for conducting the underlying research and development of power technology products and proposing relevant technical concepts that may be transformed into actual technical implementations.

Technical Department: The Technical Department is responsible for the conceptualisation of projects that can be implemented by the R&D department, the design of the corresponding technical implementation plan, and the eventual formation of products or service plans for the practical application of technology.

Marketing Department: Firstly, according to the characteristics of the products and services developed by the Technical Department, conduct in-depth market research, develop corresponding marketing plans and organise their implementation. Secondly, it is responsible for the market connection of offline service sites. Finally, responsible for the management of commodity prices to ensure the benign operation of the company's commodity price system.

Marketing Investment Department: The Marketing Department is responsible for the development and maintenance of the docking power flow platform and is responsible for completing the work of attracting traffic and increasing the company's goodwill and fame exposure.

Administration Department:

- 1) organize and manage the company's corporate culture construction and brand building.
- 2) Responsible for the drafting, revision and audit of all relevant contracts.
- 3) Responsible for all internal legal work of the company, handling complaints and suggestions and maintaining the company's reputation.
- 4) Responsible for the company's registration, change, business license and annual inspection of relevant qualification licenses.

Personnel department: The personnel department is responsible for the recruitment, job analysis, job description, job specification, performance assessment and other human work within the team and partners.

Finance Department: The role of the Finance Department target projects are divided into two parts: the pre-project risk assessment and the financial management during the actual operation.

The Finance Department writes the risk investment assessment by analyzing the cost budget and strategic planning in the pre-project period, which serves as a guide for the team's financial management and forms the risk assessment and return plan to obtain angel investment and venture capital; during the actual operation period, the Finance Department is mainly responsible for the team's daily income and expenditure accounting and other financial management work.

6.2 Board of Directors

The main responsibilities of the Board of Directors are to formulate the overall strategic decisions and development plans of the company, to study the long-term development strategic plans of the company, to make recommendations and to give evaluation opinions. Its members mainly consist of the company's founder and co-investors.

The founder of the company has the most original understanding and control of the company and the whole industry, and is good at making fundamental strategic planning for the enterprise, exploring market opportunities and having a keen awareness of the power industry operation. The co-investors are all from large and

small power industry platforms, with many years of experience in industry entrepreneurship and management, and have a high degree of awareness of industry development, and can bring unique advice and assistance to the company founders in terms of company construction and management.

6.3 Advisory Board

The Advisory Board is the guiding body for the development of the project, providing ideas and planning for the overall development direction of the project.

The Company's Advisory Board is composed of renowned power industry experts, scholars and leaders of relevant departments, and its functions are mainly reflected in the following aspects:

Firstly, to make academic assessment on the development ideas of relevant power product projects and give professional feasibility suggestions;

Secondly, to provide advice and suggestions on school-enterprise cooperation, talent introduction and academic exchanges of enterprises; finally, to provide the Company's power product projects with Lastly, to provide various resources for the company's power product projects, including financing channels, technical resource matching and any resource pool that can promote the development of the projects.

Section 7

Operation Plan

7.1 Operation mode and procedures

Project Operation Plan			
Task List	Copy to Department	Preparatory measures	Confirmation of views
Task 1: Team building			
(1) Learning about the characteristics of the company's electricity products		The product technology department needs to link up well and produce an easy to understand product presentation brochure	Record the learning records of relevant personnel and identify issues arising from the learning process
(2) Familiar with the company's business operation process	all	The administration department produces a flow chart of the company's business line operations	Need for line staff to review and review business learning
(3) Establishment of a sound technical support and sales linkage system	Technical Departments and Sales Departments	Technical and sales departments to carry out in-depth business exchanges and do pre-marketing work on products	Confirmation of the salesperson's technical mastery of the product is required to reach the sales stage
Task 2: External marketing			

