



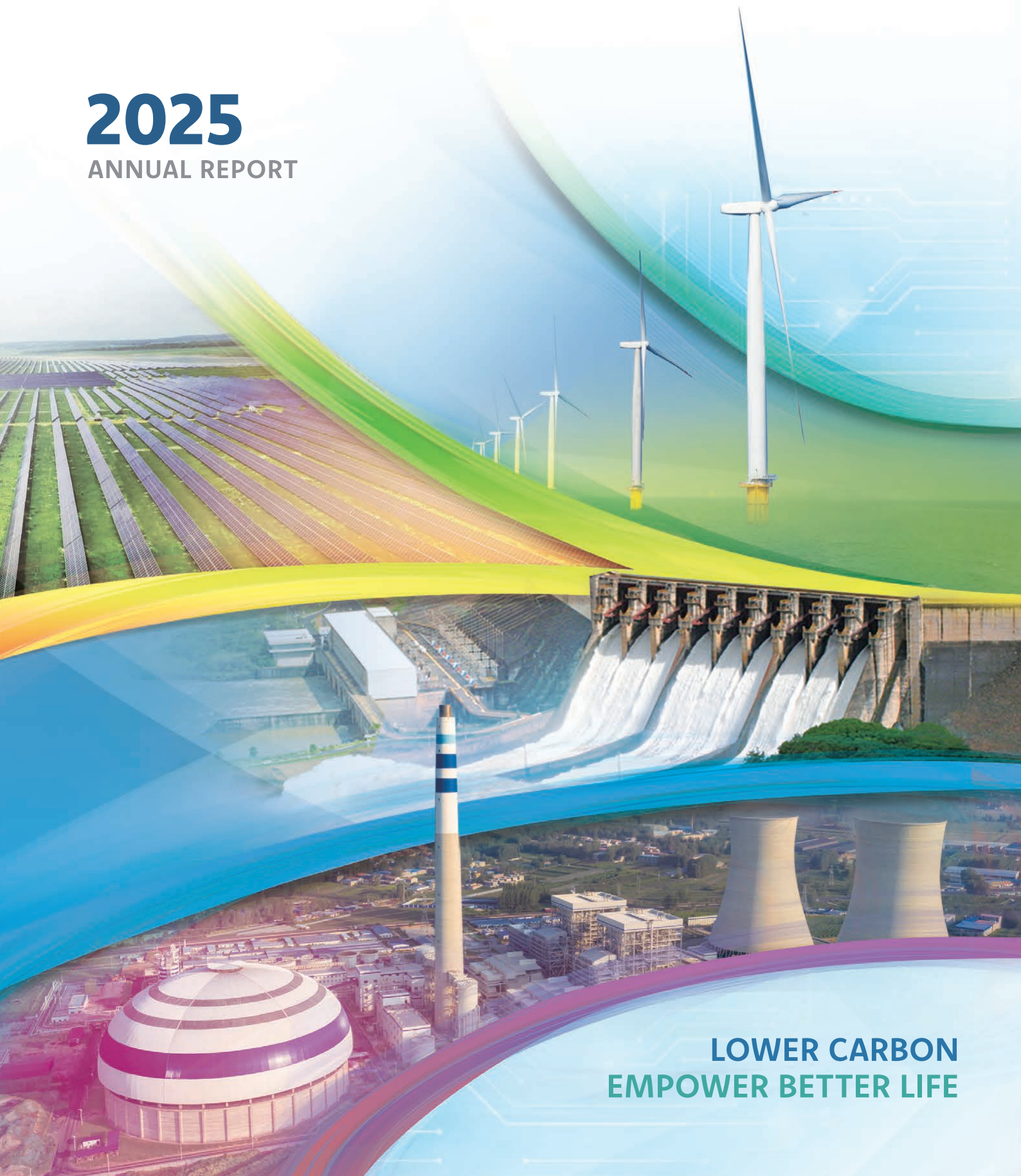
China Power International Development Limited
中國電力國際發展有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code : 2380)

2025

ANNUAL REPORT



LOWER CARBON
EMPOWER BETTER LIFE



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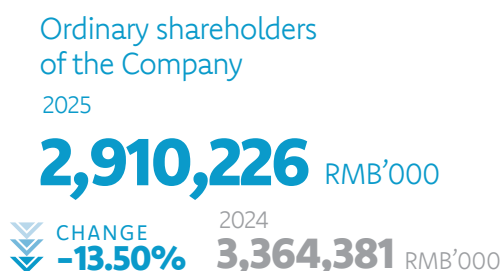
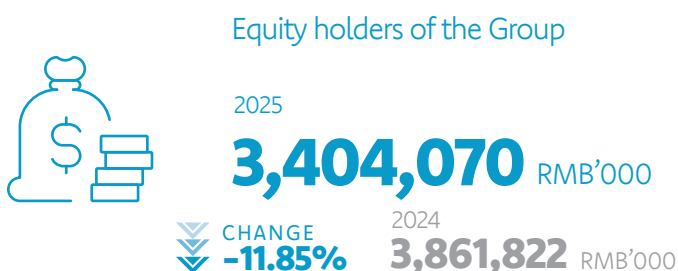
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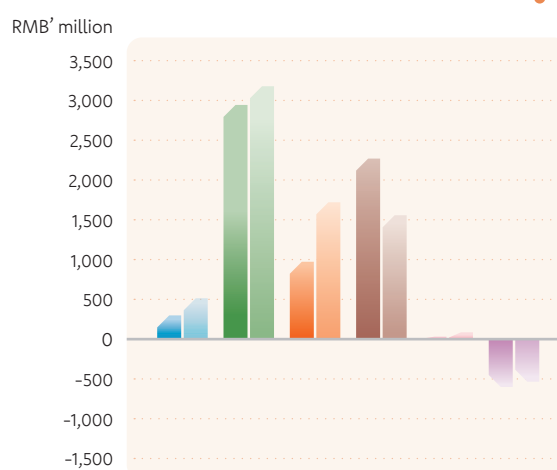
2025 Performance Highlights

PROFIT ATTRIBUTABLE TO for the year ended 31 December



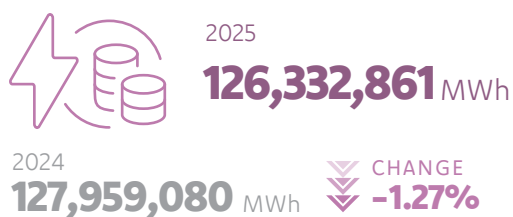
NET PROFIT/(LOSS) for the year ended 31 December

RMB' 000	2025	2024
Hydropower	300,464	514,934
Wind Power	2,944,102	3,182,680
Photovoltaic Power	975,407	1,720,917
Thermal Power	2,269,221	1,556,789
Energy Storage	11,886	86,580
Unallocated	(582,918)	(522,010)
Total	5,918,162	6,539,890



TOTAL ELECTRICITY SOLD for the year ended 31 December

Wholly-owned or controlled power plants



Hydropower

-1.02%

Coal-fired Power

-15.64%

Wind Power

17.38%

Natural Gas Power

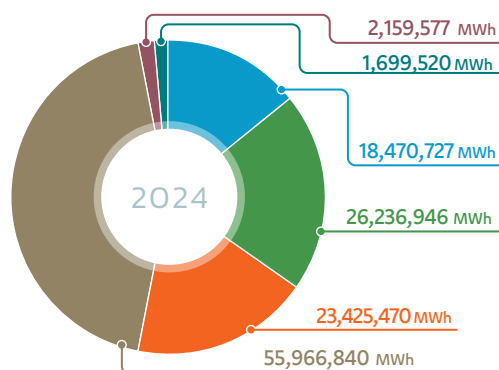
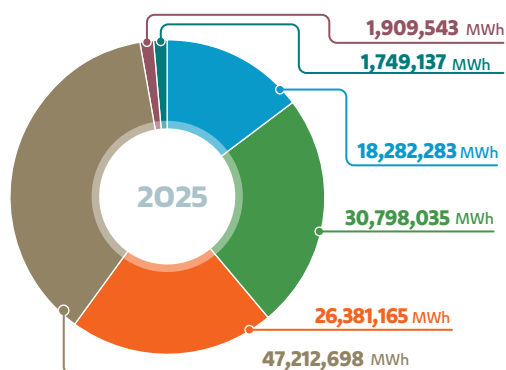
-11.58%

Photovoltaic Power

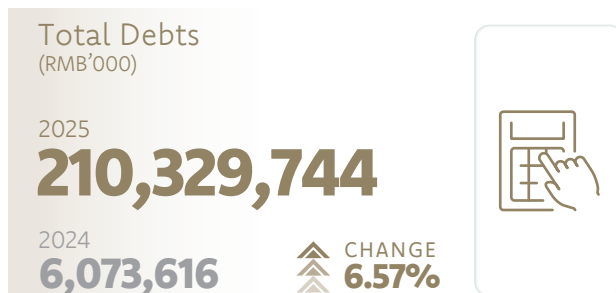
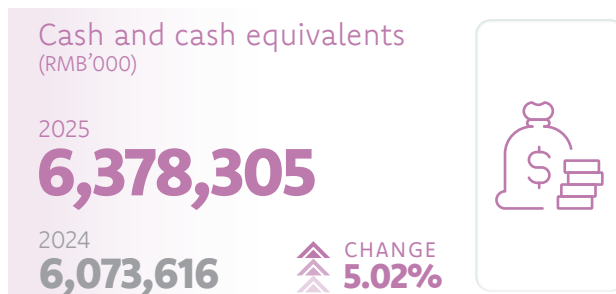
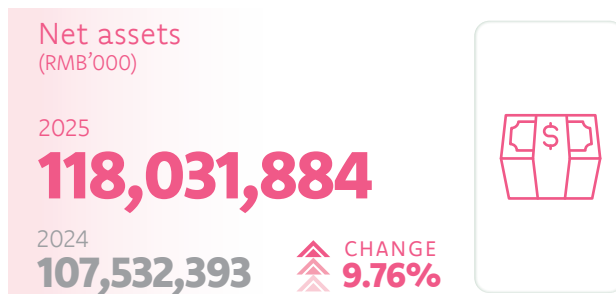
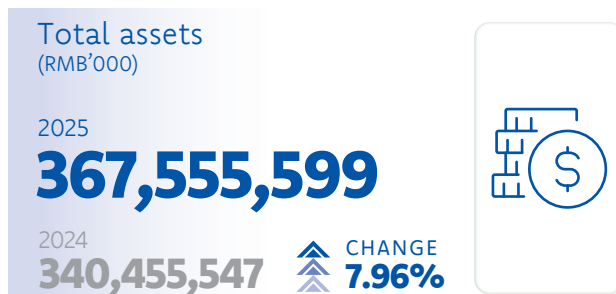
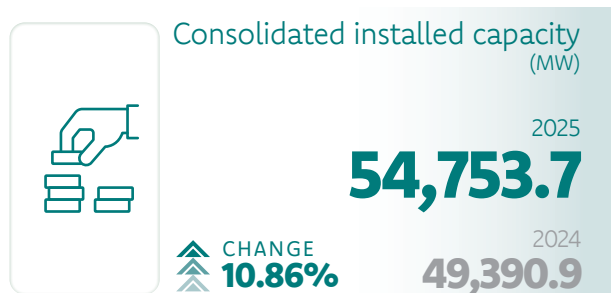
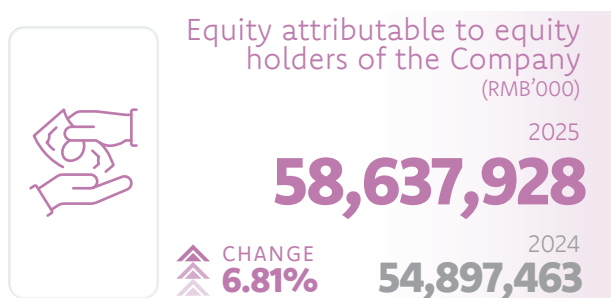
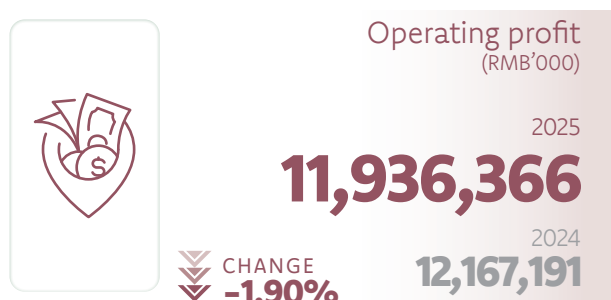
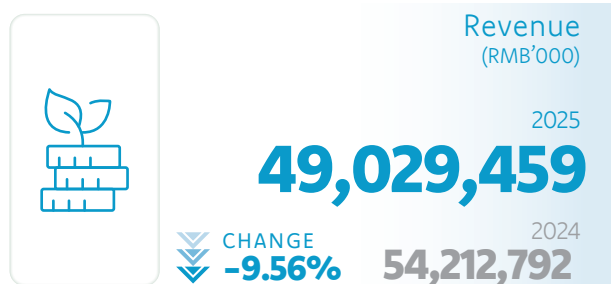
12.62%

Environmental Power

2.92%



OTHER KEY PERFORMANCE INDICATORS



Corporate Information

BOARD OF DIRECTORS

Executive Directors

GUI Xude (*Chairman of the Board*)
ZHAO Yonggang (*President of the Company, being the chief executive of the Company*)

Non-executive Directors

HU Jiandong
ZHOU Jie
HUANG Qinghua
CHEN Pengjun

Independent Non-executive Directors

LI Fang
YAU Ka Chi
HUI Hon Chung, Stanley

AUDIT COMMITTEE

YAU Ka Chi (*Chairman*)
LI Fang
HUI Hon Chung, Stanley

RISK MANAGEMENT COMMITTEE

GUI Xude (*Chairman*)
ZHAO Yonggang
CHEN Pengjun
LI Fang
YAU Ka Chi
HUI Hon Chung, Stanley

REMUNERATION AND NOMINATION COMMITTEE

LI Fang (*Chairman*)
HUANG Qinghua
YAU Ka Chi
HUI Hon Chung, Stanley

STRATEGIC AND SUSTAINABLE DEVELOPMENT COMMITTEE

GUI Xude (*Chairman*)
ZHAO Yonggang
HU Jiandong
ZHOU Jie
LI Fang
YAU Ka Chi

EXECUTIVE COMMITTEE

GUI Xude (*Chairman*)
ZHAO Yonggang
All vice presidents of the Company

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 6301, 63/F., Central Plaza
18 Harbour Road
Wanchai, Hong Kong

BEIJING OFFICE

East Building, Hui Huang Shi Dai Plaza
56 North West Fourth Ring Road, Haidian District
Beijing, China

COMPANY WEBSITE

www.chinapower.hk

LISTING INFORMATION

Shares of China Power are:

- listed on The Stock Exchange of Hong Kong Limited (Stock Code: 2380/Bloomberg: 2380:HK/Reuters: 2380.HK); and
- eligible for Southbound trading through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect.

SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

COMPANY SECRETARY

CHEUNG Siu Lan

AUDITOR

Ernst & Young

Vision, Mission and Philosophy

Overview

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VISION

*The World's Leading Green
and Low-carbon Energy Provider*

MISSION

*Lower Carbon
Empower Better Life*

PHILOSOPHY

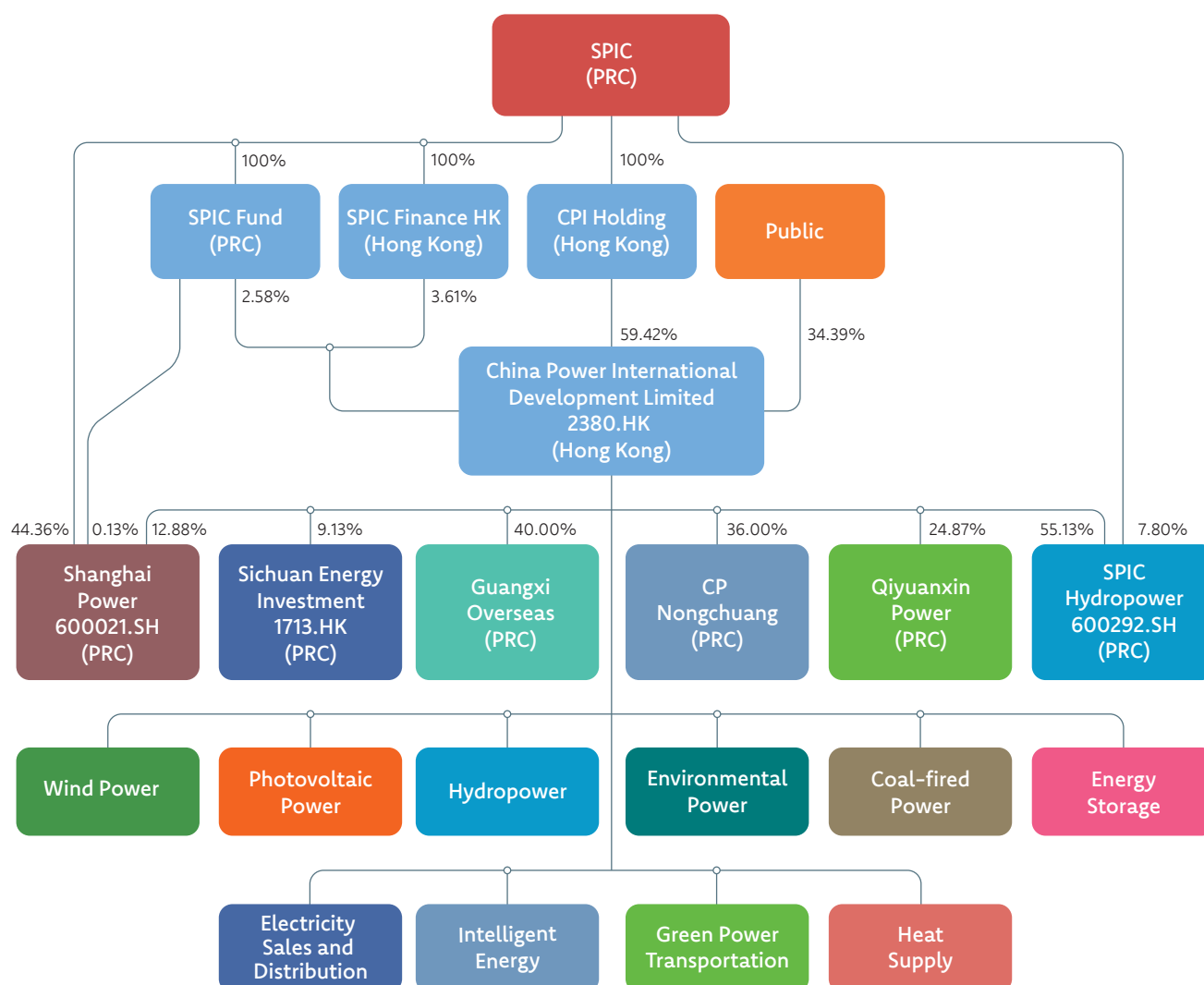
*Green-empowerment
Intelligent Innovation
Mutual Achievement*

Company Profile

China Power was incorporated in Hong Kong with limited liability under the Hong Kong Companies Ordinance on 24 March 2004 and is a core subsidiary of SPIC, which is an integrated energy group that simultaneously owns thermal power, hydropower, nuclear power and renewable energy resources in the PRC.

The shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on 15 October 2004 with the stock code 2380. From the beginning of solely engaging in generation and electricity sales of coal-fired power, the Company has expanded its business into the areas of, among others, hydropower, wind power, photovoltaic power, natural gas power, environmental power, energy storage, green power transportation, integrated intelligent energy solution services and pollution control business through continuous development. Various business segments have been kept growing along with the constant expansion of the Group.

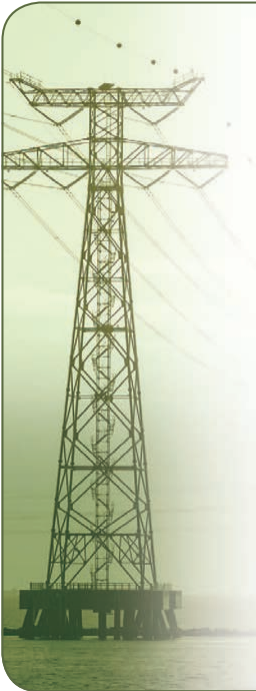
GROUP STRUCTURE



Note: The above group structure is recorded as at 20 March 2026, the date of this annual report.

EXISTING POWER PLANTS

As at 31 December 2025, the Group's total consolidated installed capacity was 54,753.7MW, of which consolidated installed capacity of clean energy was 44,933.7MW, accounting for 82.07% of the total consolidated installed capacity. While the Group's total consolidated installed capacity presented by **type of power plants** is as follows:



Type of Power Plants	Installed Capacity (MW)	Interest (%)	Attributable Installed Capacity (MW)	Consolidated Installed Capacity (MW)
 Hydropower	6,373.0	~9.13-57.33	3,204.6	6,025.1
 Wind Power	20,486.8	~11.29-100	10,006.1	15,996.8
 Photovoltaic Power	28,326.4	~9.5-100	15,976.7	22,071.5
 Natural Gas Power	4,437.3	~12.9-100	947.1	505.3
 Environmental Power	335.0	~51-100	268.6	335.0
 Coal-fired Power	32,744.5	~9.5-100	12,829.1	9,820.0
Total	92,703.0		43,232.2	54,753.7

As at 31 December 2025, the total consolidated installed capacity of **the Group's wholly-owned and controlled power plants** presented by **region** is as follows:



Region	Consolidated Installed Capacity (MW)	Interest (%)	Attributable Installed Capacity (MW)
Guangxi	630.0	35.81	225.6
Guizhou	1,570.0	52.37	822.3
Hunan	3,659.7	55.13	2,017.7
Sichuan	165.4	~15-57.33	39.0
Total	6,025.1		3,104.6

Company Profile



Region	Consolidated Installed Capacity (MW)	Interest (%)	Attributable Installed Capacity (MW)
Anhui	280.1	~32.13-80	132.3
Gansu	1,270.5	~20.27-100	934.7
Guangdong	511.5	~32.13-100	389.9
Guangxi	1,409.4	~18.98-100	1,008.2
Henan	1,223.9	~32.74-100	1,032.9
Jilin	49.5	35	17.3
Heilongjiang	664.8	~20.1-100	451.8
Hubei	507.6	~20-100	365.3
Hunan	1,982.7	~15-55.15	687.0
Jiangsu	401.7	~20.01-70	133.0
Liaoning	349.0	~38.72-54.56	180.8
Inner Mongolia	1,106.1	~12.3-100	420.4
Ningxia	326.5	~20.9-49.64	114.3
Qinghai	50.0	100	50.0
Shandong	2,929.9	~11.29-100	1,888.8
Shanxi	1,863.6	~15.75-100	921.0
Shaanxi	149.0	~51-100	100.5
Xinjiang	743.5	~12.42-51	262.1
Yunnan	97.5	~28.12-44.1	35.1
Bangladesh	60.0	34.02	20.4
Tianjin	20.0	51	10.2
Total	15,996.8		9,156.0

**WIND POWER
PLANT**

Company Profile

Region	Consolidated Installed Capacity (MW)	Interest (%)	Attributable Installed Capacity (MW)
Anhui	987.2	~19.96-100	839.4
Beijing	45.0	~28.13-100	20.7
Fujian	400.9	~40.8-100	344.8
Gansu	598.0	~20.27-84	262.3
Guangdong	322.5	~54.65-100	275.0
Guangxi	968.2	~35.81-100	809.5
Guizhou	822.6	~27.57-100	436.9
Hainan	271.0	~20.01-63	143.9
Hebei	1,336.5	~35.85-100	787.7
Henan	354.6	~34.65-100	168.8
Heilongjiang	1,905.3	~37.8-100	1,588.7
Hubei	1,859.2	~34.65-100	1,417.4
Hunan	1,097.8	~28.12-63	494.0
Jilin	77.5	~30.09-59.65	43.1
Jiangsu	114.1	~51-100	98.5
Jiangxi	105.8	~58.18-100	82.8
Liaoning	821.9	~20.01-100	517.2
Inner Mongolia	1,005.0	~11.29-70	484.8
Ningxia	2,072.8	~20.01-100	934.6
Shandong	1,094.9	~49-100	783.5
Shanxi	3,284.8	~33.09-100	2,668.1
Shaanxi	69.6	~20.87-100	63.4
Sichuan	54.7	~20.27-100	18.4
Tianjin	355.5	~35.7-100	159.2
Xinjiang	1,220.0	~12.3-100	1,013.7
Yunnan	499.1	~20.1-100	365.5
Zhejiang	309.3	~55-100	248.5
Chongqing	16.4	~55.15-100	13.3
Bangladesh	1.3	37.8	0.5
Total	22,071.5		15,084.2

**PHOTOVOLTAIC
POWER PLANT**

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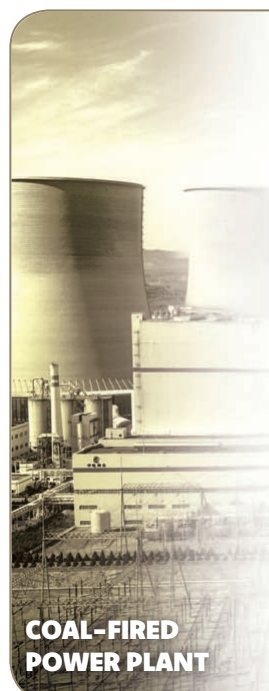
**NATURAL GAS
POWER PLANT**

Region	Consolidated Installed Capacity (MW)	Interest (%)	Attributable Installed Capacity (MW)
Guangdong	120.0	100	120.0
Hubei	155.3	~90-100	139.9
Jiangsu	200.0	75	150.0
Sichuan	30.0	100	30.0
Total	505.3		439.9



**ENVIRONMENTAL
POWER PLANT**

Region	Consolidated Installed Capacity (MW)	Interest (%)	Attributable Installed Capacity (MW)
Hainan	125.0	100	125.0
Hebei	24.0	100	24.0
Henan	64.0	~51-85	49.4
Heilongjiang	80.0	51	40.8
Sichuan	42.0	70	29.4
Total	335.0		268.6



**COAL-FIRED
POWER PLANT**

Region	Consolidated Installed Capacity (MW)	Interest (%)	Attributable Installed Capacity (MW)
Anhui	4,600.0	~20-60	2,232.0
Guizhou	1,320.0	95	1,254.0
Henan	700.0	100	700.0
Shanxi	2,000.0	100	2,000.0
Sichuan	1,200.0	51	612.0
Total	9,820.0		6,798.0

Company Profile

As at 31 December 2025, the total attributable installed capacity of **the Group's main associates, joint ventures and investment holding companies' power plants** are as follows:



Type of Power Plants	Installed Capacity (MW)	Interest (%)	Attributable Installed Capacity (MW)
Changshu Power Plant	3,320.0	50	1,660.0
Pingwei Power	1,260.0	49	617.4
Yaomeng Power Plant	1,865.7	40	746.3
CP Shentou	1,200.0	54	648.0
Dabieshan Power Plant	2,600.0	20.4	530.4
Lixin Thermal Power	600.2	50	300.1
Li Yu Jiang Power Plant	600.0	25.2	150.0
Shanghai Power	21,770.7	12.88	2,808.4
Sujin Energy	3,007.0	9.5	285.7
Guangxi Overseas	1,406.7	40	562.8
Sichuan Energy Investment	127.0	9.13	11.6
Fushan Power Station	81.0	50	40.5
Guigang Wind Power	60.9	4.42	2.7
Hunan Nuclear Power	50.1	31.56	15.8
Total	37,949.3		8,380.9

PROJECTS UNDER CONSTRUCTION

As at 31 December 2025, the Group's projects under construction presented by type of power plants is as follows



Type of Power Plants	Installed Capacity (MW)	Interest (%)	Attributable Installed Capacity (MW)
Wind Power	2,495.0	~30.16-100	1,661.6
Photovoltaic Power	1,429.6	~30.16-100	1,065.6
Integrated Intelligent Energy	542.0	~66-100	361.8
Total	4,466.6		3,089.0

Company Profile

NEW DEVELOPMENT PROJECTS

As at the date of this annual report, the total installed capacity of new projects in a preliminary development stage (including projects which approvals from the government of the PRC have been applied for) is approximately 27,958.6MW. The categories are distributed as follows:

Type of Power Plants	Installed Capacity (MW)
Wind Power	24,163.5
Photovoltaic Power	3,726.5
Integrated Intelligent Energy	68.6
Total, approximately	27,958.6

SHAREHOLDING IN EMERGING ENERGY INDUSTRIES AND LISTED COMPANIES

BEIJING

55.32% stake in **Xinyuan Smart Storage** (energy storage) 

36.00% stake in **CP Nongchuang** (intelligent rural energy development) 

SHANGHAI

24.87% stake in **Qiyuanxin Power** (green power transportation) 

12.88% stake in (listed on SSE) **Shanghai Power** (integrated power supply and services) 

GUANGXI

40.00% stake in **Guangxi Overseas** (investment holding) 

SICHUAN

9.13% stake in (listed on HKEx) **Sichuan Energy Investment** (integrated power supply and services) 



55.13%

stake in a subsidiary listed on SSE **SPIC Hydropower** (hydropower generation and investment holding) 

ULTIMATE CONTROLLING SHAREHOLDER — SPIC

The Company is ultimately owned by SPIC, a wholly State-owned enterprise established by the approval of the State Council of the PRC. With the further comprehensive deepening of reform as the driving force and the development of new quality productive forces as an important focus, SPIC is fully implementing the “balanced growth strategy” and strives to be a world-class clean energy enterprise with global competitiveness. The total installed capacity is approximately 287GW, of which clean energy accounts for 74.15%.

Major Events in 2025

FEBRUARY

- ◆ SPIC Heilongjiang Power Co., Ltd. (國家電投集團黑龍江電力有限公司), a subsidiary of the Company, became one of the green electricity suppliers for the Harbin Asian Winter Games held in February 2025. It signed a contract to supply **2 million kWh of green electricity**, contributing its wisdom and efforts to a green Harbin Asian Winter Games.
- ◆ The external acquisitions by Wu Ling Power under the **Asset Pre-Restructuring** were officially completed.



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MARCH



- ◆ China Power Changshu Thermoelectric Co., Ltd. (中電常熟熱電有限公司), a subsidiary of the Company, introduced PetroChina Kunlun Gas Co., Ltd. (中石油昆侖燃氣有限公司) as a strategic shareholder through the disposal of 25% equity interest to leverage the advantages of “**gas-and-power joint operation**”.

APRIL

- ◆ The Company, Xiangtou International and Guangxi Company underwent the **Asset Restructuring** with Yuanda Environmental (now known as SPIC Hydropower), pursuant to which (i) the Company and Xiangtou International agreed to transfer its 63% and 37% equity interests in Wu Ling Power, respectively, and (ii) Guangxi Company agreed to transfer its 64.93% equity interest in Changzhou Hydropower to Yuanda Environmental, in exchange for new shares to be allotted by Yuanda Environmental and cash consideration.



MAY



- ◆ The 500MW photovoltaic power generation project for the low-carbon transformation of the Makit County Industrial Park in Kashgar Prefecture of China Power Smart Integrated Energy Co., Ltd. (中電智慧綜合能源有限公司), the China Power Hutubi 300MW photovoltaic power generation project of Xinjiang Zhongxin Electric Energy Investment Co., Ltd. (新疆中新電能源投資有限公司), and the China Power Investment and Construction 200MW photovoltaic power generation project of China Power Investment Chunhe Technology Co., Ltd. (中電投春禾科技有限公司) were successfully **connected to the power grid at full capacity**.

JUNE

- ◆ The Company entered into an equity transfer agreement to acquire 35% equity interest in Jieyang Power. Jieyang Power owns the development rights to two ultra-supercritical coal-fired power generating units with a total installed capacity of **2,000MW** located in Guangdong Province, the PRC and the approval for the future development of an offshore wind power generation project.



Major Events in 2025

JULY



- The Company entered into an equity transfer agreement to acquire 31% equity interest in Tuoli Power. Tuoli Power owns the development rights to two ultra-supercritical coal-fired power generating units with a total installed capacity of **1,320MW** located in Tuoli County, Tacheng Prefecture, Xinjiang, the PRC.

- In the 2024 benchmarking results of wind power operational indicators in the power sector released by the China Electricity Council (“CEC”), the Cihang Offshore Wind Farm of Jieyang Qianzhan Wind Power Generation Co., Ltd. (揭陽前詹風電有限公司), a subsidiary of the Company, was awarded the “**AAAA**” wind farm rating and became the only offshore wind farm in Guangdong Province to receive a 4A rating.



SEPTEMBER



- The Company entered into an equity transfer agreement to acquire 31% equity interest in Dazhou Energy. Dazhou Energy holds the development rights to two ultra-supercritical coal-fired power generating units with a total installed capacity of **2,000MW** located in Sichuan Province, the PRC.
- At the “2025 Global Commercial Newspapers Economic Forum and ‘Golden Kunpeng’ China Financial Value Ranking Ceremony” jointly organized by Hong Kong Commercial Daily and the Global Commercial Newspapers Union, the Company received the “**Best Listed Company Award**” in recognition of its outstanding performance in sustainable development and corporate governance.

OCTOBER



- The Company received the “**ESG Excellence Practice Award 2025**” at the 3rd “ESG China Innovation Annual Conference (2025) and the 1st ESG International Expo”.
- CP Hua Chuang was successfully selected in the seventh batch of national specialized and new “**Little Giant**” enterprises by the Shanghai Municipal Commission of Economy and Informatization, in appreciation of its profound expertise and innovation capability in power technology services.

NOVEMBER

- ◆ In acknowledgment of its exceptional performance in clean energy transition, corporate governance and social responsibility, the Company was assigned an **“A” rating** in the ESG Ratings by Morgan Stanley Capital International (MSCI), which is an authoritative international index provider. This represents the highest rating received by power generation central enterprises in China under this rating system and marks two consecutive years of rating improvement.
- ◆ The Asset Restructuring was officially completed. The Company successfully established a **“Red-chip controlling A-share”** structure in the capital market.



DECEMBER

- ◆ In recognition of its excellence in environmental, social and corporate governance performance and innovative practices in green and low-carbon development, the Company received the **“Guoxin Cup • ESG Golden Bull Top 100 Awards”** at the 2025 Golden Bull Enterprise Sustainable Development Forum and the 3rd “Guoxin Cup • ESG Golden Bull Top 100 Awards” Ceremony.
- ◆ The Company’s ESG case study titled “Platform + Synergy: Addressing Challenges in Coal-Fired Power Development through Supply Chain Innovation” was selected as one of the **“Cases of Best Practices in Sustainable Development of Listed Companies in 2025”** by the China Association for Public Companies.



- ◆ The China Power Shenhua Mulei **800MW** Self-use Green Power Replacement Wind Power Project developed by Henan Yaomeng Energy Investment Co., Ltd. (河南姚孟能源投资有限公司), a subsidiary of the Company, was successfully connected to the power grid. Located in a high-altitude mountainous area in Xinjiang, the project overcame extreme environmental conditions and other challenges and officially commenced green power transmission.

- ◆ The Company received the **“2025 Asset Management Gold Award”** from the Shanghai United Assets and Equity Exchange.



LETTER TO Shareholders





Letter to Shareholders

The year 2025 marked the conclusion of the “14th Five-Year” plan of China. The energy sector accelerated its transformation with an emerging trend of novel power system centered on new energy. Amid the comprehensive market entry of new energy, the development of electricity spot market forged ahead generally. Thanks to the trust and support of all shareholders, the Group remained steadfast in its strategic focus to further explore room for operational efficiency, and enhanced its capital deployment by pursuing high-quality development. The Group has continued its reform and innovation to respond to the new opportunities and challenges presented by the power market reforms.



GUI Xude
Chairman

REVIEW OF 2025

Clean development achieved in terms of quality and quantity

As of the end of 2025, the Group's consolidated installed capacity was 54,753.7MW, 82.07% of which were installed capacity of clean energy, and revenue from clean energy accounted for 64.51% of total revenue, demonstrating sustained progress in green transformation. A series of key projects have been successfully launched. Construction of projects including the Xinjiang Mulun 800MW Self-use Green Power Replacement Wind Power Project, Pu'an Integrated Wind-Photovoltaic-Thermal-and-Storage Demonstration Project, Xinjiang Hutubi 300MW Photovoltaic Power Project, Hunan Yiyang Datonghu 290MW Fishery-Photovoltaic Complementary Project and others have been completed and put into operation successively. These projects continued to inject new momentum into the Group's clean development while providing strong support for regional distribution and optimization of installed capacity structure.

Operational management remained robust

In 2025, the Group recorded revenue of RMB49.03 billion and operating profit of RMB11.94 billion. Against the backdrop of full-scale entry of new energy power generation into the spot market, the Group demonstrated operational resilience by controlling costs, enhancing efficiency and maintaining stable growth. The Group completed green power transactions of 7.18 billion kWh and sold 20.81 million green certificates, with these businesses generating revenue of RMB219 million for the Group. The Group capitalized on opportunities arising from coal price fluctuations and actively secured favourable procurement terms, thereby reducing overall fuel costs. As a result, fuel costs were effectively controlled and curbed, with the average unit fuel cost of the Group's coal-fired power business amounting to RMB232.76/MWh, representing a decrease of 13.98% as compared to the previous year.

Further deepening of capital operation

With the consummation of the acquisition of controlling stake in Yuanda Environmental, the Group successfully established a capital structure of a "Red-chip controlling A-share", laying a new foundation for building a leading green and low-carbon energy provider. Proactive plans were made for equity financing to optimize the overall capital structure.

Additional efficiencies unleashed from technological innovation and digital intelligence empowerment

A number of technological achievements received provincial/ministerial- and industry-level awards, which translated into efficiency enhancement initiatives and demonstrated their values in various applications. The "Key Technology and Application of Intelligent Security Defense for Deep Peak-Shaving of Large-scale Steam Turbine Generators" won the First Prize of the 2025 Electricity Innovation Award granted by the CEC. The Group promoted the application of such technology in over 30 power generating units, effectively preventing multiple generator failures. The "Precise Prevention and Control Technology and Application for Various Pollutants Discharged throughout the Process of Solid Waste Incineration" received the First Prize of the Hainan Province Science and Technology Award, achieving breakthroughs in key technologies for incineration processes, flue gas purification and other procedures.

Letter to Shareholders

New progress was made in industry-academia-research collaboration

The Key Laboratory of the Ministry of Emergency Management, led and constructed by Xinyuan Smart Storage, passed the inspection and acceptance with a first-place ranking, creating favorable conditions for the research, development and promotion of the Group's electrochemical energy storage business. Both CP Huayuan Nuclear Power Engineering Technical Co., Ltd. (中電華元核電工程技術有限公司) and CP Hua Chuang were recognized as national-level specialized and new "Little Giant" enterprises, thereby enhancing the core competitiveness of the Group by introducing more technological elements.

Established and effectively implemented the "1455" framework for financial management system

By realizing full-chain online operation of 200 business processes in core aspects such as finance, human resources, procurement, production, equipment and sales, the Group has accelerated the digital and intelligent transformation of its management processes, and enhanced its management efficiency and risk oversight look-through capabilities.

Strong Commitment to Social Responsibility

In 2025, the Group supplied a total of 79,120,163MWh of clean electricity, representing a year-on-year increase of 9.9%. The provision of green energy contributed to the achievement of the Dual Carbon Goals and enabled us to secure power supply during critical periods and major events, thereby safeguarding national energy security and meeting the energy demand of the public with a reliable and stable supply.

We continued to carry out the "Ying Shan Hong" charitable education assistance initiative, delivering donations to Anhui, Guizhou, Xinjiang and other regions. This reflects our commitment to supporting local development and working together toward a brighter future.

OUTLOOK FOR 2026

On 9 February 2025, the NDRC issued the "Notice Concerning Deepening the New Energy On-grid Tariff Market-oriented Reform to Promote the High-quality Development of New Energy" (《關於深化新能源上網電價市場化改革促進新能源高品質發展的通知》) ("Document No. 136"). Document No. 136 expressly stipulates that, in principle, all on-grid electricity generated by new energy projects shall enter the power market and designates 1 June 2025 as the cutoff date for distinguishing existing projects from newly added projects. As existing projects enjoy more favourable guaranteed returns than newly added projects, the number of new energy projects surged prior to 1 June 2025.

In 2026, investment in new energy is expected to follow the trend seen in the second half of 2025 and return to a more rational level. The investment case will focus more on "project construction costs, operating costs, and trading strategies." Given the relatively high proportion of new energy capacity within the Group's portfolio, we will face certain short-term pressures from the spot power market. To adapt to the new landscape of market-oriented reform in the power sector, we shall accelerate the development of new power systems in 2026, including new energy storage, virtual power plants, and "AI + Energy" applications. By leveraging time-of-use price differentials in the spot market, we aim to capture returns by "buying low and selling high", while balancing supply and demand within the power system.

In response to these new trends, the Group will adopt a long-term perspective in its planning and strategic positioning for 2026, proactively embracing change and continuing to turn a new chapter of development.

High-Quality Development of Newly Added Projects

In order to enhance the competitiveness of newly added projects, we have to carefully assess costs and returns throughout the entire project lifecycle, covering development, construction, production, operations and maintenance, and participation in the spot market. Investment priority will be given to projects with higher returns and stronger risk resilience, such as offshore wind power, large-scale energy bases, and centralized wind power projects, as well as “consumption-side projects” and “direct green power supply” projects that enable the local utilization of green electricity. We will also timely explore the deployment of high-quality coal-fired power projects and secure a pipeline of high-quality new energy projects.

Improving Quality and Efficiency of Existing Projects

Existing projects will proactively address the challenges arising from the full market-oriented reform of new energy development. We will strengthen coordinated marketing across different power sources, expand the scale of green electricity and green certificate trading, and actively unlock the value of green energy. We will continue to advance regional and integrated operations and maintenance to reduce operating and maintenance costs. Spot coal procurement and the fulfillment of long-term coal contracts will be enhanced to lower the cost per kWh of coal-fired power generation.

Empowering Growth Through Technology and Digital Intelligence

In order to deepen “AI+” digital transformation, we will promote the application of big data and artificial intelligence in scenarios such as generation forecasting, equipment diagnostics, intelligent operations and maintenance, smart marketing, and smart offices. Through these, we can help improve management efficiency and generate additional revenue.

Enhancing Management Effectiveness

We will strengthen ESG management and adhere to a green and sustainable operating model. By striking a balance among economic, social and environmental benefits, we will further enhance the value of our listed brand and market competitiveness.

The year 2026 marks the first year of the national “15th Five-Year” Plan. Pursuing cohesion and forging ahead with determination, we will spare no effort to drive the Group’s high-quality development and create greater value for our shareholders!



Directors and Senior Management Profiles

DIRECTORS

GUI Xude

- ✍ Chairman of the Board
- ✍ Executive Director
- ✍ Chairman of the Risk Management Committee
- ✍ Chairman of the Strategic and Sustainable Development Committee
- ✍ Chairman of the Executive Committee



GUI Xude, born in 1975, is a chief senior economist and holds a bachelor's degree in engineering majoring in materials management engineering and a master's degree in management majoring in management science and engineering from Huazhong University of Science and Technology (formerly known as Huazhong University of Technology). Mr. GUI currently serves as the chairman of CPI Holding.

Mr. GUI previously served as an assistant to the general manager of Three Gorges International Tendering Co., Ltd., the deputy head of the Human Resources Department and the head of the Corporate Management Department of China Three Gorges Corporation, the chairman of Shanghai Investigation, Design & Research Institute Co., Ltd., and the head of the Human Resources Department (Reform Office) of SPIC. He joined the Group in 2026.



ZHAO Yonggang

- ✍ Executive Director
- ✍ President (the chief executive of the Company)
- ✍ Member of the Risk Management Committee
- ✍ Member of the Strategic and Sustainable Development Committee
- ✍ Member of the Executive Committee

ZHAO Yonggang, born in 1972, is a senior engineer and has a master's degree in engineering majoring in project management from Changsha University of Science & Technology. Mr. ZHAO currently serves as a director and the general manager of CPI Holding, and the chairman of National Bio Energy Group Co., Ltd. and SPIC Biomass Energy Co., Ltd.

Mr. ZHAO previously served as a Vice President of the Company, the deputy general manager of Materials and Fuel Department and the general manager of International Business Department for both the Company and CPI Holding, the general manager of China Power Hub Generation Company (Private) Limited, the general manager of National Bio Energy Group Co., Ltd., and the deputy director of Guangzhou Representative Office of CPI Holding.

He participated in the management of the Group's power plants prior to the Company's listing in 2004 and remained in office until October 2024. He re-joined the Group in 2025.

HU Jiandong

✍ Non-executive Director

✍ Member of the Strategic and Sustainable Development Committee

HU Jiandong, born in 1963, is a chief senior engineer and has a bachelor's degree in engineering majoring in hydropower station automation from Huazhong College of Technology (now known as Huazhong University of Science and Technology) and a master's degree in economics majoring corporate management from Fudan University. Mr. HU currently serves as a director of CPI Holding, SPIC Green Energy (a company listed on the Shenzhen Stock Exchange), SPIC Yellow River Upstream Hydropower Development Co., Ltd., Qinghai Yellow River Upstream Hydropower Development Co., Ltd., as well as State Grid Jilin Energy Investment Co., Ltd. and is a special duty director of SPIC.

Mr. HU held several senior positions in power related industries in the past, including the vice president of Guangxi Power Industry Survey and Design Institute, the deputy director of Guangxi Power Industry Bureau, the deputy general manager of Guangxi Power Company Limited and CPI Holding, the general manager of China Power Investment Co., Ltd., a director of SPIC Hydrogen Energy Technology Development Co., Ltd., and deputy chief engineer, assistant to the general manager and concurrently the chief officer of departments or institutions such as hydropower, hydrogen power, clean energy and human resources of SPIC. Mr. HU was also the former general manager and chairman of Shanghai Power, a company listed on the SSE, from the period January 2008 to July 2011 and October 2020 to August 2022, respectively. He also formerly served as an executive director and an executive vice president of the Company during its listing on the Hong Kong Stock Exchange in 2004 and remained in office until January 2008. He re-joined the Group in 2024.



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ZHOU Jie

✍ Non-executive Director

✍ Member of the Strategic and Sustainable Development Committee

ZHOU Jie, born in 1969, is a senior accountant and has a bachelor degree in economics majoring in accountancy from Changsha Water Conservancy and Electric Power Normal College (now known as Changsha University of Science

& Technology). Mr. ZHOU currently serves as a director of CPI Holding, SPIC Yellow River Upstream Hydropower Development Co., Ltd., Qinghai Yellow River Upstream Hydropower Development Co., Ltd. and SPIC Aluminum & Power Investment Co., Ltd., and a non-independent director of SPIC Hydropower (formerly known as Yuanda Environmental, a company listed on the SSE), and a special duty director of SPIC.

Mr. ZHOU previously served as a director and the general manager of Wu Ling Power, a director of SPIC Guangdong Power Co., Ltd., the deputy general manager of the Hunan Branch of SPIC and Yellow River Upstream Hydropower Development Co., Ltd., and the financial controller of CPI Xinjiang Energy and Chemical Group Co., Ltd. He joined the Group in 2021.



Directors and Senior Management Profiles

HUANG Qinghua

✍ Non-executive Director

✍ Member of the Remuneration and Nomination Committee

HUANG Qinghua, born in 1972, is a chief senior economist and holds a lawyer qualification in China. She has a bachelor degree in law majoring in economic law from Southwest College of Political Science and Law (now known as Southwest University of Political Science and Law) and a master degree in law from Tsinghua University. Ms. HUANG currently serves as a director of CPI Holding, SPIC Chongqing Electric Power Co., Ltd. and SPIC Guizhou Jinyuan Co., Ltd., and a non-independent director of SPIC Hydropower (formerly known as Yuanda Environmental, a company listed on the SSE), and is a special duty director of SPIC.

Ms. HUANG previously served as a director of Guohe Zhanjiang Nuclear Power Co., Ltd. and SPIC Aluminum & Power Investment Co., Ltd., the deputy general manager, the secretary of the board and the chief legal adviser of CPI Yuanda Environmental-Protection (Group) Co., Ltd. and the deputy general manager of Yuanda Environmental. She joined the Group in 2023.



CHEN Pengjun

✍ Non-executive Director

✍ Member of the Risk Management Committee

CHEN Pengjun, born in 1971, is a senior economist and holds a bachelor of science degree in geography majoring in resources and environmental science from Beijing Normal University and a master's degree of business administration from Tsinghua University. Mr. CHEN currently serves as a director of Daqin Railway Co., Ltd. (a company listed on the SSE) and the vice president of CITIC Financial AMC (a company listed on the Hong Kong Stock Exchange).

Mr. CHEN previously held various significant roles in China Huarong Asset Management Co., Ltd. (now known as CITIC Financial AMC), including the director of the listing office, the general manager of the international business management department, the general management department and the equity business department. He also served as the general manager of Huarong International Trust Co., Ltd. (now known as Xingbao International Trust Co., Ltd.), China Huarong Financial Leasing Co., Ltd., Huarong Securities Co., Ltd. (now known as China Reform Securities Co., Ltd.) and the chairman of Huarong Ruitong Equity Investment Co., Ltd. He also served as a non-executive director of Aluminum Corporation of China Limited (a company listed on both the Hong Kong Stock Exchange and the Shanghai Stock Exchange) until June 2025. He joined the Group in 2024.

Directors and Senior Management Profiles

LI Fang

- Independent Non-executive Director
- Chairman of the Remuneration and Nomination Committee
- Member of the Audit Committee
- Member of the Risk Management Committee
- Member of the Strategic and Sustainable Development Committee



LI Fang, born in 1962, has a bachelor's degree in mechanical engineering from University of Science and Technology Beijing and a juris doctor degree from the College of Law of Arizona State University in the United States. Mr. LI has extensive experience in legal, corporate governance and corporate finance. Mr. LI previously served as an executive director at Goldman Sachs (Asia) L.L.C. and a lawyer at Davis Polk and Wardwell LLP in the United States. He joined the Group in 2004.



YAU Ka Chi

- Independent Non-executive Director
- Chairman of the Audit Committee
- Member of the Remuneration and Nomination Committee
- Member of the Risk Management Committee
- Member of the Strategic and Sustainable Development Committee

YAU Ka Chi, born in 1958, holds a professional diploma in company secretaryship and administration from the Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University) and is a member of the American Institute of Certified Public Accountants, Illinois CPA Society and the Hong Kong Institute of Certified Public Accountants. Mr. YAU has over 30 years of professional accounting services experience including 20 years in serving PRC-based enterprises. He had worked for Ernst & Young in its Hong Kong, Toronto and Beijing offices, with a primary focus in providing professional services in accounting and audit, initial public offering, and corporate restructuring, before retiring in September 2015. During the tenure with Ernst & Young, Mr. YAU was appointed, among others, as the professional practice director of Greater China and the assurance leader for China North Region. He joined the Group in 2016.

Mr. YAU is currently an independent non-executive director of Shanghai Able Digital Science&Tech Co., Ltd. (a company listed on the Hong Kong Stock Exchange). He also previously served as an independent non-executive director of BetterLife Holding Limited, Yihai International Holding Ltd. and HBM Holdings Limited, respectively, until October 2023, March 2024 and June 2024. The above companies are listed on the Hong Kong Stock Exchange.

Directors and Senior Management Profiles

HUI Hon Chung, Stanley

- ✍ Independent Non-executive Director
- ✍ Member of the Audit Committee
- ✍ Member of the Remuneration and Nomination Committee
- ✍ Member of the Risk Management Committee



HUI Hon Chung, Stanley, JP, born in 1950, has a bachelor's degree in science from The Chinese University of Hong Kong. Mr. HUI has more than 40 years of management experience in the aviation industry, including holding various senior management positions in Cathay Pacific Airways Limited, AHK Air Hong Kong Limited, Hong Kong Dragon Airlines Limited and the Hong Kong Airport Authority. He joined the Group in 2021.

Mr. HUI is currently an independent non-executive director of Beijing Capital International Airport Co., Ltd. and a non-executive director of Hans Group Holdings Limited (both companies listed on the Hong Kong Stock Exchange). At present, he is also the President of the Hong Kong Aircraft Leasing and Aviation Finance Association and a director of the Greater Bay Airlines.

Mr. HUI was appointed as a Justice of the Peace by the Chief Executive of the HKSAR Government in July 2006. Mr. HUI was also previously appointed by the HKSAR Government as a member of the Greater Pearl River Delta Business Council (for two terms), a member of the Commission on Strategic Development, a member of Aviation Development Advisory Committee, a council member of Vocational Training Council and a member of the Hong Kong Tourism Board. He also previously served as a member of the 13th session of National Committee of the Chinese People's Political Consultative Conference, a member of the General Committee of the Hong Kong General Chamber of Commerce.

SENIOR MANAGEMENT



TONG Yumei

- ✍ Vice President

TONG Yumei, born in 1966, is a senior political officer and has a bachelor degree majoring in economics and management from the Correspondence Institute of the Party School of the Central Committee of the Communist Party of China. Ms. TONG previously served as the secretary of Commission for Discipline Inspection and the chairman of Labour Committee of SPIC Science & Technology Research Institute Co., Ltd., the chairman of Labour Committee of the Training Center of Sinohydro Engineering Bureau 4 Co., Ltd., the head of the General Office of Labour Committee, a manager of Party-Mass Work Department and a director of Discipline Inspection and Supervision Department of SPIC Yellow River Upstream Hydropower Development Co., Ltd, and the senior manager of Party-Mass Work Department (Labour Work Committee) of SPIC. She joined the Group in 2022.

Directors and Senior Management Profiles

YU Jianyu

📄 Vice President

YU Jianyu, born in 1975, is a senior engineer and holds a bachelor's degree majoring in thermal energy and power engineering from the School of Continuing Education of Northeast Electric Power University (formerly known as Northeast Electric Power Institute). He also completed a postgraduate program majoring in economic management from the Party School of the Communist Party of China, Inner Mongolia Autonomous Region Committee. Currently, he serves as the deputy general manager of CPI Holding.

Mr. YU previously held various senior management positions in SPIC group, including serving as the deputy chief engineer of maintenance engineering and the head of the Production Technology Department at a branch company of Inner Mongolia Huomei Hongjun Aluminum & Power Co., Ltd.; the general manager of Mengdong Xiehe New Energy Co., Ltd.; an executive director and the general manager of Inner Mongolia Eastern New Energy Co., Ltd., Tongliao Power Generation Plant, and Tongliao No.2 Power Generation Company; as well as the deputy general manager of SPIC Green Energy (a listed company on the Shenzhen Stock Exchange). He joined the Group in 2026.



LYU Keqi

📄 Vice President

LYU Keqi, born in 1970, is a senior engineer and has a bachelor's degree in engineering majoring in electrical engineering from Fuzhou University. Mr. LYU previously served as an assistant to the president and the general manager of Production and Operation Department of the Company, the general manager of Pu'an Power Plant, China Power (Pu'an) New Energy Company Limited and China Power (Gu'an New District) Distribution and Sales Company Limited, and the deputy general manager of Liaoning Qinghe Electric Power Company Limited. He participated in management of the Group's power plants prior to the Company's listing in 2004 and has been staying with the Group since then.

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Directors and Senior Management Profiles

HU Xiang

☞ Chief Accountant

HU Xiang, born in 1978, is a chief senior accountant and holds a master's degree majoring in accounting from Changsha University of Science and Technology. Mr. HU previously served as the deputy director of the Accounting Center at Wu Ling Power, the general manager of the Planning and Finance Department of the Company, the deputy general manager of SPIC Shared Services Co., Ltd., and the director of the Financial Sharing Center of SPIC. He had been working for Wu Ling Power on accounting and finance before the Company's listing in 2004 and stayed with the Group until January 2022. He re-joined the Group in 2024.



YANG Qian

☞ Vice President

YANG Qian, born in 1977, is a senior political officer and has a bachelor's degree in economics majoring in accountancy from Beijing Institute of Technology (online education) and a master's degree in software engineering from Beihang University. Ms. YANG has served as an assistant to the president of the Company, manager of the General Office of the State Nuclear Power Technology Corporation, a deputy director of the General Office of SPIC (Board Office) and a director of the General Management Department of SPIC. She joined the Group in 2021.

GUO Feng

☞ Vice President

GUO Feng, born in 1971, is an economist and a senior political officer. He completed a postgraduate program majoring in business administration from the Party School of the Communist Party of China, Liaoning Provincial Committee. Mr. GUO previously served as the deputy general manager of the Strategic Planning Department of CPI Holding, the general manager of China Power (Shenyang) Energy Investment Co., Ltd. and Pu'an Power Plant. He also held positions as the general manager of the Development Department of the Company, the deputy general manager of the Strategic Planning Department and an assistant to the president and director of the Marketing and Fuel Management Center of the Company. He participated in management of the Group's power plants prior to the Company's listing in 2004 and has been staying with the Group since then.



GU Weidong

 Vice President

GU Weidong, born in 1971, is an engineer and has a bachelor's degree majoring in thermal energy and power engineering from Shanghai Electric Power College (now known as Shanghai University of Electric Power). Mr. GU previously served as the director of the Power Generation Department and Fuel Operation Department at Jiangsu Changshu Electric Power Generating Company Limited, the deputy general manager of Huanggang Dabieshan Power Company Limited, the chairman of Pingdingshan Yaomeng Electric Power Company Limited, and the deputy general manager of the Safety and Environmental Protection Supervision Department, as well as an assistant to the president of the Company. He participated in management of the Group's power plants prior to the Company's listing in 2004 and has been staying with the Group since then.



COMPANY SECRETARY

CHEUNG Siu Lan is a fellow member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute, who holds the dual designations of Chartered Secretary and Chartered Governance Professional, and is also a fellow member of Hong Kong Institute of Certified Public Accountants and CPA Australia. Ms. CHEUNG has a bachelor's degree in commerce from The University of Queensland, Australia and obtained a master's degree in professional accounting and a postgraduate diploma in corporate administration from The Hong Kong Polytechnic University. She previously served as the company secretary and the group financial controller of a listed group in Hong Kong. She has extensive experience in the fields of corporate governance, corporate finance and mergers and acquisitions.

BUSINESS Review and Analysis





Management's Discussion and Analysis

BUSINESS REVIEW

In 2025, the national total electricity consumption increased by 5.0% year-on-year to 10.37 trillion kWh, marking the first time that annual national total electricity consumption has exceeded 10 trillion kWh. Electricity demand was effectively supported by China's ongoing pro-growth policies and significant progress in emerging industries. Under the "Dual Carbon Goals", new energy will continue to replace fossil fuels in an orderly manner. In 2025, newly added electricity generation from new energy accounted for 97.1% of the increase in national electricity consumption, demonstrating continuous growth in green power supply capacity and the accelerating pace of China's green and low-carbon transition.

Both wind power and photovoltaic power operations of Group continued to maintain revenue growth, primarily attributable to the consolidation of several wind power and photovoltaic power project companies into the Group pursuant to the external acquisitions by Wu Ling Power under the Asset Pre-Restructuring (please refer to the section titled "Material Acquisitions and Disposals" below for details), as well as the acquisitions and commencement of operations of various new power generating units during the year. However, the implementation of the fully market-based renewable energy on-grid tariff policy by the national government resulted in adjustments to average on-grid tariffs, leading to a year-on-year decline in profit from these segments.

The Group's thermal power segment was benefited from reduction in fuel costs and implementation of effective coal procurement measures, which contributed to a positive profit growth during the year. However, the reclassification of a coal-fired power generation company with a total installed capacity of 1,260MW from a subsidiary to an associate of the Company at the end of last year (please refer to the Company's announcement dated 31 December 2024 for details), resulted in a year-on-year decline in electricity sales and revenue.

Hydropower performance was adversely affected by reduced rainfall in the regions where the Group's hydropower plants operate, resulting in lower electricity generation and a corresponding decline in both revenue and profit from the hydropower segment. Profit in hydropower segment was further affected by a one-off tax expense of approximately RMB357 million arising from the group reorganization under the Asset Pre-Restructuring.

Completion of the Asset Restructuring took place on 31 October 2025 (please also refer to the section titled "Material Acquisitions and Disposals" below for details). Upon completion, the Company, together with its wholly-owned subsidiary, Guangxi Company, held approximately 55.13% equity interest in SPIC Hydropower, which was formerly known as Yuanda Environmental at the time the Asset Restructuring was entered into. Accordingly, SPIC Hydropower has become a subsidiary of the Company and its financial results have been consolidated into the Group's consolidated financial statements. The acquisition has strengthened the Group's presence in the capital markets in both Hong Kong and the PRC.

Following the completion of the Asset Pre-Restructuring and Asset Restructuring, the Group recognized gains on bargain purchase of approximately RMB322 million, which partially offset the one-off tax expense of approximately RMB357 million arising from the group reorganization transactions under the Asset Pre-Restructuring.

For the year ended 31 December 2025, the profit attributable to equity holders of the Group amounted to RMB3,404,070,000 (2024: RMB3,861,822,000). Profit attributable to ordinary shareholders of the Company amounted to RMB2,910,226,000 (2024: RMB3,364,381,000). Basic earnings per share was approximately RMB0.24 (2024: RMB0.27). As at 31 December 2025, net assets per share (excluding non-controlling interests and other equity instruments) was approximately RMB3.47.

During the year under review, the development and performance of the Group's principal businesses were as follows:

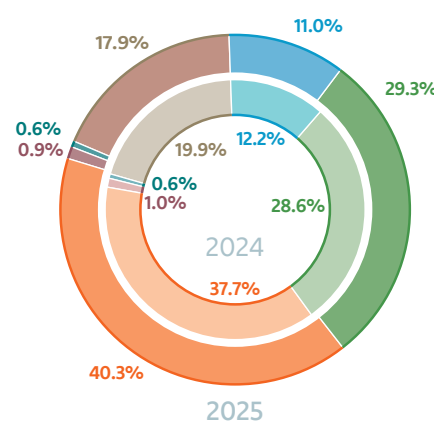
Management's Discussion and Analysis

Installed Capacity

As at 31 December 2025, the consolidated installed capacity of the Group's power plants was 54,753.7MW, representing a year-on-year increase of 5,362.8MW or 10.86%. The Group's consolidated installed capacity of clean energy (inclusive of hydropower, wind power, photovoltaic power, natural gas power and environmental power) was 44,933.7MW, accounting for approximately 82.07% of the total consolidated installed capacity of the Group, and representing an increase of approximately 1.95 percentage points as compared to the previous year.

The details of consolidated installed capacity of the Group as at 31 December 2025 are set out as follows:

Type of Power Plants	31 December 2025 MW	31 December 2024 MW	Changes %
 Hydropower	6,025.1	6,001.1	0.40
 Wind Power	15,996.8	14,127.0	13.24
 Photovoltaic Power	22,071.5	18,620.5	18.53
 Natural Gas Power	505.3	505.3	–
 Environmental Power	335.0	317.0	5.68
 Coal-fired Power	9,820.0	9,820.0	–
Total	54,753.7	49,390.9	10.86



The Group's power generating units that commenced commercial operation and those that were acquired during the year are presented by type as follows:

Type of Power Plants	Consolidated Installed Capacity MW
 Hydropower	24.0
 Wind Power	1,869.8
 Photovoltaic Power	3,467.7
 Environmental Power	18.0
Total	5,379.5

Management's Discussion and Analysis

Status of Key Projects

The year 2025 is a critical year that sets the stage for transitioning to and planning of the national “15th Five-Year” plan. The Company will actively support the national initiative by focusing on the development of green and low-carbon energy, accelerating the construction of novel power systems, and staying committed to high-quality development. The status of key projects during the year under review are as follows:



Integrated Wind-Photovoltaic-Thermal-and-Storage Demonstration Project of CP Pu'an

The Integrated Wind-Photovoltaic-Thermal-and-Storage Demonstration Project of China Power (Pu'an) New Energy Co., Ltd.* (中電(普安)新能源有限公司), a subsidiary of the Company, has a planned installed capacity of 1,000MW, including 700MW of photovoltaic power generation, 300MW of wind power generation and energy storage facilities at different stages. Located in Guizhou Province, the PRC, the project adopts centralized-controlled intelligent dispatching to realize 24-hour monitoring of

equipment operation across all power plants. With in-depth integration of advanced models such as the development concept of smart power stations, the project ensures excellent, safe and efficient operation. It is not only one of the key projects in Guizhou Province's “14th Five-Year” plan for power development, but also a representative example of energy structure innovation and excellence in regions covered by the Southern Power Grid. In 2025, Xicaocong and Jinzhuping photovoltaic power stations under the project, with a total capacity of 166MW, were connected to the power grid for power generation and commenced commercial operation. The project can not only effectively reduce the emission of air pollutants to improve environmental quality, but also promote diversification and transformation of local industries to help addressing challenges related to local employment.

Integrated Source-Grid-Load-and-Storage Project of Xinjiang Power

The 300MW Integrated Source-Grid-Load-and-Storage Project of China Power Hutubi New Energy Co., Ltd.* (中電呼圖壁新能源有限公司), a subsidiary of the Company, was connected to the power grid at full capacity in 2025. Located in Hutubi County, Xinjiang Uygur Autonomous Region, the PRC, the project was constructed by making full use of the abundant sunlight resources in the locality and is equipped with energy storage equipment of 75MW/300MWh, strictly aligning with the national policy requirements for “synergistic development of Source-Grid-Load-and-Storage” within the innovative power system. Upon putting into operation, the project is expected to save substantial standard coal consumption and reduce carbon dioxide emission on an annual basis, hence help mitigating environmental pollution, protecting the ecological environment and promoting local economic development.



Dajia Pingge Hydropower-Photovoltaic Complementary Agricultural Photovoltaic Power Generation Project

The 200MW Hydropower-Photovoltaic Complementary Agricultural Photovoltaic Power Generation Project of Liping Qingshuijiang New Energy Co., Ltd.* (黎平清水江新能源有限公司), a subsidiary of the Company, has commenced commercial operation at full capacity in 2025. Located in Liping County, Guizhou Province, the PRC, the project fully utilizes renewable energy without occupying basic farmland and woodland. With no exhaust gas, wastewater and solid waste generated throughout the process of power generation, the project can effectively protect the local ecological environment. Concurrently, it promotes the integrated development of the photovoltaic power generation industry and agriculture, supporting the

diversification and upgrade of local industries. This aligns intensively with the national rural revitalization strategies and policies for green energy development, thereby enhancing ecological and social benefits at the same time.

Management's Discussion and Analysis

Liumaohu Wind Power Project

The 200MW wind power project of Mishan Beiling Wind Power Generation Co., Ltd.* (密山市北嶺風力發電有限公司), a subsidiary of the Company, was connected to the power grid and commenced operation at full capacity in 2025. Located in Heilongjiang Province, the PRC, the project is equipped with 40 wind turbines, including the construction of energy storage and peak-load shaving systems as ancillary facilities. Upon putting into operation, the project is expected to save substantial standard coal consumption and reduce carbon dioxide emission on an annual basis, providing major support for the development of integrated energy systems in Mishan City and Heilongjiang Province.



Binzhou Fishery-Photovoltaic Complementary Photovoltaic Power Generation Project

The 200MW Fishery-Photovoltaic Complementary Photovoltaic Power Generation Project of Binzhou Power Investment New Energy Development Co., Ltd.* (濱州電投新能源發展有限公司), a subsidiary of the Company, has been put into operation in 2025. Located in Shandong Province, the PRC, the project adopts a “photovoltaic power generation + aquaculture” development model. It makes full use of the salt-alkali tidal flat land resources to achieve efficient composite land use and promote in-depth

integration of photovoltaic power generation and the fishery industry. Upon putting into operation, the project not only effectively facilitates the green and low-carbon transformation and creates vast job opportunities in the locality, playing an active role in promoting steady growth and structural adjustment and improving people's livelihood in the local region.

Photovoltaic Power Generation Project of Yuci District, Jinzhong City

The Yuci 300MW (100MW in Phase I) photovoltaic power generation project of Jinzhongshi Yuciqu Zhongling New Energy Co., Ltd.* (晉中市榆次區眾凌新能源有限公司), a subsidiary of the Company, has been put into full operation in 2025. Located in mountainous and hilly terrain at elevations ranging from 768 to 1,814 meters, the project fully utilizes idle land resources. With a DC-side installed capacity of 120MW peak, it comprises 54 planned photovoltaic sub-arrays with a total of 252 300-kW string inverters and 126 196-kW string inverters installed. The average annual power generation is projected to be approximately 165,495MWh. Development of this project contributes to the upgrade of the local industrial structure and promotes the growth of the local new energy industry, yielding sound social benefits and economic returns.



Management's Discussion and Analysis

Datonghu Fishery-Photovoltaic Complementary Photovoltaic Power Generation Project

The two Fishery-Photovoltaic Complementary Photovoltaic Power Generation Projects with installed capacity of 290MW in aggregate of China Power (Datonghu) Energy Development Co., Ltd.* (中電(大通湖)能源發展有限公司), a subsidiary of the Company, was connected to the power grid at full capacity and commenced power generation in 2025. Located in Hunan Province, the projects include the construction of a 220kV booster station and a 220kV transmission line as ancillary facilities. The photovoltaic power station is designed based on the principle of “unmanned shift and minimal staff on duty”. It adopts a fishery-photovoltaic complementary model of “power generation on the solar panels while fish farming below” to realize efficient and compound use of land resources. The project can save standard coal consumption, reduce emissions of carbon dioxide, sulfur dioxide and nitrogen oxides, and promote the clean use of energy in rural areas, thereby bringing significant economic, environmental and social benefits for the fishery industry, the power industry and environmental protection.



Innovation of Energy Technology

Persisting in prioritizing technological innovation, the Group continued to press ahead with its digital and intelligent transformation alongside development of the presence in strategic emerging industries, and stepped up its investment in technological research and development. By focusing on key technological innovations and the application of digital and intelligent technologies within the clean energy sector, it aimed to further consolidate its competitive edge in the sector. In addition, we have actively nurtured and introduced high-end technological talents, accelerated the incubation of energy-related strategic emerging industries, thereby promoting the conversion of technological innovation achievements into effective productivity, thus empowering high-quality development of the industry.

Intelligent Energy Storage

In 2025, Xinyuan Smart Storage, a subsidiary of the Company, achieved major breakthroughs in aspects such as research and development of energy storage systems, market expansion and operational capabilities.

During the year, Xinyuan Smart Storage completed various tasks relating to construction of laboratories to high standards, strictly adhering to the standard specifications for the construction of national-class laboratories. This included completion of 7 large-scale energy storage test platforms, the filing of application for 56 invention patents, the formulation of 20 standards, and the reporting of 12 exemplary achievements to the Ministry of Emergency Management. In addition, a key laboratory successfully passed the on-site inspection and acceptance assessment conducted by the Ministry of Emergency Management of the PRC.

Breakthrough progress was made in overseas market deployment, securing order contracts relating to intelligent management for two 100-MW-class energy storage projects in Chile and Kazakhstan. The first overseas cloud platform hub for energy storage was built in Riyadh, Saudi Arabia. Equipping with regional data compliance service capabilities abroad, it marks the official launch of Xinyuan Smart Storage's intelligent energy storage services in the international market.

Management's Discussion and Analysis

Green Power Transportation

In 2025, Qiyuanxin Power, an associate of the Company, continued to put greater focused efforts in the charging and battery-swap sector. It fostered significant results in both domestic and international market expansion and business development, further consolidating its leading position within the industry. With major breakthroughs in overseas operations, Qiyuanxin Power has successfully partnered with a global mining giant to deliver the first batch of mining trucks and battery swap stations to a mining site in Mongolia. Within the first month of operation, more than 500 battery swaps were completed, totaling more than 250,000kWh of swapped power. This represents a great move in the global expansion of transportation and energy integration business of Qiyuanxin Power, effectively promoting its overseas market development.

As for the domestic market, Qiyuanxin Power's charging and battery-swap network continued to expand in both construction and operational scale. As at the end of 2025, more than 1,600 charging and battery-swap stations for heavy-duty trucks were either under or completed construction, covering 208 prefecture-level cities nationwide. With the cumulative operational mileage of electric vehicles (EVs) served exceeding 4.4 billion kilometers, Qiyuanxin Power has maintained the industry's top market share in battery-swap stations for heavy-duty trucks. The construction of charging and battery-swap corridor yielded substantial results. Not only have key trunk routes such as National Highway G110, the Ningbo-Jinhua Expressway, and the Hainan Ring Expressway been connected to the corridor, but the core objectives of China's Transportation Power Initiative for developing into a strong transportation nation have also been successfully accomplished: establishing and operating China's longest charging and battery-swap corridor for heavy-duty trucks spanning 7 provinces/regions and 13 cities, with a total length exceeding 2,200 kilometers, enabling cross-regional coordinated operations. Meanwhile, significant achievements were made in technological innovation and power grid interaction. Qiyuanxin Power successfully fulfilled the demonstration and verification of aggregation and interaction with power grids of 100MW-class battery swap stations, showcasing excellent grid-connected operational characteristics and providing robust support for steady grid operation.

In terms of the development of standards, Qiyuanxin Power continued to play its role as a leader of the industry. It spearheaded and participated in formulating dozens of various international, national, and industry standards in aggregate. The ongoing improvement of its system of standards has further consolidated Qiyuanxin Power's influence in terms of technologies and standards within the industry.

Projects Under Construction

As at 31 December, 2025, the aggregate installed capacity of projects under construction was 4,467MW, all of which were clean energy projects. These included various large-scale wind power and photovoltaic power generation projects located in Shanxi Province, Shandong Province, Hebei Province, Guizhou Province, and Jiangsu Province.