(1) Promote the company's core product advantages	Publicity Department	The publicity department carefully carries out the promotion of our hotpot products, and the cultural image of our hotpot products is packaged in depth	Conducting tests and verifications of the effectiveness of publicity and suggesting areas for improvement
(2) Summarise the core marketing points of the product	Sales Departments	The marketer needs to follow up on the technical features and cultural image of the product to summarize the core marketing points of the recommended products and services	Conduct simulated marketing training to find out the real feelings of customers and optimise them
Task 3: Attentive service			
(1) Create the characteristic advantages of shop services	Operations Department	Implementing a humane and warm hotpot dining service standard, with staff strictly following the performance standards	Ask customers how they feel about their meal and test the reliability of the service advantage
(2) Establish a public complaint monitoring channel	Administration Departments and Operations Department	The service standards are made public in writing and are open to customer scrutiny at all times	Review customer complaint records and address misconduct of relevant personnel against service standards

7.2 Business location

With Guangdong as the headquarter area, expand to the surrounding area, focus on laying out the market in provinces with perfect electricity infrastructure, so as to radiate the national market, when the time is ripe, conditions are available and the national system permits, the company considers extending to overseas business, and make the overseas market bigger and stronger.

7.3 Operating facilities and equipment

The Company's operating facilities and equipment mainly include technical research and development facilities, manufacturing plants, software support centres, customer maintenance centres and administrative departments. Through the written collaboration of each operating facility department, the Company will design and manufacture sophisticated products, provide perfect electrical services and gain the recognition of consumers.

7.4 Operational Strategy and Plan

(1) Early years (2016-2021)

Belonging to the planning stage of the overall strategic operation idea of this enterprise positioning, the Company sends core personnel to study the advanced R&D and management experience of monopolistic state-owned enterprises such as the State Grid, conducts research on the local market in Guangdong, relies on the company's internal talent advantage, optimises products for the latest electricity market products, and at the same time summarises the product feedback given by the market and the differences between competing products, and continuously develops catering to the good market reflection of emerging power technology products that meet the good market response and occupy the leading position in the market.

(2) Mid-term (2022-2030)

Belonging to the operational integration stage of the Company, in this stage, the Company will focus on the transformation of the commercial value of the

Company's patented technology, will launch fist products that layout key areas of the power industry, and will provide perfect support for the use of the products and after-sales maintenance. At the same time, the Company will rely on a developed internet technology platform and leverage the support of a strong data technology industry to expand channel sales to its products, develop more distribution channels and gain deeper support from consumers.

(3) Later stage (2031-2040)

In this phase, the company will continue to consolidate a stable domestic pattern scale market, occupy a leading position in the industry, adhere to the technology-first strategy, build the company's iconic marketing model and create a power technology brand with market vitality, influence and long-term value. At the same time, increase the overseas market promotion market, join the field of power technology projects with other countries in the world, especially developed countries, so as to strengthen the upgrading, transformation and integration of enterprises into the globalization development mileage.

Section 8

Production design and development plan

8.1 Development status and tasks

(1) Determining the strategic positioning of the market

The company takes the concept of "leading in science and technology" as its market positioning, striving to achieve innovation in the electric power industry through the power of science and technology, leading the development of the whole industry and reaching the vision of creating a better life through scientific and technological innovation, so the company will invest a lot of resources in R&D and design to develop and obtain differentiation advantages.

(2) Determining the layout of industrial planning

The Company has a natural advantage in terms of location in the market as it has the resources of scientific and technological talents in Guangdong, Hong Kong and Macau, and there are many local areas that are in urgent need of renewal and transformation of electrical equipment. In addition, the national policy support advantage for the smart grid and electric power hardware industry gives the Company an advantage in industrial development, so the Company will make a more comprehensive layout in the electric power hardware and smart grid industrial line.

(3) Establishing product quality brand characteristics and advantages

The Company insists on its own unique brand strategy, in addition to the development concept of technology leading the future, it will also create an integrated online and offline all-round marketing and service system to pull apart the differences in products and services from competing companies in the market. Through meticulous operations and services, the company will be able to gain the favour and recognition of customers at a broader level.

8.2 Challenges and risks

(1) Market challenges. Because the country relies on the credibility of monopolistic enterprises in the electricity industry, the products of private enterprises such as private companies are not easily accepted by the population in general, so the exclusion of the company's products in the short term is inevitable and the company needs to take corresponding measures to gain market acceptance above the market acceptance.