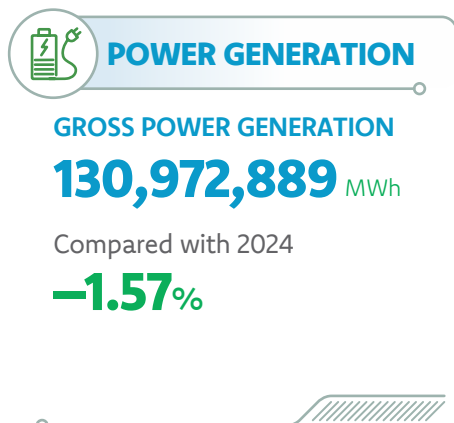
New Development Projects

The Group is currently conducting preliminary work on new projects (including those submitted to the Chinese government for approval) with a total installed capacity of approximately 28,000MW. All of them are clean energy projects, primarily located in regions with development potential such as Shandong Province, Shanxi Province, Xinjiang Uygur Autonomous Region, and Heilongjiang Province. These projects include the Shandong Peninsula South offshore wind power project with a total installed capacity of 9,000MW, the Xinjiang Hemi Balikun 1,000MW wind power project, the SPIC 500MW wind power project under the 170th Regiment of Baiyang City, Ninth Division, and the Yuci 500MW photovoltaic power generation project of Jinzhong City, Shanxi Province.

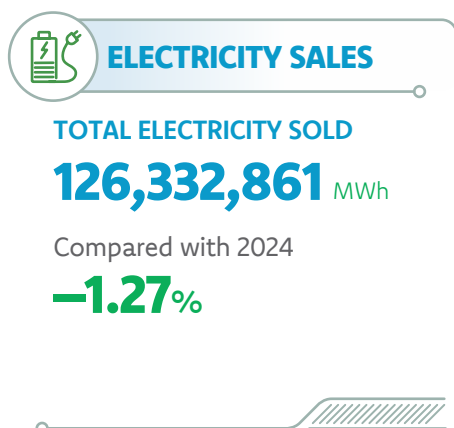
Management's Discussion and Analysis

Power Generation and Electricity Sales

In 2025, the details of power generation and electricity sold by the Group are set out as follows:



	2025 MWh	2024 MWh	Changes %
 — Hydropower	18,509,219	18,706,953	-1.06
 — Wind Power	31,607,189	27,030,814	16.93
 — Photovoltaic Power	26,808,619	23,771,819	12.77
 — Coal-fired Power	49,999,883	59,312,935	-15.70
 — Natural Gas Power	1,971,371	2,224,200	-11.37
 — Environmental Power	2,076,608	2,018,847	2.86
Total	130,972,889	133,065,568	-1.57



	2025 MWh	2024 MWh	Changes %
 — Hydropower	18,282,283	18,470,727	-1.02
 — Wind Power	30,798,035	26,236,946	17.38
 — Photovoltaic Power	26,381,165	23,425,470	12.62
 — Coal-fired Power	47,212,698	55,966,840	-15.64
 — Natural Gas Power	1,909,543	2,159,577	-11.58
 — Environmental Power	1,749,137	1,699,520	2.92
Total	126,332,861	127,959,080	-1.27

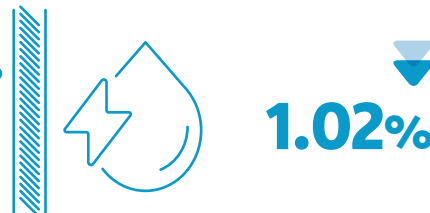


Management's Discussion and Analysis

In 2025, the total electricity sold by the Group amounted to 126,332,861MWh, representing a decrease of 1.27% as compared with the previous year. The changes in electricity sold by each power segment as compared with the previous year are as follows:

HYDROPOWER

- A decrease of 1.02% in electricity sold was recorded due to average rainfall in the river basins where the Group's hydropower plants are located decreased year-on-year during the year.



17.38%



WIND POWER | PHOTOVOLTAIC POWER

The consolidation of several wind power and photovoltaic power project companies into the Group as part of the Asset Pre-Restructuring, as well as acquisitions and the commencement of operation of various new power generating units during the year, the electricity sold of wind power and photovoltaic power recorded year-on-year increases of 17.38% and 12.62% respectively.

12.62%



COAL-FIRED POWER

- The reclassification of Pingwei Power from a subsidiary to an associate of the Company, as a consequence of the deemed disposal completed at the end of last year, resulted in a year-on-year decrease of 15.64% in electricity sold of coal-fired power.



11.58%



NATURAL GAS POWER

As certain power generating units were temporarily suspended from operation to facilitate regular full-scale overhauls during the year, electricity sold of natural gas power decreased by 11.58% year-on-year.

ENVIRONMENTAL POWER

- Benefited from the commencement of operations of new power generating units, electricity sold from environmental power increased by 2.92% year-on-year.



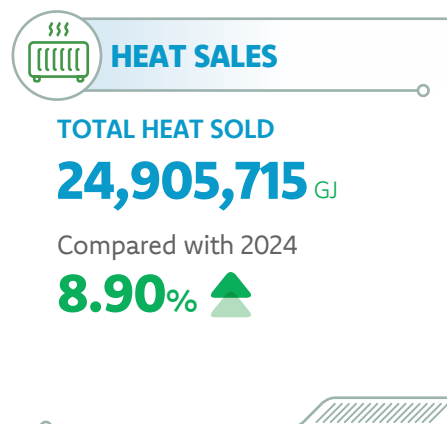
Management's Discussion and Analysis

In 2025, the details of electricity sold by the Group's main associates and joint ventures are set out as follows:

ASSOCIATES	2025 / MWh	2024 / MWh	Changes / %
 — Wind Power	N/A	702,158	N/A
 — Photovoltaic Power	114,342	110,360	3.61
 — Coal-fired Power	42,435,136	39,757,688	6.73
JOINT VENTURES	2025 / MWh	2024 / MWh	Changes / %
 — Wind Power	1,538,080	1,706,990	-9.90
 — Photovoltaic Power	132,332	123,599	7.07
 — Coal-fired Power	3,089,807	2,631,638	17.41
Total electricity sold	47,309,697	45,032,433	5.06

Heat Sales

In 2025, the total heat sold by the Group's subsidiaries reached 24,905,715GJ, representing an increase of 2,035,200GJ or 8.90%, as compared to the previous year. This growth was primarily benefited from the Group's proactive market expansion initiatives, which significantly expanded its customer base, as well as an increase in heat demand. Conversely, the Group's main associates and joint ventures recorded total heat sold of 18,138,731GJ, a decrease of 319,081GJ, or 1.73%, year-on-year, largely due to the reduction in heating supply of an associate. The profit related to the heat sales operation of the Group were classified as other gains and losses in the consolidated statement of profit or loss. During the year, profits generated from sales of heat, trading of coal, coal by-products, spare parts and others totaled RMB343,590,000 (2024: RMB285,740,000), representing an increase of 20.25% as compared to the previous year.



To further strengthen its core capabilities in heat supply operations and enhance the overall heat supply reliability, the Group commenced and completed a number of renovation projects in 2025. They principally included the Fuxi Power Plant Siliya Heat Supply Renovation Project, the Sanjiang New Area Sichuan Times Heat Supply Renovation Project, the Shentou Power Central Heat Supply Project, the Shangqiu Thermal Power Heat Supply Network First Station Renovation Project, the Bazhou Environmental Oilfield Farm Heat Supply Engineering Project, the Aileda Tuowei Branch Pipeline Network Construction Project of China Power (Chengdu) Comprehensive Energy Co., Ltd. and other projects, all of which will contribute to the continuous improvement of its heat supply capacity.

Market-Power Transactions

The Group has actively engaged in the market-oriented reform of the national power industry, strengthened its research on power market policies and regulations, particularly in core aspects such as trading of spot electricity, green certificate/green power and carbon emission allowances, and continuously optimized its market trading strategies. The Group has maximized its market power sales and expanded its market share through increased participation in market-power transactions. Subsidiaries in various provinces have also established their power sales centers to attract and retain target customers. During the year, the trading volume of green certificate and green power increased by approximately 57% and 17% respectively compared to the previous year.

In 2024, the new tariff for coal-fired power was implemented nationwide to optimize coal-fired power revenues through a dual structure of "capacity tariff" plus "volume tariff". While the premium margin in market-traded power tariffs experienced a slight decline, primarily due to increased participation of other power sources in the spot market, which drove down market-traded power tariffs, the capacity tariff (i.e. determined by way of the calculation on recovering a certain percentage of the fixed costs of the coal-fired power generating units) provided a stable comprehensive tariff.

Management's Discussion and Analysis

Overview

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Corporate Governance

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In 2025, all the power production quota of large-scale coal-fired power generating units of the Group were obtained from the market, and the proportion of market- power transactions to sales was

100% (2024: 100%)



the average market on-grid tariff was at a premium of approximately

5.79% (2024: 13.48%)
over the benchmark tariff.

Despite a low premium percentage relative to the benchmark tariff, the comprehensive tariff after taking into account the capacity-tariff basically remained stable, which demonstrated the adjusting impact of the capacity-tariff policy on market-trading-tariff.

Average On-Grid Tariff

Starting 1 June 2025, all electricity generated by China's renewable energy power sources, namely photovoltaic power as well as onshore and offshore wind power, shall fully participate in the spot power market and be traded at market prices. In this context, the average on-grid tariffs of electricity generated by the Group across each power segment in 2025, compared with the previous year, were as follows:

Hydropower



The average on-grid tariff remained relatively stable.

Wind Power



The commencement of operation or consolidation of grid parity wind power projects, as well as the implementation of the market-based renewable energy on-grid tariff policy, led to a gradual drop in the average on-grid tariff of wind power.

Photovoltaic Power



The commencement of operation or consolidation of grid parity photovoltaic power generation projects, as well as the implementation of the market-based renewable energy on-grid tariff policy, led to a gradual drop in the average on-grid tariff of photovoltaic power.

Coal-fired Power



The integration of renewable-energy power sources into the spot power market has increased competition with coal-fired power, which led to a decline in the average on-grid tariff of coal-fired power.

Natural Gas Power



The continued decline in market-driven electricity tariffs in Guangdong Province resulted in a decrease in the long-term contract prices of natural gas.

Environmental Power



The decrease was primarily attributed to the commencement of operations of grid parity power generating units during the year under review.

Management's Discussion and Analysis

Average Utilization Hours of Power Generating Units

Hydropower



It was mainly attributable to the decrease in power generation as a result of the decrease in the average rainfall in the river basins where the Group's hydropower plants are located during the year.

Wind Power



It was mainly attributable to the decline in wind resources as compared to the previous year.

Photovoltaic Power



It was primarily due to reduced solar irradiance for photovoltaic power generation as compared with the previous year, as well as lower market demand, which led to relatively lower utilization hour.

Coal-fired Power



The decrease was mainly attributed to the shift in the function of coal-fired power as frequency-modulating and peak-load shaving power sources to stabilize power supply within the power system.

Natural Gas Power



The decrease was primarily attributed to the temporary suspension of operations of certain power generating units for regular full-scale overhauls during the year.

Environmental Power



The decrease was primarily attributed to the introduction of new power generating units, which improved operational flexibility and allowed more efficient or cost-effective units to be prioritized, thereby reducing the operating hours of other units and contributing to an overall decline in utilization hours.

Energy Storage Business

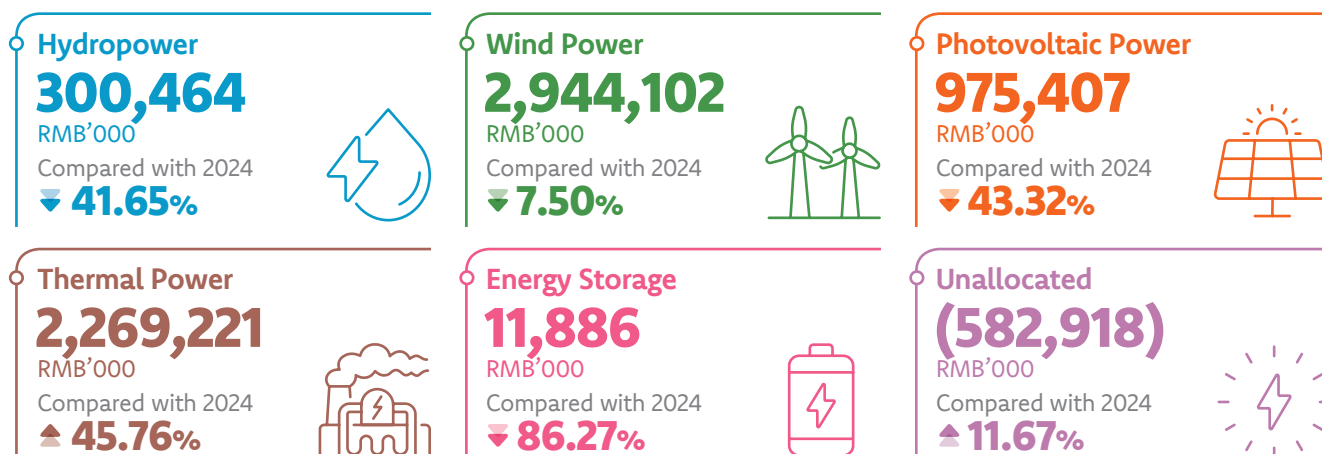
Due to intensifying competition in the energy storage industry compared with the previous year, the average unit price of products experienced a year-on-year decline. This aggressive competitive landscape pressured profit margins and resulted in a year-on-year reduction in both revenue and profit. As a result, revenue from the energy storage business amounted to RMB2,304,314,000, representing a year-on-year decrease of RMB1,603,928,000 or 41.04%. Profit for the year was RMB11,886,000, which represents a negative variance of RMB74,694,000 as compared to the previous year.

Management's Discussion and Analysis

OPERATING RESULTS OF 2025

In 2025, the net profit of the Group amounted to RMB5,918,162,000, representing a decrease of RMB621,728,000 or 9.51% as compared with the previous year.

In 2025, the net profit (loss) of each operating segment and their respective changes over the previous year were as follows:

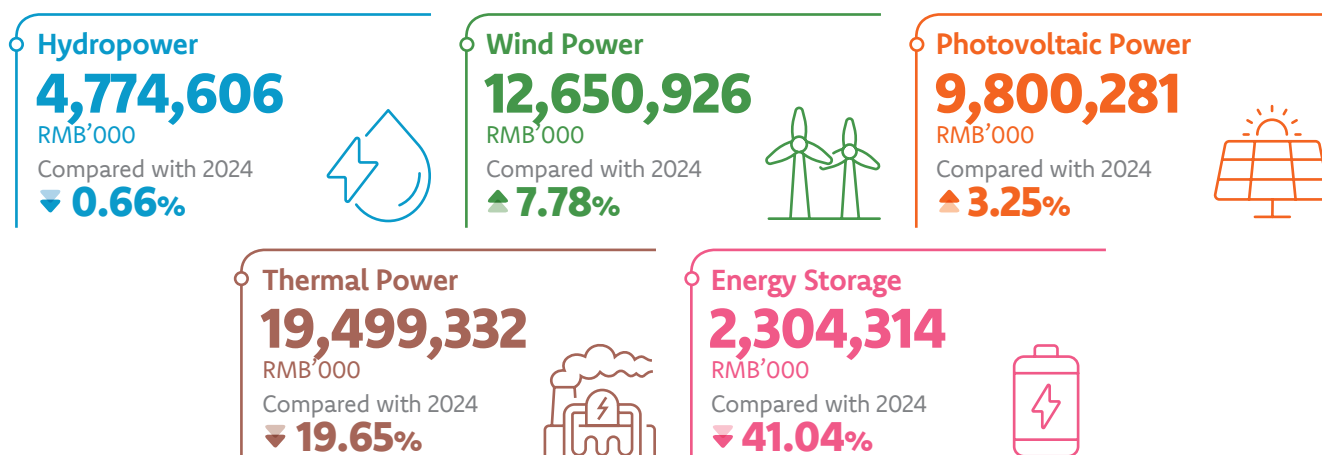


As compared with 2024, the changes in net profit were mainly due to the following factors:

Revenue

The revenue of the Group was primarily derived from the sales of electricity and energy storage-related services. In 2025, the Group recorded a revenue of RMB49,029,459,000, representing a decrease of 9.56% as compared to RMB54,212,792,000 of the previous year.

In 2025, the details of revenue of each operating segment are set out as follows:



Management's Discussion and Analysis

- Revenue from hydropower decreased by RMB31,765,000, which was mainly attributable to the decrease in power generation as a result of lower average rainfall in the river basins where the Group's hydropower plants are located during the year.
- Revenue from wind power and photovoltaic power increased by RMB1,221,911,000 in total, primarily due to the consolidation of several project companies as part of the Asset Pre-Restructuring, as well as the acquisitions and commencement of operations of various new power generating units during the year.
- Revenue from thermal power decreased by RMB4,769,551,000 year-on-year, primarily due to the reclassification of Pingwei Power from a subsidiary to an associate of the Company at the end of last year.
- Revenue from energy storage decreased by RMB1,603,928,000 year-on-year. The intensified competitive landscape pressured both business volume and average unit prices of energy storage products, leading to a decline in revenue.

Operating Costs

Operating costs of the Group mainly consist of fuel costs, repairs and maintenance expenses for power generating units and facilities, depreciation and amortization, staff costs, subcontracting costs, cost of sales of energy storage equipment, consumables, and other operating expenses. In 2025, the operating costs of the Group amounted to RMB42,576,792,000, representing a decrease of 6.05% as compared to RMB45,319,966,000 in the previous year. The decrease was primarily driven by a year-on-year decrease in both fuel costs and cost of sales of energy storage equipment. This downward trend was partially counteracted by the inclusion of SPIC Hydropower, and various project companies into the Group's consolidated financial statements following the completion of the Asset Restructuring and Asset Pre-Restructuring. Additionally, the commencement of operations of new power generating units resulted in additional costs that partially absorbed the cost savings.

OPERATING COSTS

42,576,792

RMB'000

Compared with 2024

6.05% ▼



Total Fuel Costs

The total fuel costs decreased by RMB4,372,819,000 or 26.73%. The decline was mainly attributed to the deconsolidation of Pingwei Power (engaged in coal-fired power generation business) following its reclassification from a subsidiary to an associate of the Company at the end of last year. This structural change in assets holding, coupled with a year-on-year decrease in unit fuel cost of the Group's coal-fired power operations, resulted in an improved cost profile for the year.

Unit Fuel Cost

The average unit fuel cost of the Group's coal-fired power business was RMB232.76/MWh, representing a decrease of 13.98% as compared to RMB270.58/MWh in the previous year. In the first half of 2025, domestic thermal coal market experienced a continuous increase in supply coupled with weak demand growth, causing prices to drop to multi-year lows. During the second half of the year, as government authorities moved forward with production capacity audits (enforcing limits on over-production), market supply tightened. This regulatory pressure caused coal prices to stabilize and rebound; however, the market weakened again toward the end of the year. To capitalize on opportunities arising from these price fluctuations, the Group actively optimized its cost management strategies, leveraging low-cost windows to secure favorable procurement terms and drive down overall fuel expenditures. Key initiatives included refining long-term contract structures, enhancing logistics efficiency, and deepening specialized coal-blending management to unlock the full economic benefits of co-firing.

Depreciation and Staff Costs

Depreciation of property, plant and equipment and the right-of-use assets and staff costs increased by RMB2,148,263,000 in aggregate, the rise was primarily driven by the consolidation of SPIC Hydropower and various project companies following the recent asset restructuring, as well as the acquisitions and commencement of operations of various new wind power and photovoltaic power generating units during the year.

Management's Discussion and Analysis

COST OF ENERGY STORAGE EQUIPMENT SALES AND SUBCONTRACTING COSTS

1,928,326

RMB'000

Compared with 2024

39.98% ▼



Cost of Energy Storage Equipment Sales and Subcontracting Costs

The Group's energy storage segment is principally engaged in sales of energy storage equipment and the provision of subcontracting services for the development and assembly of power stations integrated with energy storage. Of the total subcontracting costs of RMB707,654,000, RMB481,330,000 was attributable to the consolidation of SPIC Hydropower, with the remaining balance attributable to the energy storage segment. The energy storage segment faced a challenging operating landscape as heightened industry competition drove down business volume and average unit prices. In 2025, the cost of energy storage equipment sales and subcontracting costs of the Group totaled RMB1,928,326,000, indicating a decrease of RMB1,284,310,000 or 39.98% as compared to the previous year.

Other Operating Expenses

Other operating expenses increased by RMB216,891,000, or 3.62%, year-on-year, primarily reflecting the expanded scope of consolidation following the recent asset restructuring.

Other Gains and Losses, Net

The net gains from other gains and losses increased by RMB822,255,000, or 111.78%, year-on-year. This growth was primarily driven by gains on bargain purchase following the completion of the Asset Pre-Restructuring and the Asset Restructuring, as well as a decrease in impairment of property, plant and equipment.

Operating Profit

In 2025, the Group's operating profit was RMB11,936,366,000, representing a decrease of 1.90% as compared to the operating profit of RMB12,167,191,000 in the previous year.

Finance Costs

In 2025, the finance costs of the Group amounted to RMB5,062,776,000 (2024: RMB5,043,066,000), representing an increase of RMB19,710,000, or 0.39%, as compared to the previous year. This increase was partly as a result of the consolidation of bank borrowings from project companies acquired through the Asset Restructuring and the Asset Pre-Restructuring. The Group has initiated countermeasures by actively advancing debt optimization initiatives, including adjusting the interest rate structure and securing favorable loan conditions, allowing the Group to mitigate the increase in finance costs and offset part of the cost pressure. Looking ahead, the Group will continue to monitor market changes and seize opportunities presented by lower financing interest rates to further optimize its debt structure by replacing high-interest borrowings.

Share of Results of Associates

In 2025, the profits from the Group's share of results of associates was RMB613,764,000, representing an increase of RMB62,619,000, or 11.36%, as compared to the previous year. The reclassification of Pingwei Power from a subsidiary to an associate of the Company at the end of last year, combined with a decrease in average unit fuel costs during the year, contributed positively to the growth in the Group's share of results of associates.

Share of Results of Joint Ventures

In 2025, the profits from the Group's share of results of joint ventures was RMB219,742,000, representing an increase of RMB38,287,000, or 21.10%, as compared to the previous year. This increase was largely attributable to the strong performance of coal-fired power generation business.

Management's Discussion and Analysis

Income Tax Expense

In 2025, the income tax expense of the Group was RMB1,940,587,000, representing an increase of RMB469,797,000, or 31.94%, as compared to the previous year. The increase in income tax was primarily attributable to income tax expense incurred in connection with the group reorganization under the Asset Pre-Restructuring.

Final Dividend

At the Board meeting held on 20 March 2026, the Board recommended the payment of a final dividend for the year ended 31 December 2025 of RMB0.168 (equivalent to HK\$0.1911 at the exchange rate announced by the People's Bank of China on 20 March 2026) per ordinary share (2024: RMB0.162 per ordinary share), totaling RMB2,078,185,000 (equivalent to HK\$2,363,936,000) (2024: RMB2,003,964,000), which is based on 12,370,150,983 shares in issue on 20 March 2026.

The dividend payout ratio for 2025, calculated as dividend per share, divided by earnings per share, was 70% (2024: 60%). The Board confirmed that the dividend decisions made in 2025 were in accordance with the Company's dividend policy, which mandates a minimum payout ratio of no less than 50%. The increase in the dividend payout ratio for 2025, as compared to the previous year, underscores the Board's commitment to delivering enhanced returns to shareholders.

For comparability purposes, the 2024 dividend of RMB0.162 per ordinary share and the 2024 dividend payout ratio of 60% referred to above are presented excluding the one-off special dividend of RMB0.05 per ordinary share declared to mark the 20th anniversary of the Company's listing on the Hong Kong Stock Exchange in 2024.

EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVTOCI")

As at 31 December 2025, the carrying amount of equity instruments at FVTOCI was RMB9,272,721,000, accounting for 2.52% of total assets, including listed equity securities of RMB7,273,109,000 and unlisted equity investments of RMB1,999,612,000.

Listed equity securities represent the equity interests in Shanghai Power held by the Group. As at 31 December 2025, the Group held 12.88% (31 December 2024: 12.90%) of the issued share capital of Shanghai Power, the A shares of which are listed on the SSE. These securities were categorized as level 1 financial assets of fair value measurements, and their fair values increased by 118.32% as compared with RMB3,331,389,000 as at 31 December 2024.

Unlisted equity investments represent the Group's investment in equity of certain unlisted companies principally engaged in financial services, coal production and electricity trading services respectively. They were categorized as level 3 financial assets of fair value measurements, and their fair values increased by 13.63% from RMB1,759,716,000 as at 31 December 2024.

The valuation methods and key inputs used for measuring the fair values of the above level 3 financial assets were market approach, i.e. fair values of such equity instruments were estimated by calculating the appropriate value ratio based on market multiples derived from a set of comparable listed companies in the same or similar industries. Key inputs were (i) the market value of the said equity interests, (ii) price-to-book ratio (1.05–1.82) and the discount rate for lack of marketability (28.00%) of the comparable companies. The fair value measurement is positively correlated to the above ratios and negatively correlated to the discount for lack of marketability.

The fair value gain on equity instruments at FVTOCI (net of tax) for the year ended 31 December 2025 of RMB2,945,359,000 (2024: gain of RMB195,570,000) was recognized in the consolidated statement of comprehensive income.

MATERIAL ACQUISITIONS AND DISPOSALS

On 16 April 2025, the Company, Xiangtou International and Guangxi Company, entered into equity transfer agreements with SPIC Hydropower (formerly known as Yuanda Environmental at the time of the transaction, a company listed on the SSE), pursuant to which (i) the Company and Xiangtou International agreed to transfer 63% and 37% equity interests in Wu Ling Power, respectively, and (ii) Guangxi Company agreed to transfer a 64.93% equity interests in Changzhou Hydropower to SPIC Hydropower, in exchange for new shares to be issued by SPIC Hydropower and cash consideration (the “**Asset Restructuring**”). For details of the transaction, please refer to the circular of the Company dated 20 May 2025.

On 29 August 2025 and 16 September 2025, following the pre-completion distribution of dividends by Wu Ling Power and Changzhou Hydropower and in compliance with the regulatory requirements of the SSE and the China Securities Regulatory Commission, the Company, Guangxi Company and SPIC Hydropower entered into supplemental agreements to adjust the consideration for the Asset Restructuring and the profit undertaking arrangements contemplated thereunder. For details, please refer to the announcements of the Company on the same dates.

To facilitate the implementation of the Asset Restructuring, Wu Ling Power and Changzhou Hydropower carried out a series of corporate reorganizations (the “**Asset Pre-Restructuring**”) prior to the Asset Restructuring, which mainly comprised: (1) external acquisitions by Wu Ling Power entered into on 17 January 2025; (2) formation of two new subsidiaries; and (3) intra-group reorganization. For details regarding the Asset Pre-Restructuring, please refer to the announcement of the Company dated 17 January 2025. The external acquisitions by Wu Ling Power were completed on 28 February 2025. Details are set out in note 47 to the consolidated financial information in this annual report.

On 31 October 2025, all conditions precedent to the Asset Restructuring had been satisfied and completion took place. Upon completion, the Company, together with its wholly-owned subsidiary, Guangxi Company, held an aggregate of 2,414,961,831 shares of SPIC Hydropower, representing approximately 55.13% of its share capital. SPIC Hydropower has become a subsidiary of the Company. Please refer to note 47 to the consolidated financial information in this annual report for further details.

On 18 June 2025, the Company, CPI Holding, Guangdong Company and Jieyang Power entered into an equity transfer agreement, pursuant to which the Company agreed to acquire and Guangdong Company agreed to sell 35% equity interest in Jieyang Power at a consideration of RMB36,693,510 plus a post-completion capital contribution of RMB558,600,000, amounting to RMB595,293,510 in total. Jieyang Power, through its wholly-owned subsidiary, holds the development right to two ultra-supercritical coal-fired power generating units with total installed capacity of 2,000MW located in Guangdong Province, the PRC as well as the approval for the development right to an offshore wind power project in the state-controlled waters of Jieyang. The acquisition marks a joint-operation development model of coal-fired power with renewable energy. For details, please refer to the announcement of the Company issued on the same date.

On 17 July 2025, the Company, CPI Holding, Pingmei Shenma (Xinjiang) Energy Co., Ltd.*, Xinjiang Energy and Tuoli Power entered into an equity transfer agreement, pursuant to which the Company agreed to acquire and Xinjiang Energy agreed to sell 31% equity interest in Tuoli Power at a consideration of RMB24,212,147 plus a post-completion capital contribution of RMB285,820,000, amounting to RMB310,032,147 in total. Tuoli Power holds the development right to two ultra-supercritical coal-fired power generating units with a total installed capacity of 1,320MW located in Tuoli County, Tacheng Prefecture, Xinjiang Uygur Autonomous Region, the PRC. The acquisition aims to address the power supply shortfall in the region by leveraging a “coal plus coal-fired power joint operation” industrial model. For details, please refer to the announcement of the Company issued on the same date.

On 12 September 2025, the Company, Shaanxi Yanchang Petroleum Mining Co., Ltd.*, Sichuan Company and Dazhou Energy entered into an equity transfer agreement, pursuant to which, the Company agreed to acquire and Sichuan Company agreed to sell 31% equity interest in Dazhou Energy at a consideration of RMB31,000,000, together with a capital commitment and

Management's Discussion and Analysis

a post-completion capital contribution of RMB427,800,000 in aggregate, amounting to RMB458,800,000 in total. Dazhou Energy holds the development rights to two ultra-supercritical coal-fired power generating units with a total installed capacity of 2,000MW located in Sichuan Province, the PRC. The project is expected to enhance the overall reliability of the power supply in Sichuan Province and alleviate peak-load pressures on the Sichuan power grid. For details, please refer to the announcement of the Company issued on the same date.

Save as disclosed above, the Group did not have any other material acquisitions and disposals during the year under review.

EVENTS AFTER THE REPORTING PERIOD

On 12 February 2026, CCB Investment, the Company and Xinyuan Green Power (a non wholly-owned subsidiary of the Company) entered into a capital reduction agreement, pursuant to which CCB Investment will exit its entire equity interest in Xinyuan Green Power by way of a directed capital reduction of Xinyuan Green Power's registered capital in an amount of RMB1,665,713,115 for a consideration of RMB2,005,973,156. Immediately after the capital reduction, the registered capital of Xinyuan Green Power shall be reduced from RMB3,665,713,115 to RMB2,000,000,000. The Company's equity interest in Xinyuan Green Power will be increased from 54.56% to 100% accordingly.

LIQUIDITY, CASH FLOWS AND FINANCIAL RESOURCES

As at 31 December 2025, cash and cash equivalents of the Group were RMB6,378,305,000 (31 December 2024: RMB6,073,616,000). Current assets amounted to RMB57,630,373,000 (31 December 2024: RMB51,638,373,000), current liabilities amounted to RMB92,210,722,000 (31 December 2024: RMB93,182,359,000) and current ratio was 0.62 (31 December 2024: 0.55).

In May 2022, the Company entered into the financial services framework agreement with SPIC Financial for a term of three years, effective from 7 June 2022 to 6 June 2025, pursuant to which SPIC Financial agreed to provide the Group with deposit services, settlement services, loan services and other financial services on a non-exclusive basis. The annual cap in respect of the maximum daily balance of deposit (including accrued interests) placed by the Group with SPIC Financial shall not exceed RMB5.5 billion during the effective term of the framework agreement. As a result of the acquisition of certain clean energy companies, the Company entered into a supplemental agreement to the financial services framework agreement with SPIC Financial in August 2023 to revise the original annual cap in respect of the maximum daily balance of deposit placed by the Group with SPIC Financial from RMB5.5 billion to RMB9 billion, while other principal terms remained unchanged.

In April 2025, the Company entered into a new financial services framework agreement (the **"New Financial Services Framework Agreement"**) to continue to engage SPIC Financial for the provision of financial services for a term of three years from 7 June 2025 to 6 June 2028. Pursuant to the New Financial Services Framework Agreement, the annual cap in respect of the maximum daily balance of deposit (including accrued interests) placed by the Group with SPIC Financial increased from RMB9 billion to RMB12 billion during the effective term of the new agreement. The increase in the annual cap was intended to accommodate the new project companies arising from expected consolidation under the Asset Pre-Restructuring, the anticipated completion of the acquisition of SPIC Hydropower under the Asset Restructuring, and to provide a buffer for the potential issuance of financial instruments to support the Group's organic growth and future acquisitions. For details, please refer to the circular of the Company dated 21 May 2025.

For the period between 1 January 2025 and 31 December 2025, the maximum daily balance of deposit (including accrued interests) placed by the Group with SPIC Financial was approximately RMB11.97 billion (31 December 2024: RMB8.99 billion), which did not exceed the annual cap.

Pursuant to the aforementioned financial services framework agreements, SPIC Financial provides the Group with an internal treasury management platform, a cross-border fund allocation platform and other financial services through its own financial resources, including the business information system and cross-border fund allocation channels. These platforms enable real-time monitoring of account balances, as well as income and expenditure, thereby safeguarding against funding risks. At the same time, they facilitate flexible and efficient fund allocation across borders, which gives rise to more flexible capital flow at home and abroad, broadens financing channels for domestic subsidiaries and reduces uncertainties in inbound and outbound capital flows due to changes in foreign exchange regulatory policies.

During the year under review, the Group recorded a net increase in cash and cash equivalents of RMB303,553,000 (2024: net increase of RMB334,817,000). For the year ended 31 December 2025:

Management's Discussion and Analysis

net cash generated from operating activities amounted to RMB18,518,055,000 (2024: RMB10,621,363,000). The increase was primarily due to the improved working capital management during the year.

net cash used in investing activities amounted to RMB22,683,626,000 (2024: RMB35,172,389,000). The decrease was primarily due to a one-off payment made in 2024 to settle the remaining consideration for the acquisition of certain clean energy companies in October 2023, as well as a year-on-year reduction in payments for property, plant and equipment, and right-of-use assets, and prepayments for construction of power plants.

net cash generated from financing activities amounted to RMB4,469,124,000 (2024: RMB24,885,843,000). The decrease was primarily due to higher year-on-year repayments of bank borrowings and borrowings from related parties.

The financial resources of the Group were mainly derived from cash inflow generated from operating activities, debt instruments, borrowings from banks and related parties, and project financing.

DEBTS

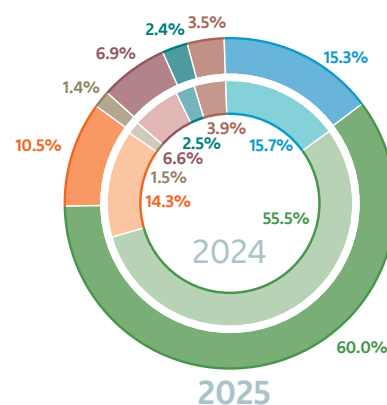
As at 31 December 2025, total debts of the Group amounted to RMB210,329,744,000 (31 December 2024: RMB197,360,970,000). Over 99% of the Group's total debts are denominated in RMB.

As at 31 December 2025, the Group's gearing ratio, calculated as net debt (being total debts less cash and cash equivalents) divided by total capital (being total equity plus net debt), was approximately 63% (31 December 2024: approximately 64%). The Group's gearing ratio remained stable.

As at 31 December 2025, the amount of borrowings from SPIC Financial was approximately RMB12.45 billion (31 December 2024: approximately RMB11.03 billion).

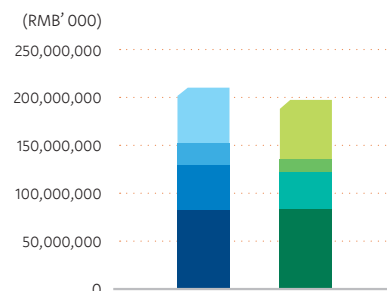
The details of the Group's debt as at 31 December 2025 and 2024 are set out as follows:

	2025 RMB'000	2024 RMB'000
Bank borrowings, secured	32,224,564	30,928,332
Bank borrowings, unsecured	126,185,081	109,594,817
Borrowings from related parties	22,044,989	28,283,619
Corporate bonds	3,000,000	3,000,000
Medium-term notes, short-term notes and super & short-term commercial papers issued by the Company	14,500,000	12,900,000
Lease liabilities	4,976,397	4,966,485
Other borrowings	7,398,713	7,687,717
	210,329,744	197,360,970



The above debts are repayable as follows:

	2025 RMB'000	2024 RMB'000
Within one year	59,237,336	62,308,910
Between one and two years	21,205,964	14,149,426
Between two and five years	48,094,105	38,371,129
Over five years	81,792,339	82,531,505
	210,329,744	197,360,970



Among the above debts, approximately RMB75,358,927,000 (31 December 2024: approximately RMB63,916,901,000) are subject to fixed interest rates, and the remaining debts denominated in RMB are subject to adjustment based on the relevant rules of the People's Bank of China and bearing interest rates ranged from 1.00% to 5.63% (2024: ranged from 1.00% to 4.95%) per annum.

Management's Discussion and Analysis

ASSET IMPAIRMENT

When there is any indication of asset impairment, the Group will conduct an impairment test on the assets to assess whether an impairment has occurred.

In 2025, the Group recognized an impairment of property, plant and equipment totaling RMB47,291,000 (2024: RMB265,262,000). The impairment was primarily due to a photovoltaic power project, where declining tariffs under market-based renewable energy policies result in lower revenue than initial investment projections, leading to an impairment of the related assets.

The Group also recognized an impairment provision for accounts receivable, other receivables and amounts due from related parties (2024: accounts receivable and other receivables) amounting to RMB63,967,000 (2024: RMB228,494,000). The impairment was primarily made on certain long-outstanding prepayments for raw materials and other receivables in relation to subsidies for facility upgrades, which were not expected to be recovered as of the year-end date.

SIGNIFICANT FINANCING

Issuance of Debt Financing Instruments

On 25 September 2023, the Company received approval from the National Association of Financial Market Institutional Investors ("NAFMII", 中國銀行間市場交易商協會) to issue debt financing instruments ("DFI"), with an effective registration period of two years from the approval date. During the effective registration period, the Company is permitted to issue multi-type of DFIs, including but not limited to super & short-term commercial papers, short-term commercial papers, medium-term notes, perpetual notes, asset-backed notes and green debt financing instruments in one or multiple tranches.

During the effective registration period referred to above for the issuance of DFIs, the Company has issued the following instruments during the year:

Medium-term Note The first tranche in a principal amount of RMB 2 billion Issued on 11 June 2025 Interest rate of 1.86% per annum Maturity period of 3 years	Medium-term Note The second tranche in a principal amount of RMB 2 billion Issued on 17 June 2025 Interest rate of 1.70% per annum Maturity period of 3 years	Medium-term Note The third tranche in a principal amount of RMB 2 billion Issued on 16 July 2025 Interest rate of 1.82% per annum Maturity period of 3 years
Super & short-term Commercial Paper The first tranche in a principal amount of RMB 2 billion Issued on 27 August 2025 Interest rate of 1.69% per annum Maturity period of 270 days	Green Medium Term Note (Blue Bond) The fourth tranche in a principal amount of RMB 2 billion Issued on 23 September 2025 Interest rate of 2.00% per annum Maturity period of 3 years	

Save for the proceeds received from the blue bond mentioned above, which have been fully applied towards the construction and operation of a 450MW offshore wind power project of the Company in Shandong Province, as well as to replenish the project's working capital and repay its interest-bearing debts, all other proceeds from the issuance of DFIs have been fully applied to the repayment of existing borrowings.

On 20 January 2026, the Company obtained another approval from the NAFMII to issue DFI, which is valid for another two-year registration period.

Management's Discussion and Analysis

Sci-Tech Note

Wu Ling Power has obtained a “Notification on Acceptance of Registration” from the NAFMII, confirming the acceptance of its application for issuance of asset guaranteed debt financing instrument (the “**Sci-Tech Note**”, 資產擔保債務融資工具(科創票據)) in the PRC by tranches in an aggregate amount of RMB1 billion with an effective registration period of two years from August 2024. On 26 February 2025, Wu Ling Power issued its 2025-first-tranche of the Sci-Tech Note in a principal amount of RMB400 million, at the interest rate of 1.90% per annum with a maturity period of 240 days, to repay its maturing debt.

SHARE INCENTIVE SCHEME

The Company adopted the Share Incentive Scheme upon the approval by its shareholders at an extraordinary general meeting held on 15 June 2022. Under the Share Incentive Scheme, the Company granted a total of 103,180,000 share options in two tranches in July 2022. All the aforesaid grantees were employees of the Company or its controlled subsidiaries. As at 1 January 2025, there were 58,665,200 shares options granted but not yet lapsed or canceled. There were 11,865,700 share options lapsed during the year under review. Consequently, the Company had 46,799,500 share options outstanding under the Share Incentive Scheme as at 31 December 2025. Taking into account the leaving of grantees and based on the revised estimates of the number of share options that will lapse in the future, the Company recognized share-based payment expenses of RMB2,182,000 (2024: RMB19,283,000) during the year under review.

CAPITAL EXPENDITURE

In 2025, the total capital expenditure of the Group was RMB18,194,290,000 (2024: RMB28,212,560,000). Among them, the capital expenditure for clean energy segments (hydropower, wind power, photovoltaic power and energy storage) was RMB16,163,922,000 (2024: RMB24,583,792,000), which was mainly applied for the engineering construction of new power plants and power stations, and the asset purchases related to the energy storage business; whereas the capital expenditure for thermal power segment was RMB1,103,708,000 (2024: RMB2,872,444,000), which was mainly applied for the technical upgrade for the existing power generating units. These expenditures were mainly funded by project financing, debt instruments, funds generated from business operations and borrowings from related parties.

PLEDGE OF ASSETS

As at 31 December 2025, certain bank borrowings, borrowings from related parties and other borrowings totaling RMB969,786,000 (31 December 2024: RMB1,546,617,000) were secured by certain property, plant and equipment with a net book value of RMB345,380,000 (31 December 2024: RMB632,581,000). In addition, certain bank borrowings, other borrowings and lease liabilities totaling RMB32,205,759,000 (31 December 2024: RMB31,911,780,000) were secured by the rights on certain accounts receivable amounted to RMB11,732,758,000 (31 December 2024: RMB9,576,998,000). Certain bank borrowings totaling RMB424,677,000 (31 December 2024: Nil) were secured by certain other intangible assets with a net book value of RMB961,080,000 (31 December 2024: Nil).

CONTINGENT LIABILITIES

As at 31 December 2025, the Group had no material contingent liabilities.

REVIEW OF MAJOR POLICIES

General Entry of New Energy into the Spot Market

In February 2025, the NDRC and the NEA jointly issued Circular No. 136. Circular No. 136 specifies that, in principle, all the on-grid electricity for new energy projects shall enter the electricity spot market and that on-grid tariff shall be derived through market transactions. Circular No. 136 takes 1 June 2025 as the turning point to divide existing and newly added projects, and establishes the “mechanism-based tariff” as the threshold warranty, so as to achieve a seamless integration for the entry of the existing new energy projects into the market at this stage. For the existing new energy projects that commenced production before 1 June 2025, the mechanism-based tariff shall be implemented at a certain percentage of the electricity generated and based on the benchmark tariff for coal-fired power, and the price difference shall be settled. For newly added projects that commenced production after 1 June 2025, the proportion of electricity to be included in the mechanism will be dynamically adjusted, and the mechanism-based tariff will be derived according to the bidding process of newly commissioned projects.

Management's Discussion and Analysis

Full-swing Development of the Spot Market

In addition to allowing the entry of new energy into the market under Circular No. 136, the NDRC and the NEA jointly issued the “Circular on Comprehensively Accelerating the Development of the Electricity Spot Market” (“**Circular No. 394**”) in April 2025, which requires that the full coverage of the electricity spot market be basically realized on a national basis by the end of 2025, and that continuous settlement be carried out comprehensively, giving full play to the key role of the spot market in identifying prices and regulating the supply and demand. The significance of Circular No. 394 lies in, among others, once again recognizing the distinctive role of the electricity spot market in optimizing resource allocation, procuring safe power supply, and promoting the renewable energy consumption. It once again clarifies the timetable for the establishment of the spot market for electricity trading, and urges the speedy development of spot markets in certain provinces.

Regulation of the Spot Market

In April and May 2025, the NDRC and the NEA jointly issued the “Guiding Opinions on Accelerating the Development of Virtual Power Plants” and the “Circular on Organizing and Carrying Out the First Batch of Pilot Work for the Construction of New-type Power Systems”, proposing to accelerate the comprehensive participation of virtual power plants in the medium-to-long-term power markets and spot market transactions as a new type of resource aggregation business entity and clarify the corresponding principles for calculating electricity volumes and electricity charges. The participation of virtual power plant in power sale and purchase business in the medium-to-long-term power market as well as spot market can help to enhance the price formation mechanism in the medium-to-long-term power market, and appropriately expand the price limit range in the spot market.

Integrated Development of Coal and New Energy

In October 2025, the NEA issued the “Guiding Opinions on Promoting the Integrated Development of Coal and New Energy” (the “**Guiding Opinions**”) to promote the development of a new paradigm for the coordinated development of the traditional and new energy, which plays an important role for strengthening the foundation of steady energy supply and promoting green and low-carbon energy transformation. The Guiding Opinions proposed accelerating the development of photovoltaic and wind power industries and actively promoting the replacement with clean energy for existing energy use in mining areas. The related policy-driven market demands for the upgrades and construction of power facilities as well as for the green electricity-related markets will become a key direction for the business expansion of the Group.

The Group will strengthen the review of the market conditions and the analysis of economic activities, closely monitor key indicators such as electricity volume and tariff, and optimize the priority and structure of power generation to strive for opportunities to generate electricity and promote power sales. In addition, the Group will also continue to optimize various types of power sources to flexibly respond to the changing market environment.

RISK MANAGEMENT

Risk management provides strong support and basic guarantee for the high-quality and sustainable development of the Group. The Group has implemented all-round risk management and has established a systematic and comprehensive risk management mechanism and internal control system. Adhering to compliant operation, the Group has established a comprehensive monitoring system. Upholding the bottom lines of business ethics, it continuously optimizes risk management and internal control audit mechanisms, and fosters a corporate culture characterized by integrity, uprightness and law-abiding practices, thereby ensuring the Company's sound operations and improvement in both quality and efficiency. Furthermore, the Group has established a comprehensive risk management structure covering the governing body, the management and internal audit, which promotes risk management responsibilities to all employees and the entire business system, thereby effectively enhancing the corporate risk prevention and control capabilities and safeguarding the corporate governance in compliance with the laws in all aspects.

Management's Discussion and Analysis

The Group also has a Risk Management Committee and a Strategic and Sustainable Development Committee, which are accountable to the Board and assist the Board in providing leadership, direction and oversight with regard to the overall risk management and sustainable development strategy, risk appetite and tolerance and risk management framework of the Group, including risk policies, processes and controls. The Group also has an internal audit department in place for the execution and implementation of risk management measures.

FOREIGN EXCHANGE RISKS

The Group principally operates its businesses in Chinese Mainland with most of its transactions settled in RMB. Apart from certain bank borrowings, borrowings from related parties as well as cash and cash equivalents, the Group's assets and liabilities are mainly denominated in RMB. The Group held borrowings denominated in Japanese Yen ("JPY") and United States Dollars ("USD") during the year. Volatility of RMB exchange rate against JPY and USD may increase the exchange risks of the Group, thus affecting its financial position and operating results. As at 31 December 2025, the Group's borrowings denominated in foreign currencies amounted to RMB872,219,000 (31 December 2024: RMB906,805,000), which accounted for only 0.42% (31 December 2024: 0.46%) of the total debts of the Group, representing relatively low foreign exchange risk exposure.

The Group will continue to keep track of the movements of exchange rates and, if necessary, take responsive measures to avoid excessive foreign exchange risks.

FUNDING RISKS

With the Group's strengthened efforts in developing all kinds of new energy and innovative technology projects, funding adequacy has become an important issue for the Group. The financing market is affected by a number of factors such as the liquidity of the lending market, interest rates and the economic environment, which in turn may also affect the effectiveness and costs of the Group's borrowing. Financing in the form of perpetual debt instruments has significantly increased the financial resources available to the Group. In addition, the Group has always leveraged its capability of accessing Chinese Mainland and overseas markets to optimize its funding sources in all aspects, increase its credit facilities and lower its financing costs. Moreover, the financial services framework agreement with SPIC Financial also facilitates the mitigation of funding risks.

While staying committed to maximizing shareholders' interests, we continuously optimize our policies and systems for asset and fund management, strengthen financial risk controls, and ensure the security of our assets and funds. Concurrently, we strictly abide by the commercial principles of credit cooperation, and repay the principal and interest in full on time, striving to maintain a good credit record and rating in order to enhance our financing capabilities and reduce the financing costs.

As at 31 December 2025, the Group had sufficient available unutilized financing facilities amounting to RMB43,436,334,000 (31 December 2024: RMB50,774,060,000). The Group will refinance and restructure the existing loan terms when appropriate to safeguard against funding risks. As the Group will be able to meet its liabilities as and when they fall due within the next twelve months, the annual results and consolidated financial statements therefore have been prepared on a going concern basis.

Risks of Policy Changes

Since 1 June 2025, electricity trading of new energy power generation has made a full-scale entry into the spot power market. As a result, the proportion of new energy traded in the spot market has increased substantially, and electricity tariffs may become more volatile in the short term due to keen competition. The Group will strengthen the review of the market conditions and the analysis of economic activities, closely monitor key indicators such as electricity volume and tariffs, and optimize the priority and structure of power generation to strive for opportunities to generate electricity and promote electricity sales. In addition, the Group will continue to optimize various types of power sources to flexibly respond to the changing market environment, and mitigate the negative impacts through effective risk management and response measures.

Management's Discussion and Analysis

SOCIAL AND ENVIRONMENTAL GOVERNANCE

Operational Safety

The Group has set the goal of “zero fatality and zero accident” and strived to enhance the production safety management capability of its management personnel. Focusing on the two main strategies of “strengthening supervision while putting safety standards in place and reinforcing the foundation before expanding construction”, the Group has taken a multi-pronged approach to achieve steady improvement in production safety standards. During the year under review, the Company strengthened management throughout all levels by establishing liaison points in basic units directly connected to its frontline teams, spanning all management levels to promptly keep abreast of first-hand information and the latest developments from the frontline teams. The Company reinforced the institutional development by revising multiple regulatory systems, including Regulations on Ecological and Environmental Protection Management (《生態環境保護管理工作規定》). Meanwhile, the Company has formulated specialized emergency response plans, and organized training courses on safety and environmental protection management for the heads of departments, thereby effectively enhancing employees’ professional theoretical knowledge, fostering a strong safe production culture, and improving the safety awareness among its staff. Furthermore, the information system has been fully implemented, establishing weekly reminders and monthly reporting mechanisms. The Company has formulated and promulgated detailed application rules for the assessment to drive efficient launch and deployment of platforms. The Company has achieved full coverage of the “Industrial Internet + Safety Production” platform.

During the year under review, the Group continued to improve the conditions for operation in strict compliance with the “Production Safety Law of the People’s Republic of China (《中華人民共和國安全生產法》)”, the “Prevention and Control of Occupational Diseases Law of the People’s Republic of China (《中華人民共和國職業病防治法》)” and other laws and regulations relating to safety and hygiene. It equipped its employees with work equipment and labor protective gears in line with safety standards and arranged various training programs on safety knowledge and safety skills as well as emergency training and drills.

In order to further enhance its core competitiveness and promote sustainable development, the Group has established the “three standards” Quality, Occupational Health and Safety, and Environment (“QHSE”) management system in compliance with international standards, which maintained stable implementation and played a significant role in enhancing management and facilitating its transformational development.

In 2025, there had been no material accidents in relation to employees, facilities and environmental protection or environmental emergencies of the Group.

During the year under review, all operating power plants over which the Group has operational control complied with relevant local production safety regulations. No fines or charges were imposed on the Group due to violation of regulations.

Human Resources

The Group has placed great emphasis on the establishment of the performance appraisal, rewarding and punishment mechanism for all employees. It adheres to the talent development strategy and attaches importance to the growth of staff. It determines the emoluments of its directors and employees based on their respective performance, working experience, duties of the position, the remuneration system of the Company’s parent company and prevailing market conditions. In addition, the Group has implemented an incentive policy that links emoluments with overall business performance. It has built a sustainable employee training system to offer them a broad space and platform for career development and realizing self-worth.

The Company adopted a share incentive scheme on 15 June 2022 with an objective to effectively attract, motivate and retain core backbone employees of the Company to support the Company’s strategic transformation and long-term development. The Group has also attached great importance to the learning and training of employees and the communication and exchange between employees in different positions. It has improved the professional and technical capabilities and overall competence of its employees on an ongoing basis, so as to meet the needs of its continuously expanding businesses.

Management's Discussion and Analysis

As at 31 December 2025, the Group had a total of 16,660 (2024: 14,776) full-time employees.

During the year under review, all business units over which the Group has operational control complied with the local labor laws. No fines or charges were imposed on the Group due to violation of regulations.

Stakeholder Engagement

The Group has been actively responding to the local policy requirements of the places where it operates by supporting local communities in terms of green development and environmental protection, providing reliable electricity to cope with challenges arising from extreme weather such as flooding, typhoon and cold wave, and establishing sound cooperation relationship with governments, universities and enterprises in areas including energy, technology and talents development.

Climate Change

The Group deeply recognizes the real challenges and material risks brought about by climate change. It assumes the mission of promoting the transformation of the power and energy industries and the development of clean energy. We take proactive actions to address climate change as an integral part of our corporate strategy, operations and governance structure. It strives to support optimization of the energy structure in the society, cultivate and develop new quality productive forces, and build an innovative power system centered on new energy. Putting great efforts in further curbing costs of energy use across the society, we are fully committed to achieving our sustainable development goals.

The Group has been consistently dedicated to the promotion and application of clean energy. It has enhanced its core competitiveness on all fronts by optimizing the operational efficiency of its power generation business and implementing carbon reduction and efficiency enhancement measures. For traditional coal-fired power generation units, while ensuring energy security, it has optimized the structure of coal-fired power assets. Prioritizing the retention of efficient generating units using clean energy, it has been gradually phasing out outdated capacity and actively carrying out energy-saving and environmental upgrades. At the same time, we have pushed forward the implementation of low-carbon transformation and sustainable development strategies with clean and low-carbon energy and strategic emerging industries at the core of our development to further consolidate our market-leading position in the clean energy business. By doing so, we are making substantial contributions to the Dual Carbon Goals (i.e. the pledge to reach peak carbon emissions by 2030 and achieve carbon neutrality by 2060) and sustainable development requirements.

The Group actively addressed climate change and fully fulfilled the climate information disclosure requirements of the Hong Kong Stock Exchange with reference to the International Sustainability Standards Board (IFRS S1 and IFRS S2). By adopting the framework of the Task Force on Climate-related Financial Disclosures (“TCFD”), the Group systematically identified and analyzed climate-related risks and opportunities. The Company's Sustainability Report 2025 highlighted, in details, the Group's efforts and outcomes in achieving sustainable growth. Based on the recommendation of the TCFD, we have set up a well-established governance structure, formulated targeted counter-measures and ESG strategies, identified climate-related risks and opportunities, and enhanced our response to climate change through the following measures:

- 📄 Formulated the climate action checklist;
- 📄 Conducted analysis on climate scenarios and assessed potential financial impacts; and
- 📄 Formulated climate-related goals, including the emissions of carbon dioxide and the emission intensity of air pollutants.

In addition, we proactively coped with the challenges of climate change by comprehensively strengthening carbon emission management. We have developed the Carbon Peak Action Plan and the Carbon Emission Management Measures to further incorporate the Dual Carbon Goals into our overall corporate strategies. We also included “climate actions” as one of the key aspects of our ESG strategies to comprehensively plan the path for the implementation of climate targets.

Management’s Discussion and Analysis

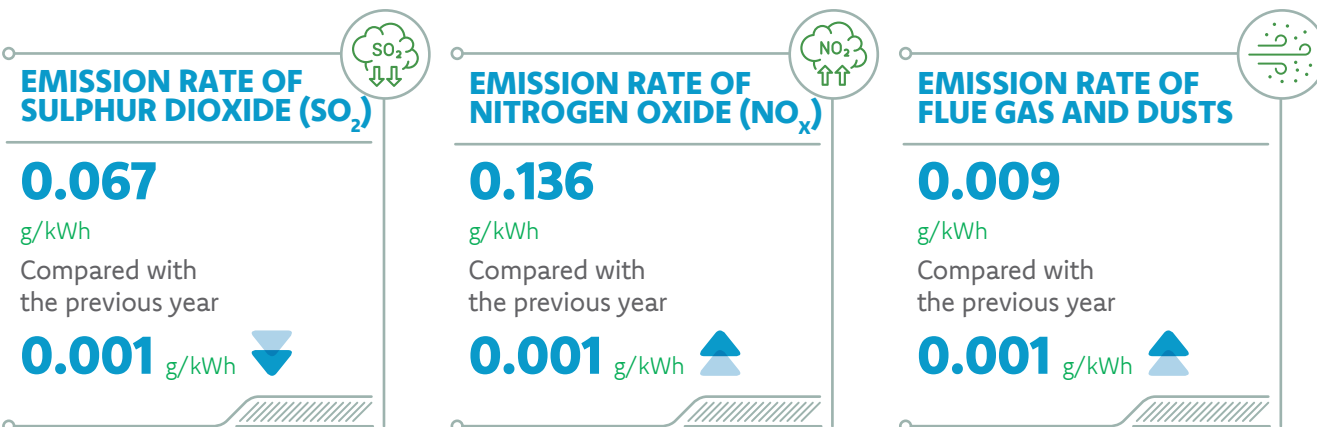
Energy Saving and Emissions Reduction

The Group has always placed a great emphasis on environmental protection from the perspective of sustainable corporate development, vigorously promoting energy saving and emissions reduction, conscientiously fulfilling its social responsibilities and actively responding to global climate change.

In 2025, the coal consumption rate for power supply of the Group was 294.83g/kWh, representing a decrease of 3.23g/kWh as compared with the previous year. The Group continued to commence and complete a number of technical upgrading projects to control and improve relevant indicators such as coal consumption for power supply. The Group will continue to optimize the management of operating quotas, undertake energy-saving technological transformation of generating units and develop the heat supply market, with a view to improving equipment performance and enhancing the overall energy efficiency of generating units.

In 2025, the operational ratio of desulphurization facilities for the coal-fired power generating units of the Group was 100% (2024: 100%), and the efficiency ratio of desulphurization reached 99.32% (2024: 99.40%); while the operational ratio of denitration facilities was 100% (2024: 100%) and the efficiency ratio of denitration reached 89.17% (2024: 88.31%).

During the period under review, the environmental protection indicators for coal-fired power generating units were as follows:



The Group has always been closely following the environmental protection policies, continuing to carry out governance on its pollutants and strictly implementing the requirements of various national and local environmental protection policies. During the year under review, the Group carried out/completed a number of transformation projects for enhancement of environmental emission standards and comprehensive governance on environmental protection, including (among others):

- the optimization and transformation of the core of the No. 1 and 2 cooling towers of Fuxi Power Plant. The coal consumption for power supply lowered by approximately 3g/kWh upon the implementation of the project.
- Pu'an Power Plant implemented frequency conversion transformation of circulating water pumps of No. 1 generating unit B, and realized a decrease of 0.13% in power consumption rate of the plant for the circulating water system and a decrease in coal consumption for power supply by approximately 0.4g/kWh;
- Pu'an Power Plant implemented frequency conversion transformation of No. 1 and No. 2 desulphurization slurry circulating pumps, and realized a decrease of 0.08% in power consumption rate of the plant and a decrease in coal consumption for power supply by approximately 0.002g/kWh.

Management's Discussion and Analysis

- 🍃 Pingwei III implemented renovation of the pilot-operated low-pressure plug conveying system for the first and second electric fields and economizer for less coal consumption in no.6 furnace. Ash conveying air pressure was reduced from 0.60 MPa to approximately 0.35 MPa, significantly curbing energy consumption in the air compressors with energy savings exceeding 50%.
- 🍃 Pingwei II implemented renovation for energy saving of chiller units. Upon completion of renovation, overall system power consumption was decreased by 354 kW, curbing power consumption rate of the plant by 0.05% and reducing coal consumption for power supply by approximately 0.13g/kWh.

The Group will continue to step up its investments in environmental protection, promote environmental protection equipment and technology upgrades, practicably ensure the effectiveness of pollutant treatment and carry out pollutant discharge in a lawful and compliant manner. During the year under review, all the power plants over which the Group has operational control complied with the relevant local environmental protection regulations. No fines or charges were imposed on the Group due to violation of regulations.

RELATIONSHIPS WITH CUSTOMERS AND SUPPLIERS

Customers and suppliers are core partners in the Group's value chain and are essential to the sustainable development of its business. Customers are the driving force behind our business growth and innovation. Their trust and satisfaction directly impact the market position and revenue stability of the Group. Suppliers, meanwhile, are key to ensuring product quality, cost competitiveness and supply chain resilience, thereby ensuring the seamless operation of the Group and enabling us to timely respond to market demands. The Group has been maintaining good communication with them and hence established effective and enduring cooperation relationship with mutual trust to understand their expectation of us more fully, so that we can join hands to achieve our sustainability goals, which lays the foundation for our long-term success. During the year ended 31 December 2025, there were no significant disputes with customers and suppliers.

Relationship with customers

The Group is an independent power producer. Because of the special nature of electricity production and sales, its major customers are regional and provincial power grid companies, power users and electricity sales companies. The Group has been maintaining long-term and good customer relationships with the power grid companies in various places where its power plants are located. During the year under review, the aggregate turnover attributable to the Group's five largest customers (local power grid companies) accounted for 50.83% of the Group's total turnover.

In 2025, adhering to the customer-centric principle, the Group strived to provide reliable and eco-friendly energy products and services, and enhanced its competitiveness through collaborations to add value to customers. In order to deepen our connection with customers and continuously strengthen the management of customer relations, the Group made use of regular communication and feedback mechanisms to build market awareness with a focus on users, understand their needs, and develop and provide them with value-added services. Besides, it actively leverages digital platforms to enhance service efficiency and the interactive experience of users, while providing training for employees to continuously enhance service standards for users by fully taking care of customers' expectations and giving them prompt responses. Meanwhile, the Group provided customers with low-carbon products and services with higher value. The Group has participated in market-oriented direct electricity transactions, established and invested in electricity sales and distribution companies and electricity trading centers, expanded the user base through electricity sales companies as the platform to reach market users, and developed integrated intelligent energy and other projects.

Management's Discussion and Analysis

Relationship with suppliers

The Group's major suppliers are coal production and sales enterprises, while its coal-fired power plants purchase the majority of coal from neighboring coal production enterprises primarily under long-term contracts. As procurement management is an integral part of the Group's operations, the Group has always emphasized the importance of maintaining long-term and good relationship with major suppliers in order to ensure efficient coal procurement. During the year under review, the aggregate purchases from the Group's five largest suppliers (for production materials such as coal and consumables) accounted for approximately 38.84% of the Group's total purchases. The Group will continue to explore different procurement channels to ensure the stability of coal supply and prices.

The Group strives to establish fair, just and stable mid-to-long-term strategic relationships with suppliers. Adhering to the highest ethical standards, it strictly honors the contractual agreements, respects and treats each supplier equally to achieve a win-win situation. The Group has formulated a stringent and standardized supplier selection and management system, established a supplier review team and conducted strict reviews according to the integrity, business ethics, quality assurance, punctuality of supply, price reasonableness and other criteria, and did not give priority to price. As a result, it can select suppliers with relatively more strengths and solid reputation, and is also committed to working with sustainable suppliers to explore synergies in cost optimization and process improvement, promote green procurement, and maintain a healthy and orderly market environment in order to address market challenges and seize opportunities in the future.

In recent years, the Group has given full play to its scale advantages of centralized procurement with the production equipment and other relevant materials procured centrally by a subsidiary, which will help to establish a stable supply chain.

The Group also incorporates concepts of social responsibilities in supplier management. It proactively and systematically incorporates environmental protection principles into the supplier management process. It explicitly stipulates that the materials shall meet the relevant national environmental protection laws and standards while signing procurement contracts. The Group encourages suppliers to adopt the same values and principles with us, thereby preventing excessive pollutant emissions at source and striving to jointly build a green value chain.

OUTLOOK FOR 2026

The year 2026 marks the inaugural year of China's "15th Five-Year Plan" for national economic and social development. According to data from the National Energy Administration, national total electricity consumption historically exceeded 10 trillion kWh, reaching 10.37 trillion kWh in 2025, making China the world's first single economy to achieve this scale. Looking ahead to 2026, driven by the ongoing pro-growth policies and accelerated expansion of emerging industries, national total electricity consumption in China is projected to reach 10.9 trillion to 11 trillion kWh, representing a year-on-year increase of 5% to 6%. This trend underscores the continuous expansion of new energy power supply and the accelerating green and low-carbon transformation in China.

Amid accelerating marketization of power supply and demand, increased volatility in new energy power tariffs, and emerging bottlenecks in electricity consumption, the power industry is transitioning from an "installed capacity expansion phase" to a "competition phase centered on system capabilities." In response to these evolving industry dynamics, the Company will prioritize high-quality development, continuously optimize its structural layout, enhance operational efficiency and risk management capabilities, and strengthen business stability and resilience against cyclical fluctuations, thus maintaining steady growth momentum in complex market conditions.

Management's Discussion and Analysis

From the perspective of the policy environment, energy security and green transition will advance in tandem during the “15th Five-Year Plan” period. The State will continue to increase the proportion of new energy in supply while simultaneously promoting the orderly replacement of fossil fuels. On one hand, new energy will maintain its dominant role in building the national new power system. With new energy now fully marketized, despite that market-based trading may exert short-term pressure on new energy electricity tariffs, the proportion of electricity spot market transactions will continue to rise. On the other hand, the capacity tariff mechanism for traditional coal-fired power is gradually improving. This also helps better reflect the significant functional value of coal-fired power generating units in power system for energy security and load-regulation. The increasingly mature policy framework in the power industry will benefit enterprises with rational energy-mix structures, standardized governance, and advantages in economy of scale and management in achieving steady development. However, industry differentiation will also become more pronounced. In response to policy direction, the Company will accelerate the realization of coal-fired power's capacity value, strengthen fuel cost management and control and market-based trading capabilities, while persistently selecting the best projects in the new energy sector to enhance project quality and consumption assurance levels. This will ensure the Company maintain the initiative amid policy adjustments.

From the perspective of industry development, the competitive focus of power enterprises is shifting. The sector is expected to transit toward technological innovation, enhanced operational capabilities, and improved marketing services. Corporate profit mix will also diversify, with revenue streams from electricity volume, electricity tariffs, capacity, and ancillary services collectively forming the operational foundation. Differences among enterprises will increasingly manifest in asset quality, system regulation capabilities, market responsiveness, and refined management levels. As power supply structures continue to be optimized with ongoing technological upgrades, the industry's overall operational efficiency is expected to improve. Enterprises with comprehensive capability advantages will secure a more stable environment for development. Aligning with this trend, the Company will focus on optimizing its asset structure, strengthening lean operations and market responsiveness, and enhancing the overall profit resilience within a diversified revenue landscape.

From a sectoral perspective, both new energy and coal-fired power businesses are undergoing mechanism adjustments and structural restructuring. In the new energy sector, these businesses continue to play a vital role in the green and low-carbon transformation of the power system, driving national sustainable development. However, amid sustained growth in overall installed capacity, intensified competition on electricity tariffs and regional consumption disparities are expected to emerge. Project quality and operational efficiency will become key determinants of corporate returns. In terms of coal-fired power, it will serve as a foundational energy support in the future, with competitiveness gradually shifting toward enhancing peak-shaving capabilities under low-load operation and flexible on-off operational modes, and its integration with new energy output will become increasingly common. The value of coal-fired power capacity will gradually materialize, while stabilizing coal price benchmarks will further bolster revenue stability. The Company will adhere to a balanced focus on scale and profitability, optimizing the layout and construction pace of new energy and traditional energy projects. By enhancing lean operations, maintenance, and trading capabilities, the Company will sustain stable overall returns in the long run.

From the perspective of corporate synergy and platform development, the restructuring between the Company and SPIC Hydropower was successfully completed in October last year. The Company's industrial structure has been further streamlined, further solidifying the foundation for its overall development. Upon completion of the restructuring, the concentration of the Company's assets and synergistic effects have been enhanced, while the functionality of its listed platform continues to be strengthened. Pursuant to the letter of undertaking on non-competition issued by SPIC, SPIC pledges to actively facilitate the injection of its other hydropower assets into SPIC Hydropower within three years of completion of the transaction, subject to compliance with relevant laws and regulations as well as internal/external approval procedures. Moving forward, the Company will build upon its existing structure to continuously deepen internal synergies, enhance resource integration efficiency, steadily optimize its business layout, thereby expanding more resilient potential for long-term development.

Looking ahead, the Company stands at a pivotal turning point, transitioning from “leadership in scale” to “leadership in quality, leadership in capability, and leadership in return.” We remain unwavering in our commitment to clean development, steadfast in pursuing market-oriented reforms, and resolute in our goal of creating long-term value for shareholders. Amid the historic opportunity of profound energy structure transformation, we will steadily advance high-quality growth, continuously enhance our capital market returns, and repay the trust and support of the investors with outstanding performance.

Investor Relations and Shareholders Interaction Report

INVESTOR RELATIONS

The Company, the Board and management always prioritize investor relations activities and well acknowledge that investor relations is one of the key strategic management practices which could enhance mutual understanding between investors and the Company, and the level of corporate governance, information transparency and strategic credibility, thereby creating value for shareholders. Since its listing, the Company has strived to excel in the efforts of investor relations and maintain adequate communications with investors. We are convinced that reporting to shareholders and establishing good investor relations are important responsibilities of the Board and management.

The Company has been proactively organizing and participating in various types of investors relation activities to communicate with investors regularly and share with them the strategic plans of the Company. By engaging in in-depth communication with investors regarding public information, investors can gain a comprehensive understanding of the status of production and operations of various business segments, corporate governance practices, dedication towards environmental protection and fulfillment of social responsibilities of the Company. The Chairman of the Board, the Directors and members of management have actively participated in a variety of investor relations activities to maintain direct communication with investors.

Furthermore, the Company places great emphasis on the feedback from investors, and ensures their feedback can reach the Board and management through effective channels, thereby allowing us to continuously improve our operations, development strategies and corporate governance.

Engagement and Communication with Investors

General Meetings and Extraordinary General Meetings

The Company held its annual general meeting by way of virtual meeting on 5 June 2025, and extraordinary general meetings also by way of virtual meeting on 5 June 2025 and 24 June 2025 to approve the renewal of the Financial Services Framework Agreement and the Proposed Asset Restructuring, respectively. General meetings and extraordinary general meetings serve as the primary communication channels between the Company and its shareholders, providing shareholders with opportunities to understand the Company's business performance and details of relevant transactions. Shareholders may attend all general meetings online and submit questions prior to the meetings or ask questions online during the meetings. Directors, particularly independent non-executive directors and chairmen of the Board Committees, senior management, external auditors, and independent financial advisors, will attend relevant general meetings to interact with shareholders to understand their feedback and respond to their questions.

The annual general meeting for this year has been proposed to be held on 8 June 2026. The relevant rights of the Company's shareholders at general meetings are set out in the section headed "Shareholders' Rights" in the Corporate Governance Report.

Briefings for Annual and Interim Results

In 2025, the Company held briefings for the 2024 final results and the 2025 interim results, at which a total of over 200 potential investors, securities analysts and fund managers attended. During these events, the Chairman of the Board, Chief Accountant, and Vice President of the Company, along with other management members, received questions regarding the final and interim results from the attendants and responded to them in a proactive manner. As such, potential investors or securities analysts were allowed to gain a deeper understanding of the Company's operating conditions, development strategies, corporate governance, and sustainability goals, thereby enabling potential investors to fully appreciate the long-term value of the Company.

Roadshows

In 2025, the Company launched 51 on-site roadshows in Beijing, Shanghai, Shenzhen and Hong Kong as well as 16 online roadshows through video or telephone conference to announce the results of the Company and to promote the strategies, sustainability goals and operating achievements of the Company. The Company met with approximately 680 securities analysts and fund managers through roadshows, which promoted effective communication between the Company and investors.

The Directors and management of the Company, including former Directors Mr. HE Xi, Mr. GAO Ping, as well as Mr. SHOU Rufeng and Mr. HU Xiang, engaged in over ten interactions with approximately 20 public investors, including institutional and individual investors, and more than 260 potential investors through various means such as on-site roadshows, online meetings, and telephone communications. These activities further strengthened the positive interactive relationship between the Company and investors, and effectively attracted the attention of potential investors.

The key areas for communication are summarized as follows:

- ✎ The Company's business performance;
- ✎ The Company's progress on formulation of plans in response to the national "15th Five-Year" plan for the overall development;
- ✎ Progress on disbursements of new energy subsidies;
- ✎ Movement trends in coal prices and electricity tariffs for various power sources;
- ✎ Capital expenditure deployment;
- ✎ Progress on key project construction;
- ✎ Initiatives undertaken by the controlling shareholder regarding resource synergies and strategic support; and
- ✎ Project progress on the Asset Restructuring, post-completion synergistic development and medium-to-long-term business outlook.

In response to the key concerns raised by investors during the course of engagement, the Company continued to update the market on its business progress and major project developments through subsequent roadshows, press conferences for results, and channels such as the respective website of the Company and the Hong Kong Stock Exchange, aiming to enhance information transparency and strengthen communication with shareholders on a continuous basis.

Corporate Communications

The Company's corporate communications, including annual reports, interim reports, sustainability reports, and various announcements and circulars, are available on the websites of the Hong Kong Stock Exchange and the Company. Additionally, the Company has voluntarily published announcements regarding important information or developments on the websites of the Hong Kong Stock Exchange and the Company as required under the Listing Rules and/or the Securities and Futures Ordinance, or as deemed appropriate by the Board.

Furthermore, the Company has published all corporate communications, biographies of the Directors and senior management, business and sustainability information, governance structure, and other updates and developments on its website to keep shareholders informed of the latest developments of the Company.

Investor Relations and Shareholders Interaction Report

Information on Dividend

The Company's dividend distribution policy is to distribute dividends to shareholders on a regular basis each year upon approval of the Company's final results by the Board. The Company's dividend policy is set out in the section headed "Dividend Information" in the Corporate Governance Report.