(2) Taxation risk. At present, the national tax policy regulations for some segments of the electric power industry are not perfect, so there may be potential policy loopholes in taxation, so the company should strengthen tax planning at the tax level and introduce more professional tax consultants into the enterprise to provide quality tax services.

(3) Foreign trade risk. If the company does not understand overseas regulations and culture, when dealing with foreigners, the risk of foreign parties defaulting on their contracts or the risk of irregularities in foreign trade operations, not only will the company still have to pay the foreign trade licence. Therefore, the company should strengthen its risk management in foreign trade services to reduce the friction of foreign trade transactions.

8.3 Costs

The company has implemented strict financial management measures to limit unreasonable expenditure and investment under the condition of securing capital reserves. Specifically, the company will mainly use funds from market profits for technological research and development, equipment renewal, service system renovation and staff welfare enhancement. In addition, part of the company's capital costs will be used for long-term public welfare undertakings to maximise financially sound operation and make more efficient use of funds.

8.4 Intellectual Property Rights

The company strictly controls the application and use of intellectual property rights. The company dispatches a special legal team to dynamically monitor only property

rights to ensure the validity and exclusivity of the use of intellectual property rights and to ensure the proper legal status of the company's intellectual property rights, and if there is any potential infringement, the company's legal department will take timely and powerful measures to stop it.

Section 9

Financial Analysis

This section discusses the Company's financial projections from 2022 to 2026. These projections are based on the Company's current business situation and development plans and provide a rough indication of the Company's future financial trends and give a basic reference for the Company's operations.

9.1 Sources of funding

Sources of funding (in millions)	2022	2023	2024	2025	2026
Self-financing	26.58	30.79	56.39	72.28	86.73
Bank credit facilities	83.31	96.24	145.97	212.28	231.16
Funds from non-bank financial institutions	14.24	22.29	30.71	37.28	41.47

From the viewpoint of the different channels of funding for power technology enterprises, the channels of funding for enterprises mainly come from three aspects, firstly, there is the support of self-financing, which is also the most primitive capital accumulation for enterprises; secondly, the company can obtain access to corporate loans from financial institutions in the name of the enterprise, and this source of funding is also the main way for the expansion of the company's capital, through the way of leveraged capital financing, to obtain more solid financial support.

9.2 Cost attrition forecast table

Tax forecasts			
Year	Annual revenue (in millions)	Tax rate	Additional costs (in thousands)
2022	126	12%	15.12
2023	167	12%	20.04
2024	232	12%	27.84
2025	359	12%	43.08
2026	496	12%	59.52

Annual cost consumption		
Year	Annual revenue (in millions)	Cost
2022	126	38
2023	167	65
2024	232	98
2025	359	121
2026	496	149

9.3 Financial projection tables

This section of the statement projections will analyze the performance of all three financial statements over a five-year period, as well as the first-year financial statements for the income statement and cash flow statement.

9.4 Income projection statement

9.4.1 Income statement for the startup year

Revenue projections to 2022												
Unit: million	JAN	FER	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
Sales revenue	1143	1298	1352	1781	1721	1639	1515	1880	1802	1605	1539	1890
Advertising revenue	75	62	57	31	28	47	75	84	55	36	45	78
Other income	103	65	21	38	45	62	16	33	45	52	22	18
Total income	1321	1425	1430	1850	1794	1748	1606	1997	1902	1693	1606	1986
Cost of sales	125	113	87	68	45	32	15	22	17	19	22	38
Gross profit	1196	1312	1343	1782	1749	1716	1591	1975	1885	1674	1584	1948
Operating costs	44	32	15	25	46	35	18	76	55	43	29	31
Selling expenses	14	31	35	17	18	30	29	21	24	17	19	24
Rental costs	15	24	36	27	48	65	70	54	32	16	51	23
Depreciation	16	22	25	36	47	65	78	43	21	25	16	32
Market Management	12	15	27	14	19	25	32	16	54	33	16	25
Public Services	34	31	24	21	20	34	36	35	31	27	21	26
Depreciation	15	12	13	32	11	17	18	24	28	19	21	24
Office equipment	22	36	17	26	29	32	15	26	23	35	22	11
Total operating costs	172	203	192	198	238	303	296	295	268	215	195	196
Operating profit	1024	1109	1151	1584	1511	1413	1295	1680	1617	1459	1389	1752
Tax deductions	123	133	138	190	181	170	155	202	194	175	167	210
Net profit	901	976	1013	1394	1330	1243	1140	1478	1423	1284	1222	1542