Shareholders and Investors Enquiries

Contact details for shareholders' and investors' enquiries are set out in the section headed "Useful Information for Investors" at the end of this annual report.

Shareholders Communication Policy

The Board adopted a Shareholders Communications Policy, which sets out the manners of effective and comprehensive communication between the Company and shareholders, aiming to ensure the equal and timely dissemination of relevant information about the Company. The policy is available on the Company's website.

The Board reviewed the implementation and effectiveness of the Shareholders Communications Policy during the year. In light of the fact that the interactions with investor were effectively executed according to the Shareholders Communications Policy as described in the section headed "Engagement and Communication with Investors" above, such that investors were provided with prompt, equal and timely access to comprehensible company information. The Board confirmed that the policy was effectively implemented during the year ended 31 December 2025.

Awards

In October 2025, at the 2025 "Golden Kunpeng" China Financial Value Ranking Awards Ceremony jointly hosted by the Hong Kong Commercial Daily and the Global Business Newspapers Alliance, the Company was honored with the "Best Listed Company" award in recognition of its comprehensive excellence across multiple dimensions, including financial soundness, governance structure, information disclosures, investor relations, social responsibility, and long-term development strategy.

In December 2025, at the 10th Zhitong Finance Capital Market Annual Conference and Listed Company Awards Ceremony, the Company received the "2025 Golden Hong Kong Stock Award." The award ceremony which has been successfully held for ten consecutive years, has earned a strong reputation and influence through its rigorous selection criteria. It aims to recognize certain companies listed in Hong Kong that demonstrate outstanding comprehensive performance and create sustainable value for shareholders.

In December 2025, at the 14th Listed Companies Development Annual Conference hosted by the National Business Daily and others, China Power was honored as the "Best High-Return Potential Listed Stocks in Hong Kong". The selection process of the award focuses on the quality of the fundamentals of a listed company, the growth potential of the industry in which it operates, and its potential to deliver long-term returns for investors.



FREQUENTLY ASKED QUESTIONS

1. What are the Company's development strategies?

According to the “Outline of the New Development Strategy” of the Company announced in October 2021, the Company has taken “Lower Carbon Empower Better Life” as its mission, aiming to achieve the vision of becoming a “World-class Green and Low-carbon Energy Provider”. The Company will stay committed to green, innovative and high-quality development with a focus on promoting sustainable and rapid development of clean and low carbon energy such as wind power, photovoltaic power and hydropower. Proactive efforts have been made to nurture emerging industries of green energy, including energy storage and green power transportation, comprehensively optimize its coal-fired power assets, and effectively develop its “integrated clean energy industry platform” to facilitate the green and low carbon transformation of the economy and the society.

2. Does the Company have any plans to acquire assets from its parent companies?

The Company will capitalize on the support from its parent companies to continue to acquire clean energy assets and projects from independent third parties and its parent companies, as and when appropriate, and at the same time identify other quality clean energy assets and projects for development with a view to creating more value for its shareholders and to achieve the goals under its new development strategy.

3. What is the Company's dividend plan?

The Company announced its revised dividend policy in January 2019, which increased the amount of dividends from not less than 25% of the profit attributable to equity holders of the Company to not less than 50%. The Company will strictly implement the dividend policy, and determine the amount of dividends to be distributed based on actual operating performance for a given year.

4. What is the Company's view on electricity supply and demand in 2026?

According to relevant statistics from official institutions such as the China Electricity Council, China's total electricity consumption exceeded 10 trillion kWh in 2025, representing a year-on-year increase of approximately 5% to 6%. The national installed power generation capacity exceeded 3.6 billion kilowatts, with rising proportion of installed capacity from new energy. On this basis, the national electricity demand is projected to maintain medium-to-high growth in 2026. Stable economy and enhancing electrification will continue to drive power consumption growth, resulting in an overall “tight balance” between power supply and demand nationwide. However, factors such as fluctuating renewable energy output, extreme weather events, and uneven regional resource distribution may still lead to risks of temporarily tight supply-demand in certain areas and during peak consumption periods.

5. How is the Company's ESG development?

The Directors and management attach great importance to ESG and regard it as a core pillar for achieving high-quality, sustainable development of the Company. With its robust practices on ESG, the Company received wide recognition from various sectors of the community and international capital markets in 2025: the Company's MSCI ESG Rating was upgraded to “A” during the year, marking a record of two consecutive years of improvement; in terms of S&P Global ESG Ratings, the Company maintained a leading position among the industry in China; it also received a number of prestigious accolades, including being selected as a “2025 Best Case of Sustainable Development Practices of Listed Companies” by the China Association for Public Companies and a relevant award at the 15th China Securities Golden Bauhinia Awards hosted by Tai Kung Pao and Wen Wei Po in Hong Kong. All these demonstrated its enhancement in both ESG management effectiveness and market recognition.

CORPORATE Governance





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Corporate Governance Report

CORPORATE STRATEGY — VISION AND MISSION

The Company's vision is to be **the world's leading green and low carbon energy provider** by 2035. Our mission and purpose is **"Lower Carbon Empower Better Life"** and in order to achieve our mission, the Board formulated the strategic plans and goals for the Company's future development aptly dubbed **"CP Vision 2035"** (中國電力願景2035).

In accordance with CP Vision 2035, the Company will stay committed to green, innovative and high-quality development with a focus on promoting sustainable and rapid development of clean and low-carbon energy such as photovoltaic power, wind power, hydropower, geothermal energy, biomass energy, etc. Proactive efforts have been made to nurture emerging industries of green energy, including energy storage, green power transportation and integrated intelligent energy, as well as to increase the proportion of clean energy installed capacity at a faster pace. We forge ahead with the **"dual-wheel drive" transformation of "clean and low-carbon energy" and "emerging industries of green energy"**, thereby developing a new ecology of energy and serving the transition of the economy and the society towards a green and low-carbon world in full swing.

By the end of year 2025, the Group had realized the transformation from a traditional power generation enterprise into a green and low-carbon energy supplier, with clean energy installed capacity accounting for over 80% of its total installed capacity. While continuously promoting large-scale development of clean energy sources such as wind and photovoltaic power, the Group has actively expanded into emerging businesses including novel energy storage and green transportation, as well as advancing power-related technological innovations. The innovation achievements have obtained numerous patents and awards in the PRC, further enhancing the Group's overall development momentum.

With the commencement of the National 15th Five-Year Plan, energy security and green transformation will be promoted consistently in tandem. The proportion of new energy supply will further increase, alongside the orderly replacement of fossil fuels. In the course of accelerating the construction of a new power system, high-efficiency ultra-clean coal-fired power, as a supporting and regulating power source, will play a crucial strategic role in safeguarding energy security and maintaining stability of the power system.

China Power will integrate into the overall national energy development strategy, seize the opportunities arising from the construction of a new power system, continuously optimize its power generation mix, promote technological innovation and industrial synergy, thereby advancing comprehensively towards a new stage of high-quality development.

CORPORATE CULTURE AND VALUES

At China Power, we pursue the core sustainable development philosophy of **"Green-empowerment, Intelligent Innovation, Mutual Achievement"**. Based on the foundation of this philosophy, we advocate a corporate culture of innovation, dedication, integrity, caring, harmony and value creation. We operate our business lawfully, ethically and responsibly while actively undertake social responsibilities, and promote coordinated and sustainable development of the economy, society and environment.

We adopt a top-down approach with the Board setting the tone and infuse the ideology throughout the organization, with management at various levels responsible for communicating the Board's vision to employees at all levels, and ensure that the Board's vision is reflected in the Company's business strategies, business models and operating practices, as well as the approach to risks.

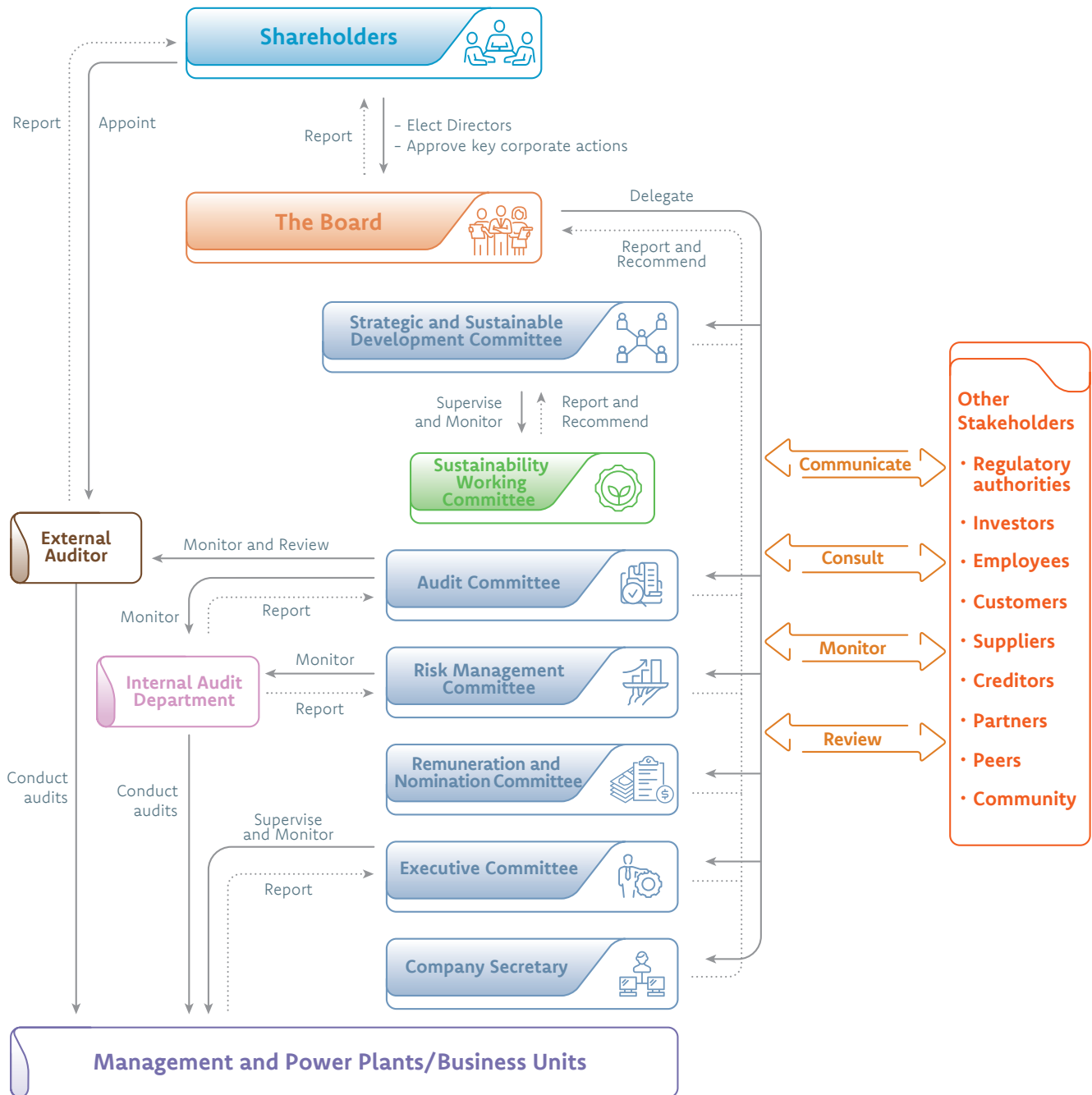
The Board holds Directors and management accountable for implementing the Company's culture and values while employees at all levels are held accountable for their actions which conflict with the Company's culture and values.

Driven by our culture and values, we uphold robust corporate governance as vital for achieving sustainable performance. Our clear governance framework enables the Group to enhance operational efficiency and supports our objective of maximizing returns for our shareholders. These frameworks include the **Corporate Governance Framework** and the **Risk Management Governance Framework**.

Corporate Governance Report

CORPORATE GOVERNANCE FRAMEWORK

Our Group effectively manages its business operations and affairs through a well-defined chain of delegated authority, supported by established limits and effective internal controls within our corporate governance framework. Below is an outline of our corporate governance framework:



We consistently review our framework in light of legal and regulatory developments, market best practices, and the Company's needs. This ensures it aligns with our four core corporate governance principles: (1) **Stewardship**, (2) **Effectiveness**, (3) **Accountability**, and (4) **Engagement**.

CORPORATE GOVERNANCE PRACTICES

Our corporate governance framework is built upon a set of policies, procedures and practices that incorporate our corporate culture and values into our operations. This ensures the Company is managed effectively, with robust oversight and internal controls in place. The Board and relevant Board Committees conduct regular reviews of these policies, procedures, and practices, updating them as required to comply with legal and regulatory standards and to align with the best practices.

Throughout the year ended 31 December 2025, save for the following deviations from the Corporate Governance Code (the “**CG Code**”), the Company has complied with all the applicable provisions of the CG Code as set out in Appendix C1 to the Listing Rules.

CG Code C.1.5 stipulates that independent non-executive Directors and other non-executive Directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. HU Jiandong, a non-executive Director, was unable to attend the Company’s annual general meeting (the “**AGM**”) and the general meeting for approval of the renewal of the New Financial Services Framework Agreement held on 5 June 2025 due to other business commitments. Mr. CHEN Pengjun, a non-executive Director, was absent from the general meeting for approval of the Proposed Asset Restructuring on 24 June 2025 for the same reason. The Company had circulated minutes of the above shareholders’ meetings held on 5 June 2025 and 24 June 2025 to the Board for ensuring all board members good understanding of shareholders’ views expressed in the meetings.

CG Code F.1.3 stipulates that the chairman of the Board should attend the AGM and invite the lead independent non-executive Director (if any) and the chairmen of the audit, remuneration, nomination, and any other committees (as appropriate) to attend. In the absence of the chairmen of such committees, another member of the committee or their duly appointed delegate should be available to answer questions at the AGM. Mr. HE Xi, the then chairman of the Board, was unable to attend the AGM due to pre-arranged business commitments. Mr. GAO Ping, the former executive Director and President of the Company, took the chair of the AGM on behalf of Mr. HE pursuant to Article 57 of the Company’s articles of association to answer questions. The presence of all independent non-executive Directors, including the chairman of the Audit Committee (the “**AC**”) and the chairman of the Remuneration and Nomination Committee (the “**RNC**”), ensured that questions from shareholders, including independent shareholders, were effectively addressed at the AGM.

According to the Consultation Conclusion of the Review of the CG Code and Related Listing Rules issued in December 2024, the revised CG Code and related Listing Rules took effect on 1 July 2025 (with transitional arrangements for the maximum cap on overboarding directors and tenure of independent non-executive directors). The key areas of compliance with the revised CG Code and related Listing Rules of this corporate governance report are as follows:

The key areas of compliance with the revised CG Code and Related Listing Rules	Related Sections in this Corporate Governance Report or Annual Report
1. The RNC actively maintains a Board skills matrix	☑ “Board Skills Matrix” section
2. The RNC conducts an annual review of the Board Diversity Policy	☑ “Board Diversity” section
3. The Board evaluations	☑ “Board Evaluations” section
4. Disclosure of Directors’ continuous professional development	☑ “Directors’ Continuous Professional Development” section
5. The effectiveness of Shareholders’ Communication Policy	☑ “Engagement with Shareholders” section
6. No independent non-executive Director holds directorships in more than six listed issuers	☑ “Board Independence” section ☑ “Biography of Directors” of the Annual Report
7. Expanded disclosures regarding the review of risk management and internal control systems	☑ “Risk Management and Internal Control Reports” of the Annual Report

Corporate Governance Report

1. STEWARDSHIP

Roles and Responsibilities of the Board

The Board is the highest decision-making and managing body of the Company. Having regard to the best interests of the Company and its shareholders, the Board provides leadership and guidance to the Group's activities. The Board, led by the Chairman, is responsible for, among other things:

- ✎ promoting the Group's long-term sustainable development and success, thus delivering value to shareholders;
- ✎ fostering the desired corporate culture and values;
- ✎ establishing and approving strategies and objectives of the Group and ensuring that they align with the Company's culture and values;
- ✎ approving and monitoring business plans for achieving the Group's objectives;
- ✎ approving major investments, mergers and acquisitions, and other material transactions;
- ✎ overseeing the Group's risk management governance framework and internal control systems;
- ✎ overseeing the Group's corporate governance arrangements;
- ✎ overseeing the Group's ESG strategies and development;
- ✎ supervising and administrating the operation and financial position of the Group;
- ✎ approving result announcements, periodic reports and other disclosures as required in accordance with applicable laws and regulations and the Listing Rules;
- ✎ approving appointment of Directors and senior management personnel; and
- ✎ promoting engagement with shareholders of the Company and other stakeholders.

Directly under the Board, there are designated Board Committees that are specifically formed to assist the Board in carrying out different functions. For information on the delegation of duties between the Board and the Board Committees, please refer to the “**Accountability**” section of this corporate governance report.

Board Composition

As at the date of this annual report, the Board comprises a total of nine Directors, as follows:

Designation	Length of tenure up to 2026 AGM (to be held in June 2026)	Current period of appointment
Executive Directors		
Mr. GUI Xude (<i>Chairman of the Board</i>)	less than 1 year (appointed on 6 January 2026)	1 year
Mr. ZHAO Yonggang (<i>President, the chief executive of the Company</i>)	less than 1 year (appointed on 30 October 2025)	1 year
Non-executive Directors		
Mr. HU Jiandong	Around 1.5 years (appointed on 18 November 2024)	1 year
Mr. ZHOU Jie	Around 5 years (appointed on 12 April 2021)	3 years
Ms. HUANG Qinghua	Around 3 years (appointed on 8 June 2023)	3 years
Mr. CHEN Pengjun	Around 1.5 years (appointed on 18 November 2024)	1 year
Independent non-executive Directors		
Mr. LI Fang	Around 22 years (appointed on 31 Mar 2004)	2 years
Mr. YAU Ka Chi	Around 9.5 years (appointed on 12 Dec 2016)	1 year
Mr. HUI Hon Chung, Stanley	Around 5 years (appointed on 3 Jun 2021)	2 years

During the year and up to the date of this report, the Company welcomed two new experienced Directors, Mr. GUI Xude and Mr. ZHAO Yonggang, to the Board. Several appointments were also made to strengthen the structure of the Board Committees: Ms. HUANG Qinghua was appointed to the RNC, Mr. HU Jiandong joined the Strategic and Sustainable Development Committee, and Mr. CHEN Pengjun became a member of the Risk Management Committee. For more information about the changes in the composition of the Board and the Board Committees, please refer to the section titled “Directors’ Report” in this annual report.

The current Board composition reflects a diverse mix of experience, gender, capabilities, skills and expertise in different fields that are suitable for and relevant to the Company’s businesses.

Profiles, roles and functions of the Directors are set out in the section headed “Directors and Senior Management Profiles” in this annual report, and the latest list of Directors and their respective role and functions are also published on the websites of the Company and the Hong Kong Stock Exchange.

Information regarding the Board’s skills and expertise can be found in the “Board Skills Matrix” section presented below.

Board Independence

Pursuant to Rules 3.10 and 3.10A of the Listing Rules, the board of directors of a listed issuer is required to have a minimum of three independent non-executive directors, and of which the independent non-executive directors must account for at least one-third of the total number of the board members. In compliance with the relevant requirements, the Board currently has seven non-executive Directors (including three independent non-executive Directors) with the number of independent non-executive Directors accounting for one-third of our Board members. They are assisting the Board to make more effective independent judgments, to make decisions in an objective and professional manner, and to assist the management in formulating the Company’s development strategies. Additionally, they ensure that the preparation of financial and other mandatory reports by the Board are compiled strictly in accordance with relevant regulations and standards in order to protect the interests of the shareholders and the Company as a whole.

Corporate Governance Report

Independence Weighting of the Board and the Board Committees

Board/Board Committee	Abbreviation	The number of independent non-executive directors to the total members of the Board/ Board Committee
Board	—	3/9
Audit Committee	AC	3/3
Remuneration and Nomination Committee	RNC	3/4
Risk Management Committee	RMC	3/6
Strategic and Sustainable Development Committee	SSDC	2/6

The AC is composed entirely of independent non-executive Directors, while the RNC is made up of a majority of independent non-executive Directors, and both committees are chaired by an independent non-executive Director.

Both the RMC and the SSDC do not have a majority of independent non-executive Directors, their compositions have been carefully considered to ensure that the committees are equipped with the necessary expertise and experience.

The intentionally balanced composition of the RMC leverages the operational insights provided by both executive Directors and non-executive Directors. Their experience in the power industry is crucial for effective risk identification, assessment and mitigation strategies. This collaborative approach enables the RMC to manage potential risks effectively while ensuring robust governance and accountability.

The SSDC comprises two independent non-executive Directors, two non-executive Directors, and two executive Directors. The executive Directors and non-executive Directors contribute valuable experience related to the Company's strategic initiatives and sustainability practices, which are essential for informed decision-making in this area. Their direct involvement enables the committee to effectively identify practical challenges and opportunities that align with the Company's strategic goals.

Independent non-executive Directors are entitled to directors' fees reflecting their membership of the relevant Board Committees and additional fees for attendance of meetings. None of these Directors receives remuneration based on performance of the Group, and none of them are entitled to any incentive scheme of the Group.

The Company has confirmed with each of the independent non-executive Directors if there is any subsequent change of circumstances which may affect their independence as regards to each of the factors referred to under Rule 3.13 of the Listing Rules during the year. Each of the independent non-executive Directors has provided written confirmation to the Company confirming that there has been no matter needs to be brought to the attention of the Company and the Hong Kong Stock Exchange which may affect their independence. None of the independent non-executive Director concurrently holds more than six directorships in other listed public companies pursuant to the Rule 3.12A of the Listing Rules.

Having regard to the confirmation as well as the actual contribution that each of the independent non-executive Directors has made, the Board concluded that each of the independent non-executive Directors to be independent.

The Company has a vigorous nomination policy for selection, appointment and re-election procedures and process for Directors. There is no relationship (including financial, business, family or other material/relevant relationship) between the board members, or between the Chairman of the Board and the President (chief executive) of the Company.

The Board has put in place a mechanism for Directors to seek additional independent professional advice in discharge of their duties to ensure that independent views and inputs are available to the Board.

Board Diversity

The Company acknowledges that diversity of background, experience, skills, gender, age and length of service on the Board are all important factors that drives the Board's stewardship, which is positively associated with the financial performance of the Company, more effective decision making and better risk management.

The Board adopted a Board Diversity Policy in August 2013 and reviewed the implementation and effectiveness of the policy annually.

The Board Diversity Policy of the Company is summarized as follows:

- for identifying suitably qualified candidates to become Board members, it should be based on a number of diverse aspects, including Board members with different background, skills, regional and industry experience, gender and other qualities, that are in balanced and complementary with each other, creating synergy, and enabling the Board to function effectively as a whole.
- when reviewing and assessing the composition of the Board, it should be based on the Company's own business position and management needs from time to time, considering a number of factors, including but not limited to, the above-mentioned background, skills, regional and industry experience, and other factors in order to achieve a reasonable structure that allows the Board to function efficiently.

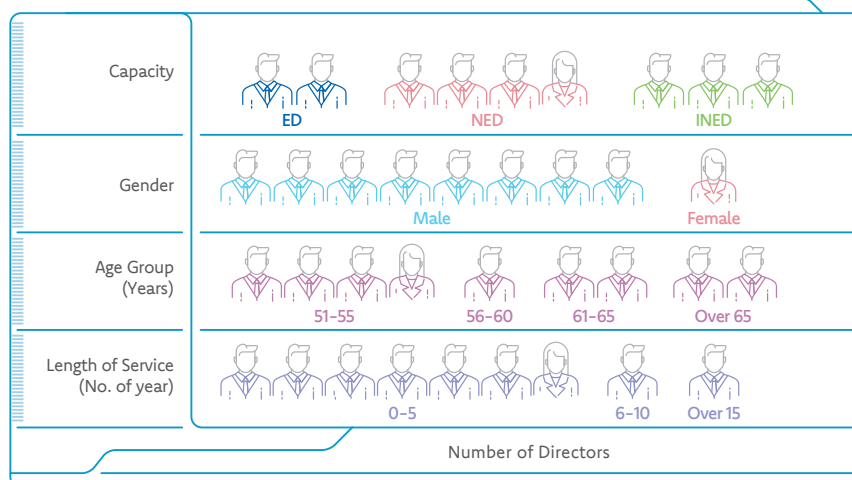
The Board Diversity Policy is reviewed periodically to ensure it remains in-line with the Company's culture and values.

In assessing the new appointments of Mr. GUI Xude as an executive Director and the Chairman of the Board, and Mr. ZHAO Yonggang as an executive Director and the President of the Company, the RNC and the Board during the year, following the Nomination Policy, took into account several factors, including diversity as outlined in the Board Diversity Policy, as well as relevant expertise and experience. Their extensive backgrounds in the power industry and senior management experience led the RNC and the Board to conclude that Mr. GUI Xude and Mr. ZHAO Yonggang would significantly benefit the Board and the Company as a whole. They bring a rich array of experience and deep insights with respect to the evolving Chinese power market, which will facilitate implementation of the Group's strategy and contribute to the Company's long-term development and growth.

The Board is satisfied that all present Directors are well experienced and having progressive thinking in leading the Group.

The diversity mix of the Board is summarized in the following chart:

Number of Directors



Remarks:

ED – Executive Director

NED – Non-executive Director

INED – Independent non-executive Director

As to gender diversity of the Board, the RNC has adopted measures to ensure the Board maintains an appropriate mix of gender diversity. The initial target of appointing at least one female director was achieved in 2023. It is the intention of the Board to maintain not less than one female director on the Board and has already incorporated gender diversity measures to the Company's director succession plan. The Company will actively expand and build a larger pool of female candidates in order to gradually improve the level of gender diversity on the Board in the coming decade.

Corporate Governance Report

Appointment and Rotation of Directors

In accordance with the Company's articles of association, one-third of the Directors (including non-executive Directors with fixed term of three years) shall retire from office by rotation and be re-elected by shareholders at the annual general meetings. In addition, any new appointment to the Board is subject to re-appointment by shareholders at the upcoming general meeting. Every Director (including non-executive Directors), whether or not appointed for a specific term, should be subject to retirement by rotation at least once every three years.

According to the revised CG Code and related Listing Rules, the majority of independent non-executive directors on an issuer's board must be of tenure for less than nine years by the first AGM held on or after 1 July 2028. Moreover, an issuer must not include any independent non-executive directors who have served for nine years or more on their board by the first AGM held on or after 1 July 2031. The Company will ensure compliance of the relevant requirements in due course.

During the transitional period leading up to the first AGM held on or after 1 July 2031, any independent non-executive Director who has served for more than nine years will require a separate resolution for further appointment, which must be approved by shareholders. The documents attached to shareholders accompanying that resolution should include the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent.

In addition, pursuant to the revised CG Code and related Listing Rules, no independent non-executive Director should hold more than six directorships in listed public companies by the first AGM held on or after 1 July 2028. As of the date of this report, none of the independent non-executive Directors concurrently held more than six directorships of listed public companies.

Directors Induction

Every newly appointed Directors will receive a comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has a proper understanding of the operations and business of the Company, and he/she is fully aware of his/her responsibilities under the Hong Kong Companies Ordinance and Common Law, the Listing Rules, the applicable rules and other regulatory requirements, and especially the governance policies of the Company.

All Directors are required to disclose to the Company their offices held in public companies or organizations and other significant commitments. Every Director should ensure that he/she can give sufficient time and attention to the Company's affairs, and make contributions to the Company that commensurate with their role and responsibilities.

All Directors have been given the Guidelines on Directors' Duties and Working Guidelines for the Board of the Company and various guides for directors published by the Hong Kong Stock Exchange and Securities and Futures Commission. The Company Secretary continuously updates and keeps the Directors apprised on the latest laws, rules and regulations regarding their duties and responsibilities.

Board Skills Matrix

To ensure the Board continues to possess necessary and relevant skills to effectively discharge its duties and responsibilities in attaining its strategic objectives and achieving sustainable and balanced development for the Group, an analysis of the skillset mix of the Board is considered and reviewed by the RNC on an annual basis.

Corporate Governance Report

The table below sets out the diverse mix of skills and expertise of the Board that are most relevant to Company's strategy, governance and business needs.

Expertise	Skills that are relevant to China Power	Importance	Adequacy
Strategic planning and governance	Leadership experience of Board/Board Committees and governance essential to setting strategic direction of the Company and overseeing implementation of the Company's strategic goals and sustainability targets	Necessary	Strong
Executive Leadership	Provide insights and practical executive experience for managing the Company's business and operations	Necessary	Sufficient
Electric power industry experience	Provide insights on the power industry development, emerging energy trends and market dynamics to enhance competitiveness and capitalize strategic opportunities	Necessary	Strong/ Sufficient (Note)
Risk and Compliance	Facilitate overseeing and advising on the implementation of risk management, internal controls and all other regulatory compliance that are fundamental to good corporate governance	Necessary	Strong
Global market experience	Provide insights on global economic landscape for exploring potential partnerships, mergers and acquisitions to expand market presence	Desirable or aspirational	Sufficient
Other listed board experience	Bring in valuable experience as board and board committee member of other listed companies	Desirable or aspirational	Sufficient
Professional	Provide expert opinion and advisory from different field of profession such as accounting, finance, legal and engineering	Necessary	Strong

Note: "Strong" for all the executive and non-executive Directors, while "Sufficient" for all the independent non-executive Directors.

Overall, the Board demonstrates strong capabilities in strategic planning, governance, and risk management. However, there are some areas where further industry-specific experience could be beneficial, particularly as China undergoes rapid market reforms in the renewable energy industry. To effectively navigate this evolving landscape, it is essential for Directors to acquire the necessary industry knowledge regarding development trends, risks, and opportunities.

To address these areas, the Company plans to implement targeted training programs focused on the power industry, covering key topics such as market reforms and emerging trends. Regular updates from management on industry developments and competitive dynamics are provided to help keeping the Board informed and engaged. Additionally, the Company encourages Board members to attend industry conferences and networking events to gain valuable insights from peers and industry leaders.

By implementing these measures, the Board can enhance its industry-specific knowledge and better position itself to address the challenges and opportunities presented by the rapidly changing power industry in China. For information on Directors' continuous professional development, please refer to the section titled "Directors' Continuous Professional Development" under the "Board Effectiveness" section of this corporate governance report.

The RNC reviews the structure, size, composition, commitment, board skill matrix, independence, and diversity of the Board and Board Committees (including gender, age, tenure, cultural background, educational and professional background, skills, knowledge, and experience) from time to time, and suggests improvements to the Board when necessary. The Board and the RNC are satisfied with the present structure, size, composition, commitment, board skills matrix, independence and diversity of the Board and each of the Board Committees.

Corporate Governance Report

With the introduction of new requirements for long-serving independent non-executive directors under the revised CG Code and related Listing Rules, the RNC will keep director succession planning as a key focus.

In considering skills and experience for future independent non-executive Director appointments, the Company will continue to seek seasoned professionals with strong backgrounds in risk management, accounting, finance, and law. Priority will also be given to candidates who possess expertise in the energy sector, particularly those with a deep understanding of the power industry in China. This approach will ensure that our Board is well-equipped with the insights and capabilities necessary to drive the Company's long-term objectives and success.

2. EFFECTIVENESS

The Board's effectiveness is realized through the time commitment and contributions of each Director, proper Board procedures, continuous professional development, and an effective evaluation process.

Directors' Time Commitment

Directors are required to allocate adequate time and attention to the Company in order to effectively fulfill their responsibilities. They must disclose to the Company the nature and number of offices held in listed public companies or other organizations, as well as their significant commitments at the time of their appointment, and report any changes in a timely manner.

On 17 March 2026, the RNC reviewed each Director's time commitment and contributions to the Board for the year 2025. The RNC resolved that all Directors devoted sufficient time and attention to the Company's affairs and effectively discharged their responsibilities during the year, considering the following aspects:

- ✔ The skills and expertise of Directors are outlined in the "Board Skills Matrix" section of this corporate governance report;
- ✔ The attendance of each Director at the Board and committee meetings throughout the year is summarized in the "Directors' Attendance Record" section of this corporate governance report;
- ✔ Twice a year, Directors disclose to the Company the number and nature of their offices in listed public companies and organizations, as well as other significant commitments and the time involved. They also notify the Company promptly of any changes to their other offices and commitments. None of our Directors held directorships in more than six listed public companies up to the date of this annual report, and all have affirmed that they allocate sufficient time to the Company's affairs;
- ✔ Directors have invested time in continuous professional development, enhancing their understanding of the Company's mode of business and various corporate transactions. This ongoing education ensures they are well-informed and able to make sound decisions. Details about the Directors' training hours can be found in the "Directors' Continuous Professional Development" section of this corporate governance report; and
- ✔ The Directors' time commitment and contributions to the Board are documented to ensure their ability to discharge his/her responsibilities effectively, taking into account their respective professional qualifications, working experience, nature of respective directorship (executive, non-executive or independent non-executive) and external time commitment. All Directors have confirmed that they committed sufficient time and attention to the affairs of the Group throughout their tenure during the year ended 31 December 2025.

Taking all the above factors into account, the RNC is of the view that every Director has invested the necessary time and made noteworthy contributions to the Board. Their steadfast attendance and active engagement have greatly enhanced the quality of Board discussions. Moreover, the Directors' focus on professional growth and their diligent oversight of governance practices have ensured that the Board is well-aligned with the Company's objectives. The RNC believes that during the year under review, the Directors have fulfilled their roles effectively, positively influencing the Group's achievements, and their level of time commitment and contributions are considered satisfactory and adequate.

Conduct of Board Proceedings and Supply of and Access to Information

Throughout the year under review, arrangements were in place to ensure all Directors were given an opportunity to include matters in the agenda for regular Board meetings. Notice of at least fourteen days was given for a regular Board meeting to give all Directors an opportunity to attend. For all other Board meetings, reasonable notice was also given.

Full Board or committee papers were sent to all Directors at least three days before the intended date of a Board meeting or a committee meeting. Management had supplied the Board and its committees with adequate information and explanations so as to enable them to make an informed assessment of the financial and other information put before the Board and its committees for approval. Management was also invited to join the Board or Board Committee meetings where appropriate.

For meetings of the Board, if a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter must be dealt with by a physical Board meeting rather than a written resolution. Independent non-executive Directors who, and whose close associates, have no material interest in the transaction shall be present at that Board meeting. Any Director who has a conflict of interest must abstain from voting.

During the year under review, minutes of the Board meetings and meetings of Board Committees were recorded in detail the matters considered and decisions reached at the meetings. Draft and final versions of minutes were sent to all Directors for their comments within a reasonable time after the Board or Board Committee meetings were held. Minutes of the meetings are always kept by our Company Secretary, and the Board and committee members may inspect the documents and minutes of the Board and Board Committees at any reasonable time by giving reasonable notice.

At all time, where necessary, the Directors can seek separate independent professional advice at the Company's expenses so as to discharge his/her duties to the Company. All the Directors are also entitled to have access to timely information in relation to our business and make further enquiries where necessary, and they have separate and independent access to senior management of the Company.

Board and Board Committees' meetings

The following table sets out the meetings held in 2025.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Board											
					AGM						
					GM						
					GM						
B		I			I			I			C
B	B	B	B		B		B	B			B
Board Committees											
		AC					AC				
RNC		RNC					RNC				
		RMC					RMC				
		SSDC					SSDC				

Board

B: Board
 C: Chairman and all independent non-executive Directors
 I: Independent non-executive Directors' meeting. Management was invited to provide briefings on a specific topic or transaction.
 AGM: Annual General Meeting
 GM: General Meeting

Board Committees

AC: Audit Committee
 RNC: Remuneration and Nomination Committee
 RMC: Risk Management Committee
 SSDC: Strategic and Sustainable Development Committee

In addition to the aforementioned Board and Board Committee meetings, all Directors attended a symposium in March 2025. During this event, management, including the Chief Accountant, Vice Presidents, and Department Heads, shared their insights on the Company's strategic positioning, strategic goals, other preliminary project development plans and the external environment faced by the Group. Feedback from the Directors on the symposium was favorable, and all Directors acquired substantial insights into the latest trends, risks, and opportunities of the power industry in the PRC.

Corporate Governance Report

Directors' attendance record

The attendance records of the Directors at Board meetings, Board Committees' meetings and shareholders' meetings during the year of 2025 are as follows:

Directors	Board	Audit Committee	Risk Management Committee	Remuneration and Nomination Committee	Strategic and Sustainable Development Committee	Annual General Meeting	General Meeting
Executive Directors:							
GUI Xude ⁽¹⁾ (Chairman of the Board, RMC and SSDC)	–	–	–	–	–	–	–
ZHAO Yonggang ⁽²⁾ (President and chief executive)	1/1	–	–	–	–	–	–
WANG Zichao ⁽³⁾	1/2	–	–	–	–	–	–
HE Xi ⁽⁴⁾	7/8	–	2/2	–	2/2	0/1	1/2
GAO Ping ⁽⁵⁾	8/8	–	2/2	–	2/2	1/1	2/2
Non-executive Directors:							
HU Jiandong ⁽⁶⁾	8/9	–	–	–	1/1	0/1	1/2
ZHOU Jie	9/9	–	–	–	2/2	1/1	2/2
HUANG Qinghua ⁽⁷⁾	9/9	–	–	1/1	–	1/1	2/2
CHEN Pengjun ⁽⁸⁾	6/9	–	1/1	–	–	1/1	1/2
Independent Non-executive Directors:							
LI Fang (Chairman of the RNC)	12/12	2/2	2/2	3/3	2/2	1/1	2/2
YAU Ka Chi (Chairman of the AC)	12/12	2/2	2/2	3/3	2/2	1/1	2/2
HUI Hon Chung, Stanley	12/12	2/2	2/2	3/3	–	1/1	2/2

Notes:

- (1) Mr. GUI Xude was appointed as an executive Director, Chairman of the Board, RMC, and SSDC on 6 January 2026. His attendance record will be accounted for from the year 2026.
- (2) Mr. ZHAO Yonggang was appointed as an executive director and President of the Company on 30 October 2025.
- (3) Mr. WANG Zichao was appointed as an executive Director, Chairman of the Board, RMC and SSDC on 17 October 2025. He resigned on 6 January 2026 due to a job transfer arrangement.
- (4) Mr. HE Xi resigned as an executive Director, the Chairman of the Board, RMC and SSDC on 17 October 2025.
- (5) Mr. GAO Ping resigned as an executive director and President of the Company on 30 October 2025.
- (6) Mr. HU Jiandong was appointed as a member of the SSDC on 16 May 2025.
- (7) Ms. HUANG Qinghua was appointed as a member of the RNC on 16 May 2025.
- (8) Mr. CHEN Pengjun was appointed as a member of the RMC on 16 May 2025.

Directors' Continuous Professional Development

Continuous professional development helps Directors remain aware of the latest trends and challenges confronting the Group, while also providing an opportunity to refresh and update the skills and knowledge essential for effectively fulfilling their responsibilities.

Directors' continuous professional development involves different formats, including selected reading materials on specific topics and internal and external trainings. The Company organizes training from external providers at our offices or through online webinars, internal reporting during meetings, as well as in-house training by the Company itself. Directors are also encouraged to attend seminars, talks or forums organized by professional bodies or industry associations to stay current with the latest industry developments.

For the year 2025, the training records for each Director (excluding Mr. HE Xi, Mr. GAO Ping and Mr. WANG Zichao, who ceased to hold directorship of the Company as at the date of this annual report) are set out as follows:

Directors	Topics					Total number of hours
	The Board and Director's duties	Legal and regulatory update	Corporate governance and ESG	Financial Reporting/Risk management	Industry updates and developments	
Executive Director:						
Mr. ZHAO Yonggang ⁽¹⁾	1	2	2	6	1	12
Non-executive Directors:						
Mr. HU Jiandong	2	7	6	11	5	31
Mr. ZHOU Jie	2	7	4	11	5	29
Ms. HUANG Qinghua	2	7	4	11	5	29
Mr. CHEN Pengjun	2	7	4	11	5	29
Independent Non-executive Directors:						
Mr. LI Fang	2	7	4	11	5	29
Mr. YAU Ka Chi	24	7	20.2	67.2	24.5	142.9
Mr. HUI Hon Chung, Stanley	2	7	4	11	5	29

Note:

(1) Mr. ZHAO Yonggang was appointed as an executive director and President of the Company on 30 October 2025.

- : self-study, reading selected materials
- : external training
- : internal reporting or training
- : attending industry activities

Pursuant to the revised CG Code and related Listing Rules that took effect on 1 July 2025, any person who is appointed as a director for the first time on or after this date, without previous experience as a director of an issuer listed on the Hong Kong Stock Exchange, must complete no less than 24 hours of continuous professional development within 18 months of their appointment.

Mr. ZHAO Yonggang and Mr. GUI Xude were appointed on 30 October 2025 and 6 January 2026 respectively. Since neither has prior experience as a director of listed public companies in Hong Kong or other stock exchanges, they are subject to the requirement to complete 24 hours of continuous professional development within 18 months of their appointment dates, as mandated by the Listing Rules. The Company will keep track of their training records in the coming year for compliance with such requirements.

Corporate Governance Report

As of 31 December 2025, Mr. ZHAO Yonggang has completed 12 hours of continuous professional development, and 12 hours remain to be completed for the year ending 31 December 2026.

As of the date of approving this corporate governance report, Mr. GUI Xude has completed 10 hours of continuous professional development, and 14 hours remain to be completed for the year ending 31 December 2026.

Board Evaluation

The Company acknowledges that regular Board performance evaluations can help building a high-performing Board, which is equipped with the necessary capabilities to anticipate, prepare for and overcome future challenges.

The Board concurs that board evaluation is useful to enhance Directors' accountability and provide valuable feedback for improving Board effectiveness, maximizing strengths, highlighting areas for further development and evaluating whether the Board is adhering to the Company's culture and values.

The Board and the Board Committees are committed to conduct regular evaluation of their effectiveness annually, and that the Board, being the prominent authority of the Company, its performance is actually leading the Company on the right track towards its long-term goals.

The findings from the evaluation will be reviewed by the Board as a whole, and the RNC will assist in addressing any comments related to the Board's composition, ensuring that it has the right mix of skills and expertise to effectively fulfill its duties in steering the Group toward its long-term goals in the future. For details regarding the Board skills matrix maintained by the RNC and its assessment, please refer to the "Board Skills Matrix" section of this corporate governance report.

For the year 2025, the Board performance evaluation was organised internally using a confidential questionnaire survey of all Directors, which was prepared by the Company Secretary, with inputs from third party stakeholders. The content of the survey will be refined from time to time to ensure that the questions are relevant to the present internal and external environment, as well as reflecting on issues identified in previous performance evaluations.

The evaluation covered the following key areas:

-  Board composition and skills
-  Board culture and dynamics
-  Board practices
-  Quality and timeliness of information to the board
-  Board meetings
-  Compliance and training
-  Risk management and internal controls
-  Stakeholder engagement

Corporate Governance Report

Based on the feedback from the Directors, the Board evaluation revealed that they considered and were satisfied with the Board's performance in the following aspects, including

- (i) leading the Company towards meeting its strategic goals;
- (ii) practices in compliance with the CG Code, the Listing Rules and other laws, rules and regulations applicable to the Company;
- (iii) a right mix of talents within the Board (skills, experience and competencies etc.);
- (iv) functioning of the existing Board Committees in assisting the Board with governance of the Company;
- (v) identification, discussion, and resolution of key issues of the Group; and
- (vi) effective communication within the Board, and between the Board and the management.

The Board evaluation also identified a number of aspects that require improvement to enhance the effectiveness of the Board, summarized as follows:

Key Aspects for improvement	Actions taken or planned
Providing more physical inspections and experience to the Board to ensure the Directors remain well-informed of the most updated industry and business development the Group engaged in.	To organize activities such as site visits to business units and on-site industry briefings to deepen the Board understanding of the Group's principal business and operations.
Maintaining a sound director succession plan to promote diversity, safeguard the independence of the Board with due regard to the new nine-year tenure limits for independent non-executive Directors, and ensure alignment with the Group's long-term development needs.	To build up a pool of potential candidates for future Director appointments so as to ensure the Board continues to have the right balance of expertise, independence and experience to support the Group's long-term growth, strategic direction, and evolving business needs.
Deepening the Board's understanding of ESG-related risks to strengthen oversight and ensure such risks are integrated into the Company's strategic decision-making.	To provide Directors with periodic ESG reports, analyses, and advisory insights, and where appropriate, engage external ESG experts to deliver independent guidance on emerging risks, regulatory developments and industry best practices, so as to support the Board in assessing the impact of ESG factors on the Group's operations, strategic plans and long-term sustainability objectives.
Strengthening stronger engagement with shareholders to provide transparent updates on the Group's development strategies and business priorities.	- To enhance engagement with shareholders and potential investors through multiple channels such as investor presentations, physical and online meetings, in order to effectively communicate the Group's development strategies, business priorities and latest development. - To conduct follow-up tracking of shareholder/investor engagement outcomes, and gather their feedbacks on key business issues to aid the Board's decision-making process.
Ensuring the Board papers are delivered to Directors in a timely manner, with content prepared precisely and concisely to facilitate effective review and discussions.	To further refine agenda planning and submission deadline for Board papers.

Corporate Governance Report

Company Secretary

Ms. CHEUNG Siu Lan, secretary of the Company, is an employee of the Company, appointed by the Board, and responsible to the Board. The Company Secretary is responsible for ensuring that the activities of the Board are conducted efficiently and effectively, and the procedures and all applicable laws and regulations are followed. She also supports and facilitates the training and professional development of Directors.

The Company Secretary reports to the Chairman and the Board, provides advice on corporate governance and corporate transactions, and assists the Board in discharging its obligations to shareholders pursuant to the Listing Rules. All Directors may call upon her for advice and assistance at any time in respect to their duties and the effective operation of the Board and the Board Committees.

During the year under review, Ms. CHEUNG has attended relevant professional seminars/webinars to update her skills and knowledge. She has complied with the Listing Rules to take no less than 15 hours of relevant professional training in a financial year.

Directors' Insurance

The Company has arranged appropriate insurance cover on Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities.

3. ACCOUNTABILITY

Accountability arises from the effective delegation of tasks between the Board and Board Committees, coupled with a clear delineation of responsibilities between the Board and management, as well as between the Chairman and the President. Directors uphold their accountability to the Company by fully disclosing their interests in the Company and its associate, and maintaining a robust risk management governance framework to safeguard the Company's interests.

Delegation of duties between the Board and Board Committees

Our corporate governance structure provides clear lines of accountability, the Board serves as the highest governing body of the Group and holds the responsibility for shaping business goals and strategies that align with the best interests of the Company and its shareholders as a whole. In fulfilling its duties, the Board may delegate tasks to the Board Committees within defined limits and authority as necessary.

At present, there are five Board Committees established under the Board include (1) AC, (2) RMC, (3) RNC; (4) SSDC; and (5) Executive Committee ("EC"). Each Board Committee operates under specific written terms of reference and reports to the Board on their decisions and recommendations on a regular basis.

Full details of the Board Committees' activities during the year are set out in their respective reports:

 Audit Committee Report on pages 107 to 127

 Risk Management Committee Report on pages 128 to 129

 Remuneration and Nomination Committee Report on pages 130 to 134

 Strategic and Sustainable Development Committee Report on pages 135 to 137

 Executive Committee on the next section below

In addition, the Sustainability Working Committee is a sub-committee of the SSDC established to assist with the formulation and implementation of sustainability-related policies of the Group.

Division of duties between the Board and the Management

The management and operational functions of the Group are delegated to the management, which is led by the EC.

The Company established the EC in 2008. As a committee under the Board, the EC conducts its work under the guidance of the Board and reports to the Board pursuant to the “Working Guidelines for the Executive Committee” approved by the Board. The Board conducts periodic reviews of these guidelines to ensure they align with the Group’s needs.

The EC is entrusted with implementing the strategies set by the Board and acts as a communication conduit to ensure that the Board’s strategies and insights are communicated to the management, as well as reflecting the voices of operational staff to the Board, thereby facilitating their execution. As a result, the EC significantly contributes to improving corporate governance quality and enhancing the management efficiency of the Group.

The members of the EC include the executive Directors, the chief accountant and all the vice presidents of the Company. It meets on a regular basis with the management to review the Group’s activities and operational issues.

Beyond its role in supervising the management to implement the Board’s resolutions, the EC also advises the Board on developing policies concerning the Group’s business operations, assessing the performance of business units, and managing legal compliance issues.

The Board has set clear responsibilities and authorities for the management to ensure daily operational efficiency. The management is required to act within the authority approved by the Board to meet the day-to-day management responsibilities and makes timely decisions. With regard to matters beyond its authority, the management will report to the EC or the Board in a timely manner in accordance with the relevant working guidelines.

The EC held 27 meetings during 2025. The executive Directors, the chief accountant, the vice presidents and the senior management of the Company attended the meetings.

Roles and responsibilities between Chairman and President (chief executive)

The division of responsibilities between the Chairman and the President (chief executive) has been clearly established and set out in writing. Under C.2.1 of the CG Code, the role of the chairman and the chief executive should be separate to ensure a balance of power and authority. During the year ended 31 December 2025, the Company strictly complied with C.2.1 of the CG Code. The roles of the Chairman and the President of the Company are separate and are currently assumed by Mr. GUI Xude and Mr. ZHAO Yonggang, respectively.

Chairman

The Chairman provides leadership for the Board and is responsible for ensuring that all Directors promptly receive adequate information, which must be complete and reliable, and that Directors are properly briefed on issues arising at the Board meetings. He affirms the Board is working effectively and discharging its responsibilities. He also ensures good corporate governance practices and procedures are established, and appropriate steps are taken to provide effective communication with shareholders and those views of shareholders are communicated to the Board.

Corporate Governance Report

The Chairman encourages all Directors to make active contribution to the Board's affairs and take the lead to ensure that it acts in the best interests of the Company. He encourages Directors with different views to voice their concerns, allow sufficient time for discussion of issues and ensure that Board decisions fairly reflect the Board consensus. He promotes a culture of openness and debate by facilitating the effective contribution of non-executive Directors in particular and ensuring constructive relations between executive and non-executive Directors.

President (chief executive)

The President is the chief executive of the Company who has delegated authority from and is accountable to the Board. The President is responsible for managing the Group's business, implementation of strategies, initiatives and directives set by the Board and coordinating overall business plans and budgets approved by the Board and making day-to-day operational decisions.

Directors' Securities Transactions

The Company has adopted a set of Code of Conduct for Securities Transactions by Directors ("**Code of Conduct**"), the terms of which are not less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules. Having made specific inquiries to all Directors, all Directors confirmed that they have complied with the Code of Conduct throughout the year 2025.

Audit, Internal Control and Risk Management

Financial Reporting

Directors acknowledge their responsibility for preparing the financial statements on a going concern basis, with supporting assumptions or qualifications as necessary. The Company's financial statements are prepared in accordance with the Listing Rules, Hong Kong Companies Ordinance and also the accounting principles and practices generally accepted in Hong Kong. Appropriate accounting policies are selected and applied consistently; judgments and estimates made are prudent and reasonable.

During the year 2025, all Directors have been given the latest information and briefings about the financial position, changes in the business and the development of the Group on a regular basis. "Letter to the Shareholders" from the Chairman of the Board in this annual report contains a summary of the Group's performance in this financial year and how the Group will preserve value over the long term and our strategies for delivering the Company's objectives. The Directors ensured a balanced, clear and understandable assessment of the Group's performance, position and prospects in annual reports, interim reports, inside information announcements and other disclosures required under the Listing Rules and other statutory requirements.

Risk Management Governance Framework

The principles of the risk management governance framework of the Company are to strengthen the Company's internal monitoring and control in accordance with the requirements of the Hong Kong Stock Exchange; continuously improve the Company's corporate governance structure, build up corporate integrity culture and establish an effective control system; continuously assess the competence of the internal control system and the efficiency of the management; and ensure the effective running of the risk management and internal control systems.

The Board has overall responsibility for reviewing and maintaining sound and effective risk management governance framework of the Group. Management's role is to design and implement risk and internal control systems and to report to the Board, the AC, and the RMC on a regular basis regarding the operating effectiveness of these systems. This process is crucial for achieving the Group's business objectives.

The RMC supports the Board in monitoring the Group's risk exposures and overseeing the design and operational effectiveness of its underlying risk management systems. RMC consistently supervises the Group's principal business risks and the control measures used to mitigate, transfer or avoid such risks.

The AC plays a crucial role in supporting the Board through the review of the Group's internal control systems and action plans that address deficiencies in control. It examines findings from both external auditors and the Internal Audit Department regarding control issues related to business operations, financial reporting, and legal compliance. The AC ensures that action plans are established to rectify identified control issues and monitors the implementation of audit recommendations with regular updates from the management. Discussions with both the Internal Audit Department and external auditors are also in place to clarify the scope of their reviews to ensure that robust internal controls are maintained within the Group.

The management is responsible for designing, implementing, and monitoring risk management and internal control systems to safeguard the Group's assets and ensure operational effectiveness. It assesses risks and mitigating measures on a Group-wide basis, providing a comprehensive evaluation of potential threats and the design of targeted measures to address them. This proactive approach ensures that the Group remains resilient and aligned with its strategic objectives. These functions of the management are supported by the Legal and Risk Management Department. The Legal and Risk Management Department provides risk management and internal control reports to the RMC on a regular and ad hoc basis to address any identified risks.

The Internal Audit Department maintains the independence of its personnel and operations from the management to effectively monitor and review the internal control systems established by the management. Its independence is crucial to upholding the integrity of the Company's risk management governance framework. It provides the AC with independent assurance regarding the effectiveness of these systems. Remedial measures implemented by the management to address control deficiencies will also be monitored, which is essential for establishing a solid foundation for developing effective internal control systems.

The Company has also established an Audit Center with the objectives of standardizing and information-digitalizing internal audit and risk management, the Audit Center provides systematic support to the Internal Audit Department, and provides relevant personnel training for the development of the Group.

In developing our risk management governance framework, the Company fully considers the risk management framework requirements of The Committee of Sponsoring Organizations of the Treadway Commission (the "COSO"), the promoter of the National Commission on Fraudulent Financial Reporting, as well as risk management guidelines set out by the Hong Kong Institute of Certified Public Accountants. The risk management governance framework of the Company also draws on the experience of leading management companies and takes into account the Group's specific circumstances and business characteristics. This approach formulates a risk management governance framework that assesses the efficiency and effectiveness of the risk management and internal control systems, providing reasonable assurance regarding the effectiveness of the Group's operations, the reliability of its financial reports, and compliance with applicable laws and regulations.

Review of Risk Management and Internal Control Systems Effectiveness

The Board, with the supports from the AC and RMC, has reviewed the effectiveness of the risk management and internal control systems of the Group in respect of financial controls, operational controls, regulatory compliance and risk management for the year ended 31 December 2025.

Corporate Governance Report

The Legal and Risk Management Department provided the “Annual Confirmation and Review of the Effectiveness of the Risk Management and Internal Control Systems” supported by the independent assurance from the Internal Audit Department, to the Board. Their review covers all fundamental aspects as specified in the COSO framework, including corporate culture and control environment, risk assessment, internal controls, information and communication, and monitoring. For more information about the review of, such as the review scope and the enhancement to our risk management and internal control systems during the year, please refer to the Risk Management and Internal Control Report in this annual report.

The Board also assessed the resources and qualifications/experience of the Group’s Legal and Risk Department, Internal Audit Department, Finance Department, and business support functions, including those pertaining to ESG compliance and it resolved that their training and budget are sufficient.

Environmental, Social and Governance

The Board recognizes the growing importance of ESG with the market, shareholders, investors and stakeholders placing increased weighting on the ESG performance of a company. In light of this trend, the Board has decided that it should be proactive in the development and oversight of the Company’s ESG strategy.

The Company has established a comprehensive organizational structure for sustainable development, in which we count on the Sustainability Working Committee to carry out sustainable development matters of the Group, and to report to the SSDC and the Board in a timely manner, thereby further promoting the Group’s practices for sustainable development.

The Group conducts climate risk assessment exercise with reference to the Task Force on Climate-related Financial Disclosures (“TCFD”), recommendations, identifying some of the most material physical and transitional risks, their implications and corresponding mitigation measures. Such risk assessment is also integrated into our overall risk management framework. For details, please refer to the Risk Management and Internal Control Report in this annual report. We have been continuously monitoring and disclosing the environmental and climate-related metrics to facilitate a transparent communication with our stakeholders.

Effective from 1 January 2025, the revised Appendix C2 to the Listing Rules specifies enhanced climate-related disclosure requirements that closely align with the IFRS S2 Climate-related Disclosures published by the International Sustainability Standards Board. Issuers within the Hang Seng Composite Large Cap Index will be required to disclose scope 3 greenhouse gas emissions on a mandatory basis. For other issuers, disclosure will follow a comply-and-explain basis.

As one of China’s leading green and low-carbon energy providers, the Company is committed to advancing the quality and scope of its environmental disclosures. We are currently enhancing our environmental reporting mechanisms through IT solutions and the recruitment of qualified professionals to assist meeting the new disclosure requirements. We have appointed external ESG consultants to ensure effective compliance with these new disclosure requirements.

During the year 2025, the Board had reviewed, discussed and approved the Sustainability Report 2024 of the Company as reported by the SSDC. The Board had also ensured all new investment and acquisitions approved in year 2025 were coherent with the Company’s ESG strategy and ESG-related targets of the Company. The Board’s statement and its engagement in relation to the ESG matters of last year are set out in the Company’s Sustainability Report 2025.

For further information of our ESG strategy, governance approach, management of climate-related risks and progress towards our ESG-related targets, please refer to the full version of the Sustainability Report 2025 of the Company as published on the websites of the Company and the Hong Kong Stock Exchange.

Inside Information

The Company adopted its own Inside Information Management Policy setting out the procedures and internal controls for handling and dissemination of inside information in August 2013 with reference to the “Guidelines on Disclosure of Inside Information” issued by the Securities and Futures Commission in June 2012.

In response to evolving corporate governance standards and to ensure the proper management of sensitive information, the Company conducted a comprehensive review and update of our Inside Information Management Policy in 2024. The revised policy is designed to enhance our vigilance in handling sensitive information responsibly and in compliance with the latest regulatory, legal, and ethical standards. The topic of inside information continues to be a vital component of our annual internal training for senior management, addressing ongoing disclosure obligations under the Securities and Futures Ordinance and the Listing Rules.

Whistleblowing Policy

To ensure that the Company’s culture and values are adhere to and for good corporate governance practices, in order to help detect and deter misconduct and malpractices, the Board approved the launching of the Whistleblowing Policy in April 2012, for employees and those who deal with the Group, including customers and suppliers, and other stakeholders to raise concerns about the practices of the Group, in a secure and confidential manner.

In 2024, we undertook a comprehensive review and update of our Whistleblowing Policy to reinforce our dedication to good corporate governance practices. The enhancements reflect our commitment to protecting whistleblowers and fostering an environment where unethical behavior can be timely reported without fear of retaliation. The Supervision Department is tasked with managing any complaints received and investigating any improprieties. Findings are reported to the AC, which is responsible for determining any necessary follow-up actions.

Anti-corruption Policies

The Board and the management of the Company are committed to anti-corruption and ethical business practices. As such, the Company has formulated a series of anti-corruption policies since 2005 which are in compliance with the prevailing anti-corruption laws and regulations where our business operations and units are located. Anti-corruption seminars are mandatorily organized on a regular basis annually to educate our management and employees across the Group of the relevant laws and regulations and the measures the Company adopted to fight against corruption so as to foster our corporate culture of honesty and integrity.

For further information of our works done in respect of anti-corruption, please refer to the Sustainability Report 2025 of the Company as published on the websites of the Company and the Hong Kong Stock Exchange.

External Auditor’s Remuneration and its Related Matters

The Company appointed Ernst & Young as the Company’s auditor (the “**Auditor**”). The AC is responsible for making recommendations to the Board on the appointment, re-appointment and removal of the Auditor, and to approve the remuneration and terms of engagement of the Auditor, and any questions of its resignation or dismissal.

For the year ended 31 December 2025, the AC reviewed and monitored the Auditor’s independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. Details of the works performed by the AC in 2025 are set out in the Audit Committee Report in this annual report.

Corporate Governance Report

For the year ended 31 December 2025, the fees payable by the Company to the Auditor in respect of audit services, audit related services and non-audit services provided were as follows:

	RMB'000
Audit services	11,900
Audit related services [#]	15,770
Non-audit services:	
Tax service	753
Others	330

[#] It comprised substantially the provision of audit related services in relation to the Asset Restructuring.

4. ENGAGEMENT

Engagement with Workforce

The Board believes that employees are the most important resource for the sustainable development of the Company and to achieve its long-term goals, therefore, the Group has policies and mechanisms in place to ensure that the values and interests of employees align with that of the Company. Furthermore, there are channels for employees at all levels to provide feedback to the management and the Board, thereby allowing the Board to be keep apprised of the expectations of employees and formulate appropriate policies to retain talented employees as well as attract talented individuals to join our Group.

Recruitment and Retention

The Group recruits fresh graduates, experienced professionals and other specialists to support its strategic development. At the same time, the Company promotes opportunities for internal career advancement for its employees. We offer competitive remuneration packages to employees at all levels and bonus tied to an employee's performance with reference to a specific set of key performance indicators (KPIs).

Staff Development

The Group is committed to the continuous development of competence and ethical behavior of all employees. This provides a win-win situation for the Group and its employees, which on one hand, furthers the professional development of employees, and on the other hand, brings value to the Group by way of having a competent workforce.

We offer a wide range of learning resources for employees to support staff learning and development. To start with, all new joiners are provided with comprehensive induction training covering various aspects, such as the Group's business, culture, values, history, corporate governance, anti-corruption, etc. Furthermore, we also offer job-specific training to employees depending on their position and job responsibilities, as well as education subsidies to eligible employees to pursue professional or academic qualifications and/or acquire job-related knowledge.

Staff Engagement Platform

The Company collaborated with Tencent Group to develop a tailor-made social communication mobile app named "Diantouyi" (電投壹) for our staff. This app facilitates two-way communication between employees and the management in a more informal setting. The app includes various features that enables employees to receive news, participate in online training, access the Group's published information, communicate with the management and provide feedback, etc.

Incentive Schemes

To encourage the management and employees to adhere to the Company's strategic goals, values and culture, the Board adopted various incentive schemes to award the management and employees who had contributed to achieving the Company's strategic goals or had made positive impacts in promoting the Company's culture and values. Most notably, the Company adopted the Share Incentive Scheme, which was approved by shareholders of the Company at the general meeting held on 15 June 2022, the purpose of which is to award employees with outstanding contribution to the further development of the Group and align its interests with the Group by way of equity ownership in the Company. For further information of the aforementioned share incentive scheme, please refer to the section headed "Share Incentive Scheme" in the "Report of the Board of Directors" in this annual report.

Workforce Diversity

We understand that a diverse workforce and an inclusive culture play a crucial role in creating a dynamic environment that promotes higher performance and well-being. Our Company is devoted to nurturing a workplace where every employee, regardless of gender, background, skills, or experience, is valued, respected, and treated fairly, with equal access to opportunities. In 2024, we established a Workforce Diversity Policy that articulates our commitment to inclusion and diversity throughout our organization, including within the senior management.

Our Workforce Diversity Policy provides that recruitment, promotion and development decisions are based on merits, while encouraging broader representation of female employees across different business functions. The Group believes that enhancing gender diversity contributes to innovation, operational effectiveness and long-term sustainability. The Company has also implemented policies to ensure that all employees are treated fairly and equally in all aspects of employment, regardless of gender.

The Group has established measurable objectives to enhance gender diversity by 2030. In particular, the proportion of female employees is targeted to reach 9% to 11% in the senior management, 33% to 35% in administrative roles, and 13% to 15% in technical roles. Progress towards these targets is monitored on an ongoing basis and supported by initiatives in recruitment, talent development and career progression for female employees.

As at 31 December 2025, the Group had 16,660 employees, including 96 senior management personnel, 5,052 administrative staff and 11,512 technical staff. The proportion of female employees in the senior management, administrative and technical roles was approximately 7.3%, 34.9% and 12.6%, respectively, while the overall female representation of the Group was approximately 19.4%.

The power generation industry in which the Group operates is inherently labour-intensive and has historically been male-dominated, which has shaped the pipeline for the senior management positions over time. Many technical roles require physical strength, stamina, and field-based work, which has traditionally attracted more male employees. As such, comparatively lower female representation in both technical and the senior management roles is consistent with the industry norms. The Group will continue to implement initiatives to improve diversity across all functions and foster greater female participation where feasible.

Notwithstanding the above, a more balanced gender composition is observed in less labour-intensive functions. When focusing on administrative roles, the proportion of female employees is approximately 34.9%, reflecting the Group's ongoing efforts to promote gender diversity in areas where greater balance is more readily achievable.

Please refer to our Sustainability Report 2025 for further details on workforce diversity.

Corporate Governance Report

Engagement with Shareholders

The Company regards communication with shareholders and stakeholders as a core component of its corporate governance framework. We are dedicated to actively engaging with shareholders and stakeholders to communicate our business objectives and the Group's progress clearly, while also seeking their insights and recommendations. The Board has implemented the Shareholder Communication Policy, which delineates the strategies the Company employs to ensure effective and comprehensive communication with shareholders and the broader investment community, guaranteeing timely and equitable access to information. The policy elaborates on how shareholders and the wider investment community can interact with the Company.

Shareholders Communication Policy

In March 2012, the Board adopted a Shareholders Communication Policy of the Company which aims to set out the provisions with the objective of ensuring that the shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company, in order to enable shareholders to exercise their rights in an informed manner, and to allow shareholders and potential investors to engage actively with the Company. Shareholders Communication Policy is available on our Company website, and a summary of the policy is as follows:

- 📄 The Board shall maintain an on-going dialogue with shareholders and the investment community, and will regularly review this policy to ensure its effectiveness.
- 📄 Information shall be communicated to shareholders and the investment community mainly through the Company's financial reports (interim and annual reports), briefings for results and significant matters, and annual general meetings and other general meetings that may be convened, maintenance of communication with investment market and media, as well as making available all the Company's disclosures, corporate communications and other corporate publications on a timely manner.

The Company has a Capital Markets & Investor Relations Department, which takes charge of the Company's relationship with investors and shareholders by providing information and services to them, promptly replying to their enquiries, and maintaining channels of active and timely communication with them. During the year under review, the communication and engagement activities with shareholders, in accordance with the Shareholder Communication Policy, are summarized as follows:

- 📄 The Company maintains a corporate website at www.chinapower.hk where important and updated information about the Group's activities and corporate matters such as annual and interim reports, trading updates such as electricity sold of the Company, business development and operations, corporate governance practices and other information are available for review by shareholders and other stakeholders. The Company's website is updated continuously, providing up-to-date information regarding every aspect of the Company to investors and the public. When announcements are made through the Hong Kong Stock Exchange, the same information is made available on the Company's website simultaneously.
- 📄 The Company hosted three general meetings via webcast in 2025, including one annual general meeting on 5 June 2025 and two general meetings aimed at approving the renewal of the financial services framework agreement and the proposed asset restructuring, which took place on 5 June 2025 and 24 June 2025, respectively. Questions were welcomed in advance or online during the meetings. Most of the Board members attended these general meetings and responded to shareholder inquiries. Shareholders had the opportunity to vote in real-time using the online platform.
- 📄 The Company holds regular press conferences and meetings with financial analysts and institutional investors, during which the Company's management will directly provide relevant information and data to the media, financial analysts, fund managers and institutional investors, as well as answer their enquiries in a prompt, complete and accurate manner.

Besides the general meetings held in 2025, the Capital Markets & Investor Relations Department organized various meetings with shareholders, investors, and potential investors during events such as roadshows. These interactions were designed to communicate the Company's strategies, goals, and development direction, while also providing a platform for investors to share feedback on areas where they feel improvements are necessary from their perspective. The Board reviews the feedback summarized by the Capital Markets & Investor Relations Department and assigns relevant management to develop plans for enhancement.

The Board's decisions regarding distribution of dividends are detailed under the "Dividend Policy" in this corporate governance report and in the "Management Discussion and Analysis" section of this annual report, respectively.

For the procedures regarding how shareholders can convene general meetings and send inquiries to the Board, please see the following sections in this corporate governance report or refer to the Shareholder Communication Policy available on our company website.

For further details on the Company and the Board's interactions with shareholders, including the nature, frequency, and number of such engagements, the relevant groups of shareholders, and the management of the Group involved, please refer to the Investor Relations and Shareholders Interaction Report in this annual report.

The annual plan and report for investor relations and shareholders interaction for the year 2025, was reviewed and approved by the Board in March 2026. The Board has confirmed that the Shareholder Communication Policy had been effectively implemented throughout the year ended 31 December 2025.

Dividend Policy

In January 2019, the Company has adopted a new Dividend Policy which aims to set out the provisions with the objective of providing stable dividends to shareholders.

The Company may declare and distribute annual cash dividends to its shareholders in an amount representing not less than 50% of the profit attributable to ordinary shareholders of the Company in any financial year, subject to the criteria set out in the Dividend Policy. In addition to cash, the dividends may be paid up in the form of the Company's shares, by the distribution of specific assets of any kind or by distribution of any form.

A decision to declare or to pay any dividends, and the amount of dividends, will be based on the recommendation of the Board after taking into consideration of, inter alia, the following factors:

- (i) The financial results and financial condition of the Group;
- (ii) The Group's actual and future operations and liquidity position;
- (iii) The Group's expected working capital requirements, capital expenditure requirements and future expansion plans;
- (iv) The Group's debt-to-equity ratio, return on equity and committed financial covenants;
- (v) The retained earnings and distributable reserves of the Company and each of the members of the Group;
- (vi) The general economic conditions, the national policies for energy and related industries, and other internal or external factors that may have an impact on the business or financial performance and position of the Company;

Corporate Governance Report

(vii) The shareholders' and the investors' expectation and industry's norm; and

(viii) Any other factors that the Board deems appropriate.

The Company shall prioritize payment of cash dividends to its shareholders. Such declaration and payment of dividends shall be determined at the sole discretion of the Board and subject to all applicable requirements under the Hong Kong Company Ordinance and the articles of association of the Company.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to Convene General Meeting

Shareholders are entitled to have right to request the Company to convene a general meeting pursuant to Part 12 of the Hong Kong Companies Ordinance. The procedures are as follows:

1. The Directors are required to call a general meeting if the Company has received requests to do so from the Shareholders representing at least 5% of the total voting rights of all the members having a right to vote at general meetings.
2. A request –
 - (a) must state the general nature of the business to be dealt with at the general meeting; and
 - (b) may include the text of a resolution that may properly be moved and is intended to be moved at the general meeting.
3. Requests may consist of several documents in like form that –
 - (a) may be sent to the Company in hard copy form or in electronic form; and
 - (b) must be authenticated by the person or persons making it.
4. Directors must call a general meeting with 21 days after the date on which they become subject to the requirement, and must be held on a date not more than 28 days after the date of the notice convening the general meeting.
5. If the requests received by the Company identify a resolution that may properly be moved and is intended to be moved at the general meeting, the notice of the general meeting must include notice of the resolution.
6. If the resolution is to be proposed as a special resolution, the Directors are to be regarded as not having duly called the general meeting unless the notice of the general meeting includes the text of the resolution and specifies the intention to propose the resolution as a special resolution.

Notice and Voting of General Meetings

Sufficient notice of shareholders meeting and the procedures for voting conduction will be given to the shareholders prior to every general meeting. Save as provided under the Listing Rules, resolutions put to vote at the general meetings of the Company (other than procedural matters) are taken by poll. Procedures regarding the conduct of the poll are explained to the shareholders at the commencement of each general meeting, and questions from shareholders regarding the voting procedures are answered. The poll results are posted on the respective websites of the Company and the Hong Kong Stock Exchange on the same day of the poll.

Procedures for Shareholders Sending Enquiries to the Board

Shareholders should direct their questions about their shareholdings to the Company's registrar and whose details are as follows:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Tel: (852) 2862 8628
Fax: (852) 2865 0990

The Company Secretary and the Capital Markets & Investor Relations Department of the Company also handle both telephone and written enquiries from shareholders from time to time. Shareholders' enquiries and concerns will be forwarded to the Board and/or relevant Board Committees, where appropriate, to answer the shareholders' questions. For shareholders and investors' enquiries, the contact information is set out in the section headed "Useful Information for Investors" in this annual report.

Other Procedures for Shareholders' Proposals

The details of the following procedures are available at the Company's website www.chinapower.hk under the "Corporate Governance" section for review.

- 📄 Procedures for shareholders making proposals at general meetings
- 📄 Procedures for shareholders to nominate a person to stand for election as a Director

Constitutional Documents

The Company's constitutional documents have been posted on the Company's website www.chinapower.hk under the "Corporate Governance" section. During the year under review, there was no change in the Company's articles of association.

Important Shareholders Dates

The important shareholders dates in the coming financial year are set out in the section headed "Useful Information for Investors" in this annual report.

Risk Management and Internal Control Report

I. RISK MANAGEMENT AND INTERNAL CONTROL GOVERNANCE

(I) Objectives of Risk Management

China Power's risk management efforts aim to ensure the Group's overall risk level remains within the risk appetite and tolerance approved by the Board through systematic, institutionalized and regular risk identification, assessment, response and monitoring. This safeguards achievement of the Group's strategic objectives, sustainable operational stability, the truthfulness and accuracy of financial reports, the security and integrity of assets and effective compliant operations, while enhancing the ability to respond to uncertainties and changes in the external conditions. Specific objectives on risk management include:

Ensure the implementation of the Group's strategic planning while mitigating risks associated with strategic decisions and business expansion

Ensure highly efficient and orderly business operations while mitigating risks of operational disruptions, process failures and resources misallocations

Ensure the truthfulness, accuracy and completeness of financial reports, preventing financial misstatements, fraud, corruption and capital risk

Ensure full compliance of the Group with the requirements of the applicable laws and regulations, the Listing Rules and internal control system

Safeguard the security of the Group's assets, data, information systems and key resources, and ensure they are under control

Identify, assess and mitigate material risks related to ESG, climate and sustainability

Enhance the Group's overall risk resilience to safeguard business continuity and steady long-term value

(II) Risk Management Governance Framework

An overall view of China Power's risk management governance framework



Risk Management and Internal Control Report

The Board

The Board assumes ultimate responsibility for risk management and internal control of the Group. The Board profoundly recognizes that risk management is the major support and fundamental safeguard for achieving high-quality and sustainable development of the Group. The Board regards risk management as a proactive means for creating corporate value and in this regard, significantly enhances the risk management responsibilities of the Board, the management and all employees as well as the entire business system. The Board persists in building a risk culture pursuing “value conservation, value creation and enhancing core competitiveness” through proactive risk management activities, thereby ensuring high-quality and sustainable development of the Group.