9.4.2 Income stratification table

Income stratification table												
Unit: million	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
Revenue from external products	123	256	341	312	184	203	304	142	185	243	351	241
Fee income	75	62	57	31	28	47	75	84	55	36	45	78
Revenue from electrical fittings	539	459	643	554	531	526	514	399	402	631	555	430
Smart grid revenue	438	333	403	412	531	523	632	612	352	467	543	605
Advertising revenue	75	62	57	31	28	47	75	84	55	36	45	78
Total revenue	1250	1172	1501	1340	1302	1346	1600	1321	1049	1413	1539	1432

9.4.3 Income projection table

Future income projection table					
Unit: million	2022	2023	2024	2025	2026
Sales revenue	19165	23784	28412	34021	51031.5
Advertising revenue	673	862	932	1054	1581
Other income	520	510	643	678	1017
Total revenue	20358	25156	29987	35753	53630
Cost of sales	603	501	555	621	931.5
Gross profit	19755	24655	29432	35132	52698
Operating Costs	449	502	603	682	1023
Selling expenses	279	312	354	369	553.5
Rental expenses	461	481	532	512	768
Depreciation	426	412	444	532	798
Market management	288	333	376	388	582
Public services	340	356	390	402	603
Depreciation	234	264	288	301	451.5
Office equipment	294	312	351	380	570
Total operating expenses	2771	2972	3338	3566	5349
Operating profit	16984	21683	26094	31566	47349
Taxes and fees deducted	2038	2602	3131	3788	5682
Net profit	14946	19081	22963	27778	41667

9.5 Statement of projected assets and liabilities

Balance Sheet Projections					
Unit: million	2022	2023	2024	2025	2026
Total current assets	256	384	691	1106	1880
Accounts receivable	134	201	362	579	984
Available cash	87	131	235	376	639
Net fixed assets	403	605	1088	1741	2960
Net intangible assets	231	347	624	998	1696
Long-term amortization expense	67	101	181	289	492
Debt	185	278	500	799	1359
Available equity funds	123	185	332	531	903
Accumulated surplus funds	86	129	232	372	632
Accumulated undistributed earnings	59	89	159	255	433
Gearing ratio	0.535	0.436	0.372	0.298	0.285

9.6 Cash flow projection tables

9.6.1 Current year cash flow projection table

2022 Cash Flow Statement												
Unit: million	JAN	FER	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
Cash balance at beginning of period	460	598	837	670	871	1045	731	585	819	983	885	1239
Operating cash flow	830	1079	1511	1208	1571	1885	1320	1056	1478	1774	1596	2235
Margin of profit	660	858	1201	961	1249	1499	1049	839	1175	1410	1269	1777
Consolidated expenses	125	163	228	182	237	284	199	159	223	267	240	337
Marketing management	31	40	56	45	59	70	49	39	55	66	60	83
Depreciation expense	67	87	122	98	127	152	107	85	119	143	129	180
Total operating cash flow	437	568	795	636	827	993	695	556	778	934	840	1177
Cash flow from investing activities												
Office equipment	45	32	15	46	60	54	43	23	30	24	18	44
Electronic products	22	36	32	20	47	21	21	23	30	33	22	25
Fixed assets	125	143	110	104	95	127	102	88	94	70	98	65
Personal expenses	28	36	21	20	44	32	37	41	39	29	22	44
Land rentals	44	56	76	87	43	65	78	43	12	58	54	34

Total cash flows from investing activities	264	303	254	277	289	299	281	218	205	214	214	212
Cash flows from financing activities												
Equity contribution	132	145	163	185	124	113	125	132	153	121	104	88
Dividends	45	66	34	25	68	41	26	36	47	69	53	41
Total cash flows from financing activities	177	211	197	210	192	154	151	168	200	190	157	129
Net cash flow	520	697	1048	817	1052	1234	835	722	1076	1273	1110	1551
Cash balance at end of period	980	1295	1885	1487	1923	2279	1566	1307	1895	2256	1995	2790

9.6.2 Cash flow projection table for the next five years

Future cash flow projection table					
Unit: million	2022	2023	2024	2025	2026
Cash balance at beginning of period	9722	11667	15167	19717	25632
Operating cash flow	17542	21051	27366	35576	46249
Margin of profit	13949	16739	21761	28289	36776
Consolidated expenses	2642	3170	4121	5358	6965
Marketing management	655	786	1022	1329	1727
Depreciation expense	1416	1699	2209	2872	3733
Total operating cash flow	9236	11083	14408	18731	24350
Cash flow from investing activities					
Office equipment	434	521	677	880	1144
Electronic products	332	398	518	673	875
Fixed assets	1221	1465	1905	2476	3219
Personal expenses	393	472	613	797	1036
Land rentals	650	780	1014	1318	1714
Total cash flows from investing activities	3030	3636	4727	6145	7988
Cash flows from financing activities					
Equity contribution	1585	1902	2473	3214	4179
Dividends	551	661	860	1117	1453
Total cash flows from financing activities	2136	2563	3332	4332	5631
Net cash flow	11935	14322	18619	24205	31466
Cash balance at end of period	21657	25989	33786	43921	57098

9.7 Ratio analysis

9.7.1 Investor Decision Analysis Factors

Ratio analysis					
	2022	2023	2024	2025	2026
Sales growth rate	0	15%	20%	30%	35%
Gross margin	73.20%	80.52%	88.57%	89.46%	90.35%
Current assets	35.68%	36.04%	36.40%	36.76%	37.13%
Debt-to-asset ratio	24.31%	23.09%	21.94%	20.84%	19.80%
Return on Capital	58.40%	61.32%	64.39%	67.61%	70.99%
Asset sales	40.32%	42.34%	44.45%	46.68%	49.01%
Current Liability Asset Ratio	13.20%	13.86%	14.55%	15.28%	16.04%
Acid test	164.22%	156.01%	148.21%	140.80%	133.76%

This ratio analysis indicates that the investment in the project can be recovered in a relatively short period of time, that the investment risk is low and that the variation in the various financial ratios will be within a reasonable range.

9.7.2 Net present value and internal rate of return analysis

Net present value and internal rate of return analysis		
Year	Free cash flow	Present value of free cash flows
0	-842	-842
1	985	916
2	1478	1374
3	2216	2061
4	3324	3092
5	4987	4638
WACC	0.054	
Net Present Value	11238	
Discounted cash flow return	1.0325	

The analysis of the table shows from the values of the Company's NPV and IRR that the investment in the project can achieve a large return over the next five years and will be an attractive project for the investors and founders.

Appendix

10.1 Questionnaire

Firstly, an overview

- (1) Background and history of the company
- (2) Major revenues and expenses of the company
- (3) Special business risks taken by the company
- (4) Information on the company's principal officers
- (5) Changes in the company's ownership and ownership structure (three years)
- (6) Organizational chart of the company, shareholding relationships (parent company, subsidiaries)

Second, Sales

- (1) Breakdown of sales by product and business type for 2-3 years
- (2) Sales area breakdown and sales trends
- (3) Information on partners accounting for 10% and above
- (4) Sales process
- (5) Sales network
- (6) Sales agents
- (7) Classification of competitors' products in sales
- (8) The main domestic and foreign competitors, their advantages listed
- (9) Trademarks, patents and intellectual property rights owned by the company
- (10) Measures taken by the company in case of infringement by third parties
- (11) Ratio of inventory to sales, ratio of accounts receivable to sales
- (12) Seasonal sales and high and low peaks
- (13) Future sales outlook for major product businesses

Third, raw materials

- (1) Sources and availability of major raw materials
- (2) Raw material pricing

(3) Suppliers

(4) How raw materials are obtained

(5) Suppliers providing 10% or more of raw materials

(6) Relationship with key suppliers

--Signing long-term supply contracts with suppliers

--Planning and procurement of raw materials and inventory logistics management

(7) Planning of production and procurement of raw materials and inventory logistics management

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Biography

Name-Surname	Yun Cai
Education	Master of Business Administration (International Program) Southeast Asia University



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