At the strategy level, the Board regularly reviews and streamlines the Group’s comprehensive risk indicator system across its business through the RMC to monitor associated major risks. At the operational level, the Group dynamically identifies major risk areas based on internal and external changes, implements comprehensive mitigation measures for full coverage of major risks, and ensures that management assumes responsibility for dynamically monitoring and continuously controlling risks in daily operations. The Board plays a leading role in fostering the Group’s risk management culture of “prudence and accountability.”

Risk Management Committee

The RMC under the Board shares the responsibilities for overseeing the Group’s risk management systems. It is also responsible for advising the Board on risk-related matters, reviewing the Group’s risk management policies and assessing the effectiveness of the design and operation of risk management systems.

Audit Committee

The AC under the Board is responsible for reviewing the Group’s internal control system and the action plans designed to address any deficiencies in control. The AC reviews the findings from the external auditors and the Internal Audit Department regarding control matters related to business operations, financial reporting and legal compliance. The AC ensures that action plans are formulated to address identified control issues and monitors the implementation of audit recommendations through regular reports provided by the management. Additionally, the AC discusses the scope of the annual review and the audit plan with the Internal Audit Department, as well as the external auditors, to ensure that the Group maintains robust internal control.

The Management

The management is responsible for the specific design and implementation of the risk management and internal control systems, assists the RMC and the AC in monitoring these systems, and confirms the implementation progress and effectiveness of the systems. In accordance with the corporate governance framework, the management appropriately delegates the relevant roles, responsibilities, and authorities to various departments and employees of the Group. The Company has established a Legal and Risk Management Department, which is responsible for centrally overseeing the functions of risk management and internal control institutional system development, including development of legal systems, compliance management and internal control and risk management, legal affairs management and services, and institutional system optimization. The Legal and Risk Management Department submits risk management and internal control reports to the RMC and the Board at least twice annually.

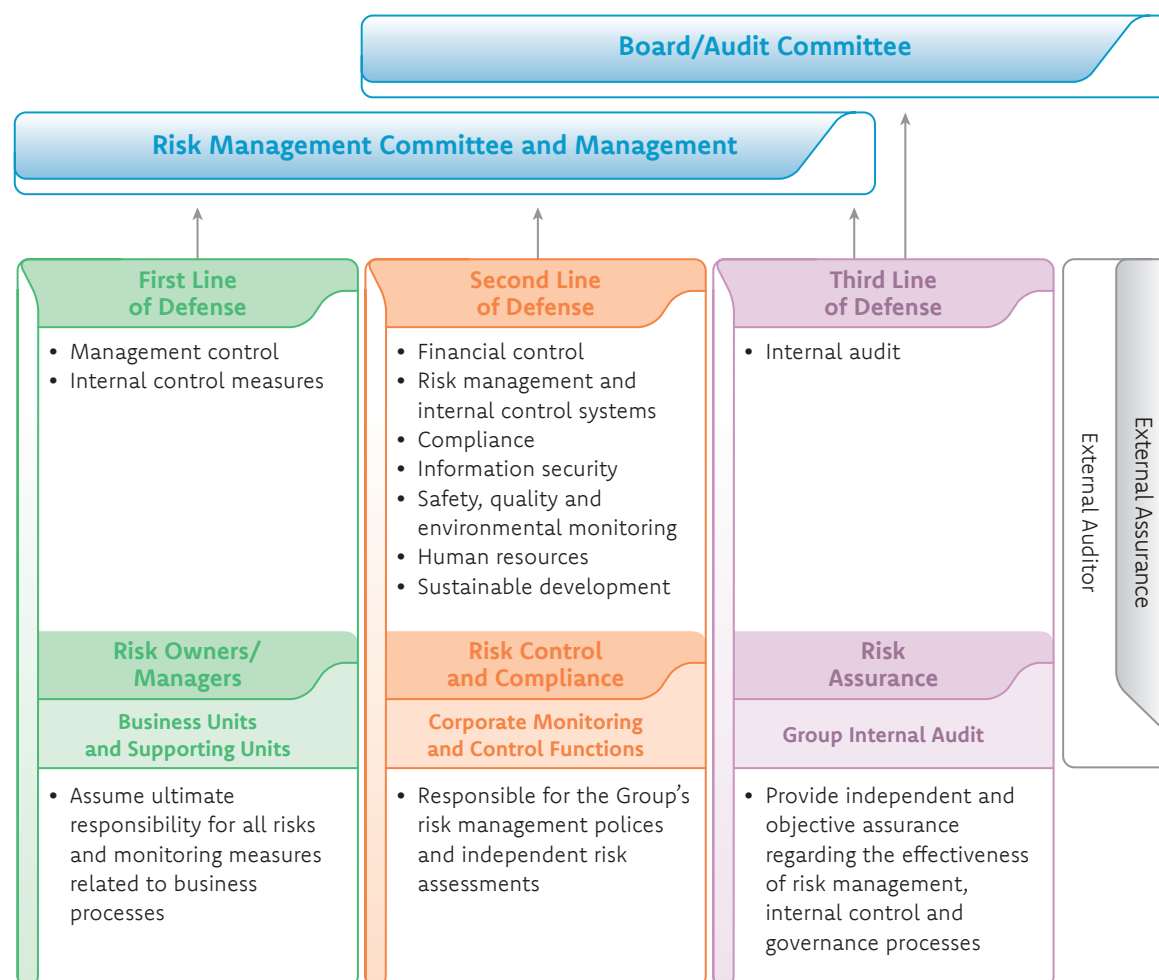
Internal Audit

The Company has established an Internal Audit Department and ensures the independence of its organizational structure, staffing, and operation, thereby providing reasonable assurance for the Group to establish an effective internal control system. To actively foster a sound internal control environment, the Internal Audit Department submits internal control evaluation and oversight reports to the AC on a regular or ad hoc basis, and reports on internal audit work to the AC and the Board at least twice a year. In addition, the Company has also established an Audit Center with the objective of standardizing and digitizing internal audit and risk management. The Audit Center provides systematic support to the internal audit and control team and provides relevant talent training to support the development of the Group.

Risk Management and Internal Control Report

(III) Risk Management and Monitoring Model

China Power has continuously improved its risk management system and ancillary standards in accordance with relevant regulatory guidelines and international standards (including the standards issued by the COSO and the ISO 31000 Risk Management Guidelines issued by the International Organization for Standardization, and their updates from time to time). Aligning with the “Three Lines Model” concept issued by the Institute of Internal Auditors (IIA), the Company has also systematically optimized and updated its established risk management system with Three Lines of Defense, comprising the “business, support and verification” functions, clearly defining the responsibilities of each line of defense. The model is designed to strengthen the Group’s risk management capabilities and compliance culture across all divisions and functional departments.



The roles of three lines are as follows.

First Line	Operational Risk Management — Various business units and operational positions shall proactively identify, assess and manage operational risks within their respective roles and processes and effectively assume the primary responsibility for risk prevention and control.
Second Line	Risk Management Monitoring and Support — Various supervisory units, including functional support departments such as Legal and Risk Management, Finance, Human Resources (Reform Office), Technology and Digitalization, and Safety, Quality and Environmental Monitoring, shall collaborate with front-line business departments to provide expertise and support. They shall be jointly responsible for the oversight, inspection and evaluation on the implementation of risk management efforts.
Third Line	Independent Assurance — The Internal Audit Department of the Group conducts independent audit, monitoring and evaluation of risk management and internal control results, and provide objective and independent confirmation and recommendations.

Risk Management and Internal Control Report

(IV) Risk Management Mechanisms and Procedures

Through long-term practices and exploration, China Power has established a set of stable and well-structured risk management systems and procedures.

Comprehensive Risk Management Procedures

Phase 1

Formulating risk management policies, strategies and assessment standards

The Board determines the risk policies in respect of the Company's governance, corporate culture and development strategies, ensuring these policies to be fully taken into consideration when determining its business objectives. The RMC shall be authorized by the Board to lead the overall risk management strategies of the Company. The Company's risk management department shall be responsible for establishing common risk assessment standards and devise the standardized risk score sheet, providing methodological support for risk identification and assessment across the Company.

Phase 2

Comprehensively collecting first-hand information for risk management and risk identification

Each departments/business units shall systematically and continuously collect internal and external information in relation to risks of the Company and their management. They shall proactively identify various risks that may have an impact on the key processes of their operations, ensuring that the sources of risks are traceable and comprehensively covered.

Phase 3

Conducting risk assessment and establishing comprehensive risk management ledger

Each department/business unit shall perform qualitative and quantitative assessments based on identified risks, and complete scoring for risks, taking into account of the degree of their potential impact and the likelihood of occurrence. All risks of the Company and its subordinated units shall be recorded in the risk management ledger, enabling centralized management of risk information.

Phase 4

Devising risk response measures and dynamically updating the risk management ledger

Based on the assessment, each departments/business unit shall propose specific monitoring and treatment plans, and determine the responsible person for the risk. Relevant information shall be synchronously updated in the comprehensive risk management ledger. The ledger shall undergo dynamic maintenance on a quarterly basis to ensure the real-time status of risks are visible, controllable and under control.

Phase 5

Risk reporting and monitoring evaluation

The risk management department shall regularly track the progress of risk mitigation and submit a summary report of comprehensive risk management to the RMC bi-annually, fully reflecting risk distribution, trend of changes, and effectiveness in risk control. On this basis, the RMC shall conduct evaluation on effectiveness, recommend ways of optimization, and submit them to the Board for discussion.

Risk Management and Internal Control Report

II. ANNUAL REVIEW ON RISK MANAGEMENT AND INTERNAL CONTROL

(I) Scope and Details of Annual Reviews

1. Control Environment

The control environment is the foundation of internal control. The Group advocates a strong risk management culture with a focus on establishing a control environment through governance structure, human resources management and development of internal systems. The review results of the current year are as follows:

Governance Structure

The Group has established a sound corporate governance structure with institutions such as the Board, the AC, the SSDC and the RMC in place. The responsibilities, authorities and rules of procedures of each institution are clearly defined to ensure scientific decision-making and effective oversight. The Board holds ultimate responsibility for internal control and regularly reviews the relevant reports on internal control. The AC is responsible for overseeing the establishment, implementation and review of the Group's internal control systems, seeking opinions from the Internal Audit Department and external auditing firms on a regular basis, and proposing recommendations for improvement.

Human Resources Management

The Group has established a comprehensive human resources management system, covering recruitment, training, appraisal, remuneration, promotion and other aspects. It focuses on the cultivation and retention of core employees, and enhances internal control and compliance training for staff, aiming to improve their professional competence and work ethic. During the year, the Group arranged several training sessions on internal control, compliance, cybersecurity and other related topics, covering all employees. Upon review, it was indicated that the human resources management system is well in place with positive training outcomes. However, training materials shall be further optimized to enhance its relevance and improve the practical skills of junior-grade employees.

Development of Internal Systems

The Group continuously improves its internal management system according to regulatory requirements and based on the actual conditions of its operation. As of the end of 2025, the headquarters of China Power have 481 effective regulations, including 55 level-1 regulations, 365 level-2 measures and 61 level-3 rules, covering areas such as corporate governance and strategic development, production and operations, and project construction, security of financial capital and resources, compliance and risk management, audit oversight and integrity culture development, all being integrated into a unified, visualized map management system.

During the year, the Group newly added and revised 84 regulations with a focus on optimization of and adjustments to regulations across areas such as fuel procurement, oversight of safe production, cadre and talent management, project management and digital development, covering all aspects of the Group's operations, with a view to ensuring the applicability and compliance of the regulations. Upon review, it was indicated that the internal regulation system is well in place and covered all core processes. However, the implementation guidelines of certain regulations remained unclear, leading to deviations during execution at junior-grade level.

Risk Management and Internal Control Report

2. Risk Assessment

The Group has established a regular risk assessment mechanism. It conducts comprehensive risk assessments on a periodic basis (at least once annually) to promptly identify various potential risks, evaluate risk levels, and formulate countermeasures. This ensures risk assessments align with corporate strategies and operational plans. Upon review, it was indicated that the Group's risk assessment mechanism operated effectively and enabled the timely identification of major risks and development of countermeasures. However, its forward-looking risk identification, quantitative analysis capabilities and interdepartmental coordination still require enhancement, reflecting the need for further optimization of the risk assessment system. For details, please refer to the above-mentioned section titled "Annual Review on Risk Management and Internal Control" in this report.

3. Internal Controls

Control activities are the core components of internal controls. The Group has established targeted control activities around key business processes and critical control points, including approvals and authorizations, segregation of positions with incompatible duties, review and verification, asset protection, budget controls, and performance evaluations. A review was conducted during the year with a focus on control activities in the following core areas:

Financial Reporting Control

The Group has established a robust financial accounting and management system, which clearly defines financial accounting processes and division of responsibilities. Accounting standards and relevant regulations are strictly followed to ensure the truthfulness, accuracy and completeness of financial reporting. The Group has enhanced controls over the preparation, review and approval processes of financial statements. A multi-level review mechanism is put in place to ensure the accuracy of financial information. The Group has strengthened financial document management by standardizing the filing, storage and access procedures for financial records. Upon review, it was indicated that the financial reporting control was effectively implemented. The financial reports for the year were audited by an external auditor, which did not issue a qualified opinion, an adverse opinion or a disclaimer of opinion.

Fund Management Control

The Group has set up a stringent fund management system to clearly define the approval authorities, payment procedures and fund control requirements. By centralizing fund management, it enhances oversight of bank accounts, fund allocation and cash management. The Group strictly complies with the management system for raised funds to regulate their storage, use and disclosure. It also conducts regular inspections of the use of such funds. Upon review, it was indicated that the fund management control activities were effectively implemented. There were no instances of fund misappropriation, unauthorized payments or non-compliant use of raised funds during the year.

Connected Transaction Control

The Group has established a comprehensive connected transaction management system, which clearly defines the identification of related parties, approval procedures for connected transactions, pricing principles and disclosure requirements. It strictly implements the abstention mechanism for connected transactions, so as to ensure that such transactions are conducted on fair, arm's length and transparent terms. Regular reviews are conducted to update the list of related parties and mitigate the non-compliance risks of connected transactions. Upon review, it was indicated that connected transaction control activities were implemented effectively in general.

Risk Management and Internal Control Report

Information Disclosure Control

The Group has established an information disclosure management system that clearly defines the responsible departments, processes, timelines and content requirements for information disclosure. A dedicated information disclosure officer has been appointed to oversee daily information disclosure operations. The Group has strengthened its review and approval procedures for information disclosure so that information is disclosed in a timely, accurate and complete manner that complies with the requirements of the Listing Rules. Upon review, it was indicated that information disclosure control activities were effectively implemented. There were no incidents of non-compliance in information disclosure during the year.

Operational Process Control

The Group has developed comprehensive control procedures centered on the core operational processes of each business segment. These procedures clearly define the division of responsibilities, operational standards and review mechanisms for each stage, thereby strengthening the oversight of business execution and mitigating operational risks. With the launch of the new information system, the Group has optimized and upgraded processes in procurement, human resources and payroll, fixed assets, cash management and treasury management. It has specified the division of responsibilities, operating standards and review mechanisms at each stage, which enhanced oversight throughout business operations and helped mitigate operational risks. Upon review, it was indicated that the operational process control activities were implemented effectively in general. However, the control procedures were not fully implemented in certain frontline business units, and some process deficiencies were identified. Supervision and inspection need to be further strengthened to ensure full execution of such procedures.

Compliance and Anti-Corruption Control

The Group has established the compliance management system and the anti-corruption management system, which clearly define the responsible departments, control processes, and whistleblowing mechanisms for compliance and anti-corruption. Compliance inspections and anti-corruption investigations have been strengthened to promptly identify and address compliance and corruption issues. Anti-bribery and anti-corruption training has been enhanced to improve employees' compliance awareness and promote integrity. Upon review, it was indicated that compliance and anti-corruption control activities were effectively implemented. There was no major corruption or non-compliance incident during the year.

4. Information and Communication

The Group has established a comprehensive information and communication system, under which the information communication processes, channels and responsibilities were clearly defined to ensure timely delivery, sharing and feedback of both internal and external information. Communication and coordination between management and various departments and subsidiaries have been strengthened through regular meetings and communication mechanisms, so as to promptly resolve operational and internal control management issues. Communication with stakeholders including shareholders, the Hong Kong Stock Exchange, regulators and external auditors has been enhanced, with timely disclosure of relevant information and responses to stakeholder concerns. Upon review, it was indicated that the information and communication system operated effectively. However, some cross-departmental and cross-subsidiary information was not communicated in a timely manner, and the information sharing mechanism was not adequate. Further optimization of information communication processes is needed to enhance communication efficiency.

Risk Management and Internal Control Report

5. Supervision and Monitoring

The Group has established a multi-tiered internal supervision and monitoring system, which includes internal audit monitoring, departmental self-monitoring, and AC monitoring, so as to ensure the ongoing effective operation of the internal control system:

Internal Audit Monitoring

The Group has set up an independent Internal Audit Department, with professional internal auditors responsible for developing internal audit plans and conducting regular internal audits focusing on core business processes, internal control implementation, and risk management measures. They also timely identify internal control deficiencies and potential risks, propose audit recommendations, and track rectification progress. During the year, the Internal Audit Department conducted multiple audits and issued audit reports, where recommendations for targeted rectification were proposed. Most of the corrective measures have been implemented.

Departmental Self-Monitoring

All departments and subsidiaries conduct regular self-inspections of the execution of their internal control processes to promptly identify and rectify issues, thereby establishing a mechanism for self-monitoring and self-improvement.

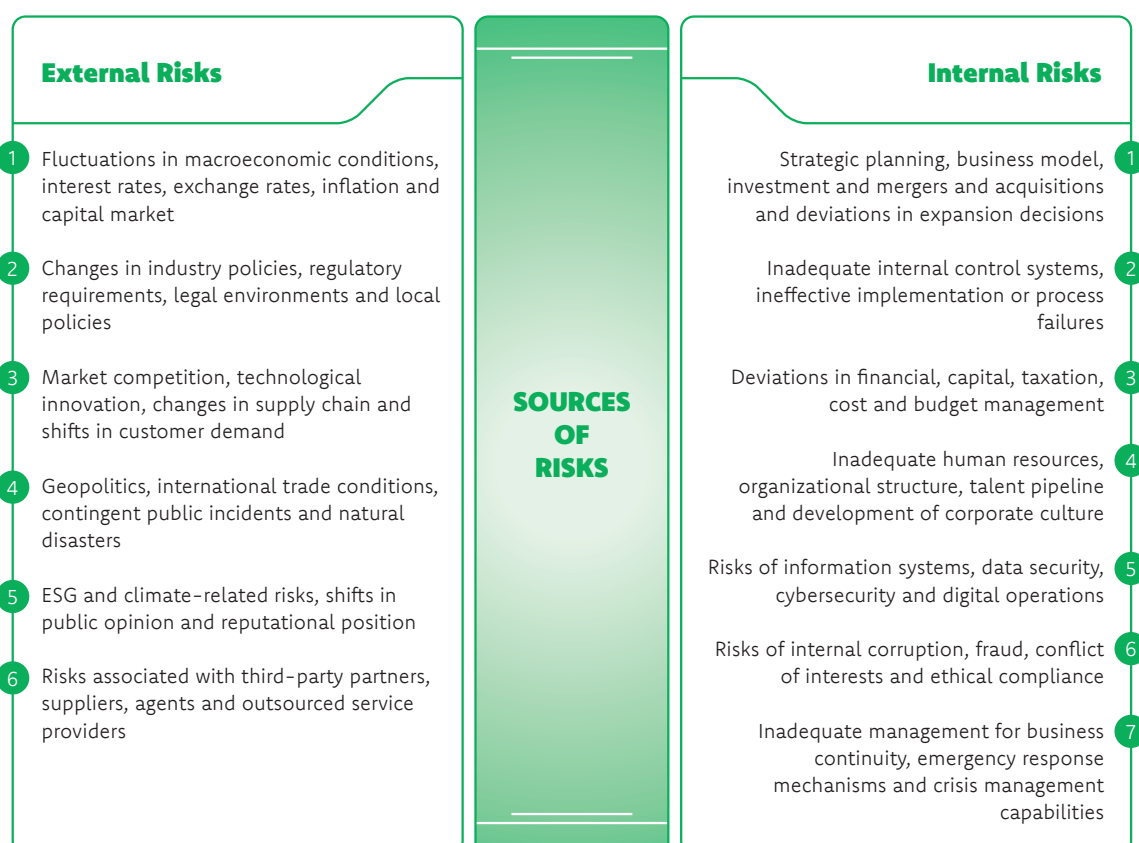
Audit Committee Monitoring

The AC receives regular reports from the Internal Audit Department and the management regarding internal control and risk management. It monitors the rectification of internal control deficiencies, proposes recommendations for improvement, and ensures the effective operation of the internal monitoring system.

The review indicated that the Group has put in place a sound internal oversight system and conducted monitoring activities effectively.

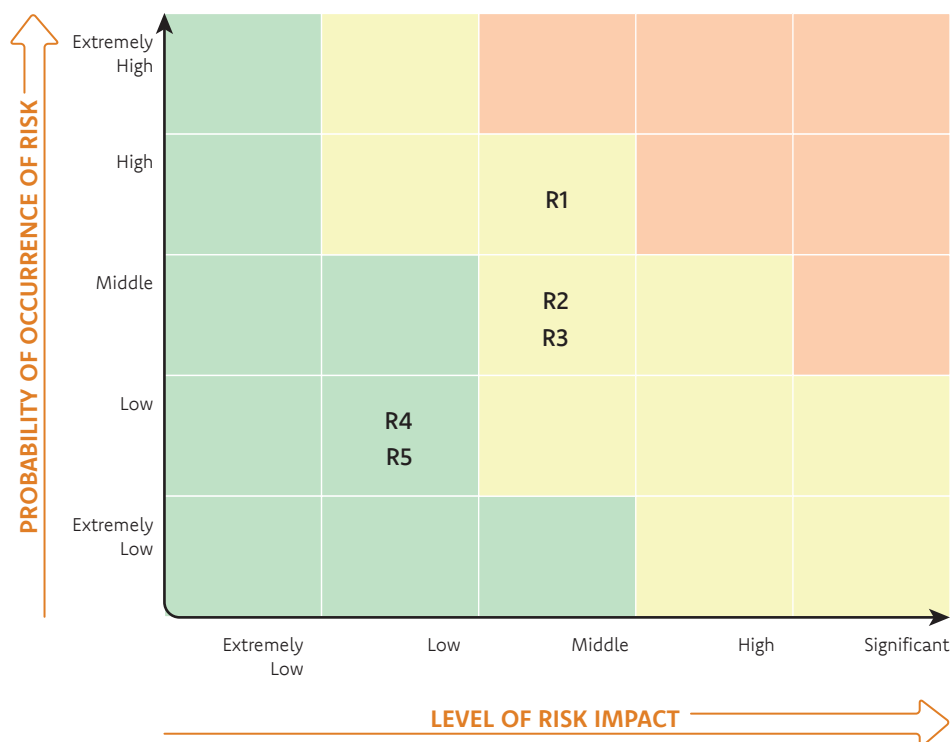
(II) Sources of Risks

The risks of the Group stem from multiple internal and external factors, principally including:



Risk Management and Internal Control Report

(III) Identification of and Response to Major Risks in 2025



During 2025, the Group continued to focus on the strategic vision of becoming a “World-class Green and Low-carbon Energy Provider” and the mission of “Lower Carbon Empower Better Life” and conducted a risk assessment taking into account of the changes in recent and mid- to long-term internal and external conditions. Covering both existing and potential risks, the risk assessment identified and confirmed five major risks facing the Group. These risks specifically included: safety risks, investment risks, market risks, commodity or material procurement risks, and organizational and talent management risks.

The Group uses a risk heat map for visualized risk assessment and classification.

Risks are categorized based on the overall score:

 High-priority risks High probability of occurrence with significant impact, which requires focused monitoring and immediate response from the Board.	 Medium-priority risks Medium probability of occurrence with noticeable impact, which requires focused control from the management. Such risks include safety risks (R1), investment risks and market risks (R2/R3).	 Low-priority risks Low probability of occurrence with minor impact, which are covered in the scope of regular monitoring. Such risks include commodity and material procurement risks (R4), and organizational and talent management risks (R5).
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Risk Management and Internal Control Report

Based on the occurrence probability and degree of impact on the Group's objectives, risk priorities were determined (High/Medium/Low) and focus areas of risk control were specified. Details of the relevant major risks are as follows:

Risk Checkpoints	Key Prevention and Control Measures	Probability of Occurrence	Analysis of Impact on the Group's Objectives
R1 : Safety Risks			
Safety, environmental and quality risks remain under high pressure. Unreasonable project schedules, inadequate contractor management, and weak safety, quality and environmental awareness among site personnel could all trigger such risks.	1. Strictly implement the full-process control and on-site supervision system for high-risk operations; improve the safety production management system for project construction and strengthen the closed-loop implementation of project safety management systems. 2. Strengthen contractor management by comprehensively streamlining the entire process ranging from admission, selection, utilization, to evaluation and clearly define the requirements for contractor management in each stage. 3. Implement checklist-based management and supervision for key projects, strictly enforcing safety operation requirements.	High	In the event of safety incident, it will directly result in production/project shutdown, staff casualties, regulatory penalties and reputational damage. This will have severe impact on business continuity, performance targets and compliant operation objectives, and may even trigger investigations on liabilities.
R2 : Investment Risks			
Certain investment projects may suffer from inadequate risk anticipation due to insufficient due diligence, limited professional judgment capabilities, or unforeseeable policy changes. This can result in projects failing to meet investment expectations. Similarly, insufficient scrutiny of joint development projects may prevent accurate prediction of how environmental and market factors will have impact on the project, leading to investment losses.	1. Standardize investment approval procedures for investment, promote the standardization, professionalization, and systematization of due diligence, fully disclose investment risks, and formulate risk prevention measures in advance through agreed terms. 2. Strictly review the qualifications of cooperating partners, verify project returns against established standards, and enhance the accuracy of projections and calculations in the feasibility studies. 3. Safeguard our core interests by specifying matters such as shareholder rights, responsibilities, and interests, obligations in capital contribution and our decision-making authority, through shareholder agreements and articles of association.	Medium	Directly affect the Group's returns on investment, asset quality, and cash flow position, reduce capital utilization efficiency, disrupt the achievement of overall profitability and asset appreciation targets, and in more severe cases, potentially cause significant asset impairments.

Risk Management and Internal Control Report

Risk Checkpoints	Key Prevention and Control Measures	Probability of Occurrence	Analysis of Impact on the Group's Objectives
R3 : Market risks			
Persistent decline in electricity tariffs, increasingly strict market regulation, heightened market competition, and the growing importance of digital technologies challenge the traditional trading methods and profit margins, triggering market risks.	1. Consolidate policy-driven marketing to actively secure market power quotas. 2. Optimize medium-to-long-term and spot market strategies to enhance revenues from green electricity, green certificates, and cross-regional transactions. 3. Secure full compensation for thermal power capacity tariffs and maximize revenues from ancillary service market. 4. Establish a phased and power volume-structured tariffs projection and calculation system to enhance economic evaluations of projects throughout the entire project lifecycle. 5. Develop the "Compliance Guide 1.0 for Marketing in Electricity Market" and issue management requirements for daily rolling transactions to further standardize various marketing activities.	Medium	This affects the Group's revenue scale, gross profit margin, and market expansion goals, impairs market competitiveness, potentially leads to operating performance falling short of expectations, and constrains the annual business plans and long-term strategic deployment.
R4 : Commodity and Material Procurement Risks			
Fluctuations in prices of commonly used commodities such as photovoltaic components and coal; suppliers' capabilities in contractual performance may be affected by changes in the international landscape and their own operational conditions, thus triggering commodity and material procurement risks.	1. Enhance market analysis and provide guidance on procurement based on the research on price movement trend. 2. Strengthen supplier management to enable dynamic monitoring of suppliers' operational status. 3. Establish a mechanism for expanding high-quality suppliers, broaden the supplier coverage, and select partners as suppliers with superior qualifications and robust strengths. 4. Strictly enforce penalty clauses for contractual breaches. 5. Actively introduce price adjustment mechanisms, align with market conditions to achieve risk sharing and stabilize material supply.	Low	Directly increase production/project operating costs, shrink profit margins, disrupt production/construction continuity, posing notable impacts on targets of cost control, gross profit margin, and supply-chain stability.
R5 : Organizational and Talent Management Risks			
Some legal entities remain dormant in operations, and hierarchies are excessive among legal entities. There is a shortage of specialized talent in strategic emerging industries, internationalization, and marketing, and the effectiveness of talent pipeline development and cultivation is not notable.	1. Strictly implement the annual plan for curbing hierarchies among legal entities. 2. Implement closed-loop management for dispatching directors and senior management to newly established legal-entity units. 3. Strengthen talent pipeline development for strategic emerging industries, marketing, and internationalization.	Low	This impacts operational efficiency, management effectiveness, and business growth capabilities, constrains strategic implementation and long-term development, impairs core competitiveness of the Group, and poses a persistent impact on operational management objectives and sustainable development goals.

For details about the risks and opportunities related to climate change and the environment that pose to the Group, please refer to the Sustainability Report 2025 of the Company, which is available on the websites of the Company and the Hong Kong Stock Exchange.

(IV) Identification and Rectification Recommendation of Internal Control Deficiencies

1. Specialized System Evaluation

In 2025, a specialized evaluation of the internal control system was conducted to gain in-depth insights into the current status of the system framework. The evaluation focused on the conflicts between internal regulations and national laws and regulations, conflicts with regulations from higher-level management units, and conflicts within the Group's own regulations. This evaluation aimed to identify significant internal control risks, uncover system deficiencies and management loopholes, and assess the legality, compliance, completeness and effectiveness of the Group's systems and regulations. The goal was to promote the refinement of the internal control systems, ensure the legality and compliance of all corporate economic activities and safeguard the high-quality development of the Group.

This evaluation revealed the following: **First**, certain provisions in 14 internal systems were inconsistent with higher-level systems. **Second**, conflicts were identified among six systems, between systems and lists of responsibilities, and within different systems regarding the same matter. **Third**, system updates were not timely. A total of 81 issues were identified, including failure to update systems promptly, incorrect system names in references, and systems based on obsolete or inaccessible grounds. All identified issues were classified as general deficiencies and have been rectified.

2. On-Site Internal Control Evaluation

This on-site internal control evaluation was conducted concurrently with the annual audit. Ten representative units were selected for assessment to comprehensively review the effectiveness of internal controls across all business processes. The evaluation identified a total of 110 internal control deficiencies related to systemic development, which covered areas including rule of law and corporate governance, materials and procurement management, production and engineering management, financial and asset management, as well as general administration and human resources. Of these, four were classified as design deficiencies and 106 as execution deficiencies. All were categorized as general deficiencies.

As of the end of 2025, 105 deficiencies had been rectified, covering improvements in corporate governance, standardization of procurement procedures, strengthened asset management, and corrections related to safety and environmental protection. The rectification rate reached 95.4%. The remaining deficiencies have been incorporated into a closed-loop supervision and management mechanism. Most issues have already been systematically addressed at the operational front line, effectively promoting a substantive enhancement of the internal control system from being merely "in place" to being "truly effective".

3. Self-Assessment on the Internal Control of Subsidiaries

The Group has organized the system-wide self-assessment on internal control to continuously strengthen the autonomous optimization and routine oversight mechanisms of the internal control system. This self-assessment covered 28 subsidiaries and will gradually extend to other subsidiaries in the future. Combining self-inspections by each unit with key guidance from headquarters, the Group conducted an in-depth review focused on three core dimensions. The self-assessment identified a total of 85 issues, covering systemic development, corporate governance, as well as production and operation, all of which were classified as general deficiencies. All deficiencies were systematically recorded in a unified "Integrated Application Platform," enabling online issue registration, online assignment of responsibilities, real-time progress tracking, and cloud-based evidence archiving. This created a transparent, traceable closed-loop management system for rectification. Ongoing platform oversight effectively promoted immediate rectification upon identification across all units, thereby transforming self-monitoring into an internal driving force for management enhancement.

Risk Management and Internal Control Report

III. SUMMARY OF ANNUAL REVIEW

Upon comprehensive assessments on the management reports, the opinions of the RMC and the AC, the results of internal audits, and the independent confirmation provided by external advisors, the Board confirms that:

The Group's risk management and internal control systems had been appropriately designed and operated effectively in general in 2025. It provided reasonable assurance for meeting the requirements set forth in Code Provision D.2.1 of the CG Code.

The systems as a whole meet the needs of operational management, compliance and financial reporting, and is capable of effectively identifying, assessing, monitoring and responding to major risks. No material control failures or systemic deficiencies were identified during the review period. Previously identified management weaknesses have been rectified as planned, and internal audit verification has been completed through a closed-loop mechanism.

Please refer to the Risk Management Committee Report and the Audit Committee Report in this annual report for highlights of their works done during the reporting period.

Audit Committee Report

MEMBERS

The members of the Audit Committee comprise entirely of independent non-executive Directors of the Board, as follows:

Chairman	YAU Ka Chi	Independent non-executive Director
Members	LI Fang	Independent non-executive Director
	HUI Hon Chung, Stanley	Independent non-executive Director
Secretary	CHEUNG Siu Lan	Company Secretary

For the purpose of reinforcing independence, all members of the Audit Committee have appropriate professional qualifications, accounting or related financial management experience referred to in the Listing Rules.

DUTIES AND FUNCTIONS

The Company established the Audit Committee on 24 August 2004 with written terms of reference in compliance with the Listing Rules and provisions of the CG Code. The primary duties and functions of the Audit Committee set out in its terms of reference include, inter alia, the following:

- To communicate with the internal auditor and determine annual internal audit plans, discuss internal audit procedures with the internal auditor at least once every six months, review and monitor the internal control system, internal audit functions and effects of annual internal audit plans.
- To make proposals to the Board on the appointment, re-appointment and removal of the external auditor, review and monitor the independence, objectivity and audit procedures effectiveness of the external auditor in accordance with the relevant standards issued by the Hong Kong Institute of Certified Public Accountants, formulate and implement the engagement policy on the provision of non-audit services by the external auditor.
- To review financial information of the Company.
- To supervise the financial reporting system and internal control system including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programs and budget.
- To conduct any inspection authorized by the Board based on its terms of reference, in that case, the committee is entitled to solicit any necessary information from any employees while who have been instructed to assist the committee to satisfy any of its requirements.

ACCOUNTABILITY

The Audit Committee is accountable to the Board. The chairman of the committee reports to the Board at Board meetings in which the annual financial results and the interim financial results are considered, which would include various key issues identified and discussed during the course of reviewing the annual financial results and the interim financial results.

TERMS OF REFERENCE

The latest version of the terms of reference of the Audit Committee was adopted on 1 January 2019 and has been posted on the websites of the Company and the Hong Kong Stock Exchange.

Audit Committee Report

WORK HIGHLIGHTS 2025

The Audit Committee held two meetings during 2025 with an attendance rate of 100%. Key work performed by the Audit Committee during the year include:

- reviewed the annual financial statements and Corporate Governance Report for the year ended 31 December 2024 and the interim financial statements for the six months ended 30 June 2025, including the major accounting issues raised by the external auditor;
- reviewed and approved the audit plan and audit strategy submitted by the external auditor for the year ended 31 December 2025;
- reviewed the internal control reports prepared by the Company's Internal Audit Department relating to the Company's internal audit plan and internal control system;
- reviewed the continuing connected transactions of the Company;
- considered and approved the terms of engagement and remuneration of the external auditor for its provision of audit, audit related and permitted non-audit related services; and
- reviewed the internal and independent audit results and discussed matters relating to audit, internal control system and financial reporting, including the adequacy of resources, staff qualifications and experience of the Company's accounting, internal audit and financial reporting functions, together with the senior management, internal and external auditors of the Company.

REVIEW OF CONTINUING CONNECTED TRANSACTIONS

The Audit Committee has reviewed the continuing connected transactions entered by the Group during the year 2025 (as set out in the following schedule annexed to this report) and confirmed that the transactions have been entered into:

- (1) in the ordinary and usual course of business of the Company;
- (2) on normal commercial terms and no less favourable than those available to or from independent third parties; and
- (3) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The external Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The external auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed above in accordance with Rule 14A.56 of the Listing Rules.

Save as disclosed, no contracts of significance to which the Company, its subsidiaries, its holding companies, associates or joint ventures was a party subsisted at any time during the year or at the end of the year.

RELATED PARTIES TRANSACTIONS

During the year 2025, those related party transactions listed under Note 48 to the Consolidated Financial Statements which were connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules include:

- (a)(iii) Income from provision of other services (entrusted management services) to CPI Holding and companies controlled by SPIC
- (a)(iii) Sales of energy storage equipment to companies controlled by SPIC
- (a)(iii) Income from provision of environmental protection-related services to companies controlled by SPIC
- (b)(i) Purchase of coal, coal by-products and spare parts from non-controlling shareholders
- (b)(ii) Construction costs and other services fees to companies controlled by SPIC and non-controlling shareholders
- (b)(iv) Acquisition of subsidiaries from companies controlled by SPIC

The Company has complied with the disclosure requirements in accordance with the relevant Listing Rules.

LOOKING FORWARD TO 2026

In the course of the past year, the Group has widened its business reach and capital operation, particularly highlighted by our successful completion of the acquisition of SPIC Hydropower (formerly known as Yuanda Environmental, a company listed on the SSE) in October 2025. While this acquisition has successfully established a “Red-chip controlling A-share” structure in the capital market and strengthened our position in the power industry, it has also increased our exposure to risks related to legal compliance, corporate governance, and financial reporting processes, as well as challenges stemming from dual regulatory oversight requirements in Hong Kong and the PRC. The Audit Committees continues to urge management to regularly update fraud and compliance risks assessments.

The advancing reforms in the power market in Chinese Mainland are expected to heighten electricity price volatility, which in turn would likely to impact the profitability of companies engaging in power generation and sales business. The Audit Committee will continue to uphold its essential responsibilities by closely monitoring the Group’s financial reporting and internal control functions as well as championing moderation of the Company’s internal audit function while ensuring internal audit maintains its independence, objectivity, and coverage of both emerging and traditional risks. This commitment is essential for ensuring that the Group upholds sound operations and compliance in a complex and dynamic market environment.

Enterprise Risk Management remains a priority for the Audit Committees given the dynamic and complex environment the Group is operating in these days. The Audit Committee continues to place emphasis on overseeing management’s identification and evaluation of both established and emerging risks — from regulatory changes to advancing technologies — while ensuring the Company’s risk appetite aligns with its strategy. This means confirming that risk tolerance aligns with growth, innovation, and transformation, especially as business models evolve.

YAU Ka Chi

Chairman, Audit Committee

Hong Kong, 17 March 2026

Audit Committee Report

CONNECTED TRANSACTIONS ENTERED BY THE GROUP

Connected Transactions

Transaction Date	Party within the Group	Connected Party of the Group	The Agreement/ Transaction	Consideration (RMB)
(A) (i) Proposed Asset Pre-Restructuring (as a crucial step to advance the Proposed Asset Restructuring)				
17 January 2025	Wu Ling Power (as the Purchaser)	SPIC Associates (as the Sellers, representing subsidiaries and associates of SPIC)	Acquisition of Wu Ling External Acquisitions Interests	1,133,883,300
(A) (ii) Proposed Asset Restructuring				
16 April 2025	The Company (as the Transferor)	SPIC Hydropower (formerly known as Yuanda Environmental, as the Transferee, a subsidiary of SPIC at that point)	Transfer of 63% equity interest in Wu Ling Power	A total of 2,016,793,893 shares of SPIC Hydropower priced at RMB6.55 per share, and RMB2,330,425,460 in cash The total consideration, in equivalent RMB, was 15,540,425,460 ("Consideration I")

Nature, Purpose and Description of the Transaction

Wu Ling Power agreed to acquire, and SPIC Associates agreed to sell the respective target equity interests in 23 target companies ("**Wu Ling External Acquisitions Interests**").

The Consideration was determined based on arm's length negotiations between the Purchaser and the Sellers with reference to the valuation as at the 30 June 2024 as set out in the asset appraisal reports.

The Sellers undertook the actual net profit that was attributable to the shareholders of the parent company, following the deduction of extraordinary gains and losses from 17 target companies that had adopted the income-based valuation approach ("**Profit Undertaking Assets**") within Wu Ling External Acquisitions Interests, for the three financial years ending 31 December 2025, 2026, and 2027, shall not be lower than the committed net profits (for details, please refer to the announcement of the Company on the even date). The Proposed Asset Pre-Restructuring also involved the formation of joint ventures and intragroup reorganization.

Pursuant to the Equity Transfer Agreement I, the Company agreed to transfer its 63% equity interest in Wu Ling Power to SPIC Hydropower and SPIC Hydropower agreed to issue 2,016,793,893 shares and pay RMB2,330,425,460 in cash as consideration.

The consideration was determined based on the valuation of Wu Ling Power and the Company's corresponding interest in it as of 31 October 2024.

Pursuant to the Wu Ling Power Compensation Agreement, in respect of the assets of Wu Ling Power that had been valued using the income approach ("**Wu Ling Power Profit Undertaking Assets**"), if the cumulated actual net profits after the deduction of extraordinary gains and losses related to those Wu Ling Power Profit Undertaking Assets were lower than the corresponding cumulated committed net profits during Compensation Period (RMB305,892,200 for FY2025, RMB333,346,300 for FY2026, and RMB353,380,300 for FY2027), then the Transferor would first compensate the Transferee with shares, subject to a maximum cap of 353,627,893 shares. If there were insufficient shares, compensation would be provided in cash.

During the period from 31 October 2024 to the date of completion ("**Transitional Period**"), any losses attributable to the Wu Ling Power Profit Undertaking Assets were to be borne by the Company in proportion to its shareholding in Wu Ling Power and were to be paid in cash by the Company to SPIC Hydropower. Any amount paid in relation to the loss during the Transitional Period shall be deducted from the compensation amount payable by the Company under the above profit undertaking arrangement.

If Wu Ling Power transfers one or more of the Wu Ling Power Profit Undertaking Assets out of the Group, the Company shall compensate SPIC Hydropower in cash.

Audit Committee Report

Transaction Date	Party within the Group	Connected Party of the Group	The Agreement/ Transaction	Consideration (RMB)
	Guangxi Company (as the Transferor)	SPIC Hydropower (as the Transferee)	Transfer of 64.93% equity interest in Changzhou Hydropower	A total of 398,167,938 shares of SPIC Hydropower priced at RMB6.55 per share, and RMB460,189,818.37 of cash The total consideration, in equivalent RMB, was 3,068,189,818.37 (“Consideration II”)
29 August 2025	The Company (as the Transferor)	SPIC Hydropower (as the Transferee)	Transfer of 63% equity interest in Wu Ling Power	The cash component in Consideration I was revised from 2,330,425,460 to 2,078,425,460 The total consideration, in equivalent RMB, was 15,288,425,460 (“Adjusted Consideration I”)
	Guangxi Company (as the Transferor)	SPIC Hydropower (as the Transferee)	Transfer of 64.93% equity interest in Changzhou Hydropower	The cash component in Consideration II was revised from 460,189,818.37 to 304,357,818.37 The total consideration, in equivalent RMB, was 2,912,357,818.37 (“Adjusted Consideration II”)

Nature, Purpose and Description of the Transaction

Pursuant to the Equity Transfer Agreement II, Guangxi Company agreed to transfer its 64.93% equity interest in Changzhou Hydropower to SPIC Hydropower and SPIC Hydropower agreed to issue 398,167,938 shares and pays RMB460,189,818.37 in cash as consideration.

The consideration was determined based on the valuation of Changzhou Hydropower and Guangxi Company's corresponding interest in it as of 31 October 2024.

Pursuant to the Changzhou Hydropower Compensation Agreement, if the cumulated actual net profits after the deduction of extraordinary gains and losses of Changzhou Hydropower were lower than the corresponding cumulated committed net profits during Compensation Period (RMB320,534,300 for FY2025, RMB338,227,200 in FY2026 and RMB343,288,500 in FY2027), then the Transferor would first compensate shares, subject a maximum cap of 398,167,938 shares. If there were insufficient shares, compensation would be provided in cash.

During the Transitional Period, any losses attributable to Changzhou Hydropower were to be borne by Guangxi Company in proportion to its shareholding in Changzhou Hydropower and were to be paid in cash by Guangxi Company to SPIC Hydropower. Any amount paid in relation to the loss during the Transitional Period shall be deducted from the compensation amount payable by Guangxi Company under the above profit undertaking arrangement.

Pursuant to the Supplemental Equity Transfer Agreement I, Wu Ling Power plans to distribute RMB400,000,000 cash dividends to its shareholders in proportion to their respective shareholdings prior to completion. Therefore, the Company and SPIC Hydropower have agreed to adjust Consideration I.

Pursuant to the Wu Ling Power Supplemental Compensation Agreement, if the Compensation Period overlapped with the Transitional Period, the Company was not obligated to compensate for any losses incurred during the Transitional Period and should directly implement the profit undertaking arrangement during the Compensation Period.

If Wu Ling Power transfers one or more of the Wu Ling Power Profit Undertaking Assets out of the Group, instead of cash, the Company shall compensate SPIC Hydropower by shares.

Since certain assets of Wu Ling Power were appraised using the market approach in the asset appraisal reports, the Company is required to fulfil impairment compensation obligations in respect of such assets.

Pursuant to the Supplemental Equity Transfer Agreement II, Changzhou Hydropower plans to distribute RMB155,832,000 cash dividends to Guangxi Company prior to completion. Therefore, Guangxi Company and SPIC Hydropower have agreed to adjust Consideration II.

Pursuant to the Changzhou Hydropower Supplemental Compensation Agreement, if the Compensation Period overlapped with the Transitional Period, Guangxi Company was not obligated to compensate for any losses incurred during the Transitional Period and should directly implement the profit undertaking arrangement during the Compensation Period.

Audit Committee Report

Transaction Date	Party within the Group	Connected Party of the Group	The Agreement/ Transaction	Consideration (RMB)
16 September 2025	The Company (as the Transferor)	SPIC Hydropower (as the Transferee)	Second Supplement Compensation Agreement	N/A
(B) EPC Contracting Agreements				
2 April 2025	Haiwei Wind Power (as the Employer)	Shandong Institute (as the Contractor, an indirect subsidiary of SPIC)	Power Transmission Line Engineering	61,509,000
5 June 2025	Haiyang Wind Power (as the Employer)	Shandong Institute (as the Contractor, an indirect subsidiary of SPIC)	Pre-Development and Technical Consultancy Agreement	39,980,000
5 December 2025	Tianmen Clean Energy (as the Employer)	Shandong Institute (as the Contractor, an indirect subsidiary of SPIC)	EPC Contracting Agreement I (Yuekou Fozishan Project)	446,109,000
			EPC Contracting Agreement II (Ganyi Zaoshi Project)	493,093,000
(C) Battery Energy Storage System Equipment Procurement Contract				
30 May 2025	Xinyuan Smart Storage (as the Supplier)	Haixi Energy (as the Purchaser, an indirect subsidiary of SPIC)	Provision of Battery Energy Storage System equipment and components	89,200,000

Nature, Purpose and Description of the Transaction

The provision under the Wu Ling Power Compensation Agreement, modified by the Wu Ling Power Supplemental Compensation Agreement, related to the compensation arrangement for the transfer of one or more of the Wu Ling Power Profit Undertaking Assets out of the Group, was deleted in their entirety.

The engineering contract involved the construction of a power transmission line that connects the onshore central control station of an offshore wind power plant, located in Shandong Province, PRC, with a planned installed capacity of 450MW, to a substation of the local power grid.

The Contractor agreed to provide survey design, equipment procurement, construction and installation, commissioning, training, other technical support services and follow-up services for the power transmission line engineering.

A project undertaken by Haiyang Wind Power involving the development and construction of an offshore wind power plant with a planned installed capacity of 600MW in Shandong Province, the PRC.

The Contractor agreed to provide comprehensive pre-development and technical consulting services for the project, which included, but were not limited to, coordination with government authorities and functional institutions, as well as the preparation of project-specific reports in accordance with national and industry design standards.

The Yuekou Fozishan Project involved the construction of a wind power plant with a planned installed capacity of 100MW, equipped with a 20MW/40MWh energy storage facility, located in Yuekou Town and Fozishan Town, Tianmen, Hubei Province, the PRC.

The Ganyi Zaoshi Project involved the construction of a wind power plant with a planned installed capacity of 100MW, equipped with a 50MW/100MWh energy storage facility, located in Ganyi Town and Zaoshi Town, Tianmen, Hubei Province, the PRC.

The Contractor agreed to provide comprehensive services for the above projects, including project survey, design, equipment procurement, construction and installation, commissioning, completion certification, training, performance and quality assurance, as well as follow-up services covering the entire warranty period of these projects.

The Tuosu Project involves the construction of an energy storage system with a capacity of 50MW/200MWh, aimed at supporting a multi-energy complementary project projected to have an installed capacity of 1,000MW, located in Delingha, Haixi Mongol and Tibetan Autonomous Prefecture, Qinghai Province, PRC.

The Supplier agreed to provide the equipment and components for the energy storage system and its related services for the Tuosu Project.

Audit Committee Report

Transaction Date	Party within the Group	Connected Party of the Group	The Agreement/ Transaction	Consideration (RMB)
(D) Acquisitions				
18 June 2025	The Company (as the Transferee)	Guangdong Company (as the Transferor, a subsidiary of CPI Holding)	Acquisition of 35% Equity Interest in Jieyang Power	A total of 595,293,510 (including 36,693,510 for 35% equity interest in Jieyang Power and a post-completion capital contribution of 558,600,000)
17 July 2025	The Company (as the Transferee)	Xinjiang Energy (as the Transferor, a subsidiary of SPIC)	Acquisition of 31% Equity Interest in Tuoli Power	A total of 310,032,147 (including 24,212,147 for a 31% equity interest in Tuoli Power and a post-completion capital contribution of 285,820,000)
12 September 2025	The Company (as the Transferee)	Sichuan Company (as the Transferor, a subsidiary of CPI Holding)	Acquisition of 31% Equity Interest in Dazhou Energy	A total of 458,800,000 (including 31,000,000 for a 31% equity interest in Dazhou Energy, and a capital commitment and a post-completion capital contribution of total 427,800,000)

Note:

- (1) Each of the above EPC contracting agreements was awarded to the counterparty through a competitive open market tendering process. The consideration was determined in accordance with prevailing rates or on terms more favorable than those charged by other companies for comparable projects in the market, and the contracting fees are payable by installments.

Details of the above transactions have been set out in the announcements of the Company dated on the relevant transaction dates as mentioned above.

Nature, Purpose and Description of the Transaction

The Company agreed to acquire a 35% equity interest in Jieyang Power from Guangdong Company for a cash consideration of RMB36,693,510, and it will also make a post-completion capital contribution of RMB558,600,000 to the registered capital of Jieyang Power.

The consideration for the Acquisition was determined after arm's length negotiations, taking into account of the following factors; (i) the appraised net asset value of Jieyang Power, which was RMB104,838,600 as of 31 October 2024, using the assets-based approach; and (ii) 35% equity interest in Jieyang Power to be acquired by the Company.

The Company agreed to acquire a 31% equity interest in Tuoli Power from Xinjiang Energy for a cash consideration of RMB24,212,147, and it will also make a post-completion capital contribution of RMB285,820,000 to the registered capital of Tuoli Power.

The consideration for the Acquisition was determined after arm's length negotiations, taking into account of the following factors: (i) the appraised net asset value of Tuoli Power, which was RMB78,103,700 as of 31 December 2024, using the asset-based approach; and (ii) 31% equity interest in Tuoli Power to be acquired by the Company.

The Company agreed to acquire a 31% equity interest in Dazhou Energy from Sichuan Company for a cash consideration of RMB31,000,000, and it will also make a capital commitment and a post-completion capital contribution of total RMB427,800,000 to the registered capital of Dazhou Energy.

The consideration for the Acquisition was determined at after arm's length negotiations, taking into account of the following factors: (i) the appraised net asset value of Dazhou Energy, which was RMB100,000,000 as of 30 November 2024, using the asset-based approach; and (ii) 31% equity interest in Dazhou Energy to be acquired by the Company.

Audit Committee Report

Continuing Connected Transactions

Date and Name of the Agreement	Party within the Group	Connected Party of the Group	Term	Annual Cap (RMB)
(A) Service Agreements				
29 April 2025 Renewal of Financial Services Framework Agreement	The Company (as the Service Recipient, representing its subsidiaries)	SPIC Finance (as the Service Provider, a subsidiary of SPIC)	7 June 2025 to 6 June 2028	12,000,000,000 regarding the maximum daily balance of deposits (including accrued interest) placed by the Group with SPIC Financial.
1 April 2023 Entrusted Management Framework Agreement	The Company (as the Managing Party)	CPI Holding, SPICOI and SPIC Green Energy (as the Entrusting Parties, subsidiaries of SPIC)	1 April 2023 to 31 December 2025	148,030,000

Nature, Purpose and Description of the Transaction

SPIC Financial will provide the Group with deposit services on a non-exclusive basis. The interest rate applicable to the Group for its deposits with SPIC Financial during the same period shall not be lower than:

- (i) the benchmark interest rate specified by the PBOC of the same type of deposits;
- (ii) the interest rate of same type of deposits obtained from other major commercial banks in the PRC to the Group (at least two quotes obtained); and
- (iii) the interest rate of same type of deposits placed by other members of the SPIC Group with SPIC Financial.

In addition, the applicable interest rate for the amount of the Group's deposit in current account(s) that exceeds RMB100,000, the applicable interest rate to the Group will be 20 basis point higher than, and adjusted according to, the benchmark interest rate for agreements deposits (協定存款基準利率) as published by the PBOC from time to time.

The Company will provide planning, operating and managing services to Entrusted Companies that are either wholly or partly owned by the Entrusting Parties. The management fees payable by the Entrusting Parties to the Managing Party consist of:

- (i) management costs that are based on the installed capacity of the power generating units under the Entrusted Companies;
- (ii) a fixed premium at 10% and 15% of the management costs to cover the estimated onshore and offshore risks (if applicable), respectively, depending on the location of the Entrusted Companies; and
- (iii) an assessment bonus at 10% of the management costs.

Audit Committee Report

Date and Name of the Agreement	Party within the Group	Connected Party of the Group	Term	Annual Cap (RMB)
29 December 2025 New Entrusted Management Framework Agreement	The Company (as the Managing Party, representing its subsidiaries)	CPI Holding (as the Entrusting Party, representing its subsidiaries or associates)	1 January 2026 to 31 December 2028	The annual caps for the three financial years ending 31 December 2026, 2027, and 2028 have been fixed at 61,445,000, 104,923,000, and 120,661,000, respectively.
12 January 2024 Composite Services Framework Agreement	The Company (representing its subsidiaries, individually the “Employer” or collectively the “Employers”)	SPIC (representing its subsidiaries, individually the “Service Provider” or collectively the “Service Providers”)	1 January 2024 to 31 December 2026	350,000,000
30 December 2025 Renewal of Bank Services Transactions with ABC Group	The Company and/or member companies of the Group	Members of the ABC Group	1 January 2026 to 31 December 2028	The annual caps for maximum amount of loan services involving the provision of security by the Group for the three financial years ending 31 December 2026, 2027 and 2028 have been fixed at 19,430,000,000, 24,380,000,000 and 30,660,000,000, respectively.

Nature, Purpose and Description of the Transaction

Apart from the change in the annual cap on the management fee payable to the Managing Party and the terms stated below, all other principal terms remain unchanged in relation to the original Entrusted Management Framework Agreement dated 1 April 2023.

The New Entrusted Management Framework Agreement has excluded those entrusted companies located offshore of the PRC. As a result of this exclusion, the fixed premium of the management cost to be received is now set at 10%, which is meant to cover only the estimated onshore risk, and the assessment bonus has been decreased to 5%.

The Service Providers will provide the Employers various services with respect to technical repair and maintenance and management for their power generating units and related power generation facilities, as well as various daily supporting services to the operation of power plants and offices.

The service fee payable shall be agreed by mutual agreement between the relevant Service Provider and Employer determined by and with reference to, among other things, the latest market quotations or tenders (at least two comparable transactions) for provision of the similar services from independent third parties with similar experience and service quality akin to that of the Service Providers in the same region.

Apart from the change in annual caps, all principal terms remain unchanged in relation to the original loan services transactions with ABC Group during the period from 31 October 2023 to 31 December 2025.

Details of the principal terms can be found in category “(C) Continuing Connected Transactions” below.

Audit Committee Report

Date and Name of the Agreement	Party within the Group	Connected Party of the Group	Term	Annual Cap (RMB)
30 December 2025 Renewal of Bank Services Transactions with ABC Group	The Company and/or member companies of the Group	Members of the ABC Group	1 January 2026 to 31 December 2028	The annual caps for maximum daily balance of deposit services (including accrued interest) provided to the Group for the three financial years ending 31 December 2026, 2027 and 2028 have been fixed at 20,310,000,000, 25,780,000,000 and 32,710,000,000, respectively.
(B) Coal Supply Framework Agreement				
4 January 2023 Coal Supply Framework Agreement	The Company (representing its subsidiaries, as the Purchaser)	Huainan Mining (a substantial shareholder of subsidiaries of the Company, as the Supplier)	1 January 2023 to 31 December 2025	10,025,000,000
29 December 2025 Renewal of Coal Supply Framework Agreement	The Company (representing its subsidiaries, as the Purchaser)	Huainan Mining (a substantial shareholder of subsidiaries of the Company, as the Supplier)	1 January 2026 to 31 December 2028	The annual cap for each of the three financial years ending 31 December 2026, 2027 and 2028 has been set at 6,126,000,000.

Nature, Purpose and Description of the Transaction

Apart from the change in annual caps, all principal terms remain unchanged in relation to the original deposit services transactions with ABC Group during the period from 31 October 2023 to 31 December 2025.

Details of the principal terms can be found in category “(C) Continuing Connected Transactions” below.

Huainan Mining will supply coal to the Purchasers.

The purchase price of coal shall be determined by both parties after arm’s length negotiations with reference to:

- (i) national industrial policies, and industry and market conditions;
- (ii) guidance promulgated by the National Development and Reform Commission of the PRC in relation to coal procurement prices;
- (iii) available data published on the website of 中國煤炭市場網 (China Coal Market*) at www.cctd.com.cn;
- (iv) the quality of the coal supplied (including the estimated calorific value of coal as required by different coal-fired power generating units); and
- (v) the quantity of coal supplied.

Apart from the change in annual cap, all material principal terms remain unchanged in relation to the original Coal Supply Framework Agreement dated 4 January 2023.

Audit Committee Report

Date and Name of the Agreement	Party within the Group	Connected Party of the Group	Term	Annual Cap (RMB)
(C) Continuing Connected Transactions (pursuant to Rule 14A.60 of the Listing Rules after completion of acquisitions)				
31 October 2023 Loan Agreements	Jieyang Company, Beijing Company and two of its subsidiaries (as the Lenders)	Five indirect subsidiaries of SPIC (as the Borrowers)	Less than 1 year to three years	792,144,425 <i>(Refers to the total outstanding principal amount of the Loan as at 31 October 2023)</i>
31 October 2023 Bank Services Transactions with ABC Group	The Company and/or member companies of the Group	Members of the ABC Group	31 October 2023 to 31 December 2025	23,650,000,000 Maximum annual balance of loan services (including loans, finance leases, factoring and any other forms of borrowing, and accrued interest) involving the provision of security by the Group
31 October 2023 Bank Services Transactions with ABC Group	The Company and/or member companies of the Group	Members of the ABC Group	31 October 2023 to 31 December 2025	43,870,000,000 The maximum daily balance of deposit services provided to the Group (including accrued interest, settlement and other services fees charged)
In the period from May 2008 to October 2025 Desulfurization, Denitrification and/or Dedusting Concession Contracts	Subsidiaries of SPIC Hydropower (as the Licensees)	Subsidiaries or an associate of SPIC or Pingwei Power (a subsidiary of Huainan Mining, a connected person at subsidiary level of the Company) (as the Licensors)	The concession period ranges from 15 to 20 years or is equal to the useful life of the Licensor's concession project	The desulfurization tariff, denitrification tariff, and combined tariff for desulfurization, denitrification, dedusting, and ultra-low emissions will be adjusted in accordance with government policies from time to time

Nature, Purpose and Description of the Transaction

The Lenders agreed to provide several loans to the Borrowers prior to completion of the acquisitions of the Lenders by the Company with interest rates ranging from 3.00% to 4.90% per annum.

The ABC Group will provide loan services to the Group on a non-exclusive basis.

The interest rate and related fees for loans (including loans, finance leases, factoring and any other forms of borrowing, and accrued interest) granted to the Group by ABC Group that involving the provision of security by the Group will not be higher than the interest rate and related fees (at least two quotes) offered by other major commercial banks to the Group for the same type of borrowing during the same period.

The ABC Group will provide the Group with deposit services on a non-exclusive basis.

The interest rate applicable to the Group for its deposits with ABC Group during the same period will not be lower than (i) the benchmark interest rate specified by the PBOC for the same type of deposits in the PRC, or (ii) the interest rate for the same type of deposits (at least two quotes) offered by other major commercial banks.

Following the expiry of the annual cap for the financial year ended 31 December 2025, the Company has renewed the relevant annual caps for the financial years ending 31 December 2026, 2027 and 2028 with ABC Group on 30 December 2025. Any renewal of Rule 14A.60 category continuing connected transactions will be reclassified into the appropriate categories of transactions as outlined in this table. Please refer to the upper category “(A) Service Agreements” for the renewal of deposit and loan services with ABC Group.

The Licensors grant the Licensees exclusive rights to the concession projects for the entire concession period. This includes, but is not limited to, the Licensees’ obligation to invest in, operate, maintain, and manage the concession projects, which entitle the Licensees to receive revenue from desulfurization, denitrification, and/or dedusting tariffs.

Audit Committee Report

Date and Name of the Agreement	Party within the Group	Connected Party of the Group	Term	Annual Cap (RMB)
1 February 2012 Concession Contract for Reclaimed Water Treatment	Chongqing Yuanda Flue Gas Treatment Concession Co., Ltd. (a subsidiary of SPIC Hydropower, as the Licensee)	Shijiazhuang Liangcun Thermal Power Co., Ltd. (a subsidiary of SPIC, as the Licensor)	30 years	The reclaimed water advanced treatment service fees range from 1.3 to 1.4 per cubic meter, and subject to adjustment based on the operating costs of the Licensee
13 April 2018 Concession Contract for Flue Gas & Desulfurization Environmental System and Integrated Smart Water System	Guizhou Wuchuan Yuanda Environmental Protection Co., Ltd. (a subsidiary of SPIC Hydropower, as the Licensee)	SPIC (Zunyi) Industrial Development Co., Ltd. (a subsidiary of SPIC, as the Licensor)	Same as the useful life of the Licensor's concession project	Service fees = availability service fees + operation service fees
2 June 2023 Annual Framework Purchase Contract for Denitrification Catalysts	SPIC Yuanda Environmental Protection Catalyst Co., Ltd. (a subsidiary of SPIC Hydropower, as the Vendor)	Materials and Equipment Branch of SPIC (a branch of SPIC, as the Purchaser)	From 23 June 2023 to 31 December 2025, or until the date of issuance of the successful bid notice for the next tender for denitrification catalysts	Ranges from 7,800 to 30,850 per cubic meter of denitrification catalysts, subject to adjustment based on price fluctuations of key catalyst raw materials

As SPIC is the ultimate controlling shareholder of the Company and CPI Holding is the holding company of the Company and a wholly-owned subsidiary of SPIC, both SPIC and CPI Holding and their respective subsidiaries and associates are connected persons of the Company within the meaning of the Listing Rules.

In addition, as ABC Financial and Huainan Mining are substantial shareholders of certain subsidiaries of the Company, ABC Financial and its associates (collectively the “**ABC Group**”), as well as Huainan Mining's subsidiaries and associates, such as Pingwei Power, are therefore connected persons at the subsidiary level of the Company as defined in the Listing Rules. Accordingly, all the above transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Nature, Purpose and Description of the Transaction

The Licensors grants the Licensee exclusive rights to the concession project for the entire concession period. This includes, but is not limited to, the Licensee’s obligation to operate, maintain, and manage the reclaimed water advanced treatment plant, which entitles the Licensee to receive revenue from reclaimed water advanced treatment service fees.

The Licensors grants the Licensee exclusive rights to the concession project for the entire concession period. This includes, but is not limited to, the Licensee’s obligation to invest (including financing), design, construct, operate, maintain, and manage the desulfurization environmental system and the integrated smart water system, which entitles the Licensee to receive revenue from service fees.

The Purchaser shall purchase from the Vendor, and the Vendor shall sell to the Purchaser, denitrification catalysts.

Risk Management Committee Report

MEMBERS

Chairman	GUI Xude	Chairman of the Board and executive Director
Members	ZHAO Yonggang	Executive Director and President
	CHEN Pengjun	Non-executive Director (appointed on 16 May 2025)
	LI Fang	Independent non-executive Director
	YAU Ka Chi	Independent non-executive Director
	HUI Hon Chung, Stanley	Independent non-executive Director
Secretary	CHEUNG Siu Lan	Company Secretary

DUTIES AND FUNCTIONS

The Company established the Risk Management Committee on 23 March 2016 with written terms of reference in compliance with the Listing Rules and the CG Code provisions. The primary duties and functions of the Risk Management Committee set out in its terms of reference include, inter alia, the following:

- To review and recommend for the Board's approval the Group's overall risk management strategies and risk appetite/tolerance which shall take into account of the financial, operational, compliance and all the relevant risks faced by the Group and the prevailing and prospective market and economic conditions at least annually.
- To review and recommend for the Board's approval the Group's risk management framework, risk management system and corporate governance framework including their appropriateness, effectiveness and independence of risk management functions at least annually.
- To review reports from the management and to make recommendations to the Board on the Group's risk management policies which govern the identification, assessment, monitoring and reporting of the major risks faced by the Group.
- To oversee the implementation of risk management policies and the compliance with the respective statutory rules and regulations.
- To report any significant risk management issues to the Board and suggest solutions.

ACCOUNTABILITY

The Risk Management Committee is accountable to the Board and reports to the Board regularly on risks identified and make recommendations to mitigate such risks.

TERMS OF REFERENCE

The latest version of the terms of reference of the Risk Management Committee was adopted on 12 April 2023 and has been posted on the websites of the Company and the Hong Kong Stock Exchange.

Risk Management Committee Report

WORK HIGHLIGHTS 2025

The Risk Management Committee held two meetings during 2025 with an attendance rate of 100%. Key work performed by the Risk Management Committee during the year include:

- reviewed and approved the Risk Management Report for the year 2024 and the first half of 2025, and the risk management plan for the year 2025 prepared by the Company's Legal and Risk Management Department relating to the Group's risk management framework, effectiveness of the risk management system, the circumstances of specific risk management, the measures adopted for risk control and risk management policies which govern the identification, assessment, monitoring and reporting of the major risks faced by the Group;
- reviewed and approved the Safety and Environmental Protection Risk Management Report for the year 2024 and the first half of 2025;
- reviewed and approved the adequacy of resources, qualifications and experience of the staff of the Company's risk management and internal control functions; and
- received and endorsed the management's annual confirmation on the effectiveness of the Group's risk management and internal control systems for the year 2024, and was reported to and approved by the Board in March 2025.

As at the date of this annual report, the management's annual confirmation on the effectiveness of the Group's risk management and internal control systems for the year 2025 had provided to and was reviewed and endorsed by the Risk Management Committee and the Audit Committee, respectively, which was reported to and approved by the Board in March 2026.

LOOKING FORWARD TO 2026

Looking forward, the Risk Management Committee, in collaboration with the Audit Committee, will strive to ensure that the Group's risk management and internal control systems remain effective and resilient in achieving its strategic objectives. The Committee will continue its vigilant monitoring of key risks identified through assessments of recent and mid- and long-term internal and external conditions faced by the Group, as well as compliance with the mandatory disclosure requirements under the revised CG Code and related Listing Rules which took effect on 1 July 2025. Details of which are set out in the Risk Management and Internal Control Report in this annual report.

GUI Xude

Chairman, Risk Management Committee

Hong Kong, 20 March 2026

Remuneration and Nomination Committee Report

MEMBERS

Chairman	LI Fang	Independent non-executive Director
Members	HUANG Qinghua	Non-executive Director (appointed on 16 May 2025)
	YAU Ka Chi	Independent non-executive Director
	HUI Hon Chung, Stanley	Independent non-executive Director
Secretary	CHEUNG Siu Lan	Company Secretary

DUTIES AND FUNCTIONS

The Company established the Remuneration and Nomination Committee on 24 August 2004 with written terms of reference, which was updated and approved by the Board on 14 November 2025 in compliance with the latest Listing Rules and provisions of the CG Code. The primary duties and functions of the Remuneration and Nomination Committee set out in its terms of reference include, inter alia, the following:

Remuneration

- To make recommendations to the Board on the remuneration policy and structure for all directors and senior management of the Company, and on the establishment of a formal and transparent procedure for developing remuneration policy.
- To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.
- To make recommendations to the Board on the remuneration packages of individual executive directors and senior management. This should include benefits in kind, pension rights, performance-related bonuses, incentive payments and compensation payments, including any compensation payable for loss or termination of their office or appointment.
- To make recommendations to the Board on the remuneration of non-executive directors.
- To review and/or approve matters relating to share schemes prescribed under the Listing Rules (as amended from time to time).

Nomination

- To review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations to the Board with regards to any needs for changes or enhancements to the Board composition with respect to the perspectives and any further skills required to complement the Company's purpose, values, corporate strategy and desired culture.
- To assist the Board in maintaining a board skills matrix, and to identify any further skills that the Board is looking to acquire or its plan to acquire such further skills that serve to meet business needs of the Company and evolving regulatory requirements.
- To identify individuals suitably qualified to become board members based on a range of diverse perspectives (including but not limited to gender, age, cultural, educational background, ethnicity, professional experience, skills and knowledge), and to select or make recommendations to the Board on the selection of individuals nominated for directorships in accordance with the Company's Nomination Policy.

Remuneration and Nomination Committee Report

- To assess the independence of independent non-executive directors, having regard to the requirements under the Listing Rules (as amended from time to time).
- To make recommendations to the Board on the appointment or re-appointment or re-election of directors and succession planning for directors.
- To review and assess each director's time commitment and contribution to the Board that commensurate with his/her roles and responsibilities, as well as the director's ability to discharge his/her responsibilities effectively on an annual basis.
- To review and monitor the training and continuous professional development of directors, including the number of hours and topics, etc. on an annual basis.
- To support the Company's regular evaluation of the Board's performance.

Nomination Policy

The Nomination Policy was approved by the Board and adopted by the Company with effect from 1 January 2019.

A. Selection Criteria

In evaluating and selecting any candidate for directorship, the following criteria should be considered:

- (a) Character and integrity.
- (b) Qualifications including professional qualifications, skills, knowledge, expertise and experience that are relevant to the Company's business and corporate strategy.
- (c) Good records of accomplishments in present and prior positions.
- (d) Potential contributions the candidate can bring to the Board in terms of diversity in its all aspects under the Company's Board diversity policy.
- (e) Commitment of the candidate to devote sufficient time to effectively carry out his/her duties.
- (f) Potential or actual conflicts of interest that may arise if the candidate is selected.
- (g) Independence of the candidate.

Remuneration and Nomination Committee Report

B. *Nomination Procedures and Process*

1. *Appointment of new Director*

- (a) Upon receipt of the proposal on appointment of new Director, the committee identifies or selects candidates, with or without assistance from external agencies or the Company, and evaluate such candidate based on the criteria as set out in this policy to determine whether such candidate is qualified for directorship.
- (b) The committee may use any process it deems appropriate to evaluate the candidates, which may include personal interviews, background checks, presentations or written submissions by the candidates and third-party references.
- (c) The committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable, and provide to the Board with all the information required including information set out in the Listing Rules in relation to the candidates.
- (d) The Board should deliberate and decide on the appointment based upon the recommendations of the committee.

2. *Re-election of Director*

- (a) The committee should review the overall contribution and service to the Company of the retiring Director and the level of participation and performance on the Board.
- (b) The committee should also review and determine whether the retiring Director continues to meet the criteria as set out in this policy. For the proposed re-appointment of a retiring independent non-executive Director, the committee will consider, among other factors, the independence criteria as set out in the Listing Rules.
- (c) The committee and/or the Board should then make recommendations to shareholders in respect of the proposed re-election of Director at the general meeting.

ACCOUNTABILITY

The Remuneration and Nomination Committee is accountable to the Board. The chairman of the committee reports to the Board regularly or as requested at Board meetings on the Company's matters relating to the remuneration and nomination of the Board members and senior management.

TERMS OF REFERENCE

The latest version of the terms of reference of the Remuneration and Nomination Committee was adopted on 14 November 2025 and have been posted on the websites of the Company and the Hong Kong Stock Exchange.

Remuneration and Nomination Committee Report

WORK HIGHLIGHTS 2025

The Remuneration and Nomination Committee held three meetings during 2025 with an attendance rate of 100%. Key work performed by the Remuneration and Nomination Committee during the year include:

- considered and approved the overall remuneration package of the Directors and senior management of the Company in 2024 with reference to the remuneration system of the parent companies;
- reviewed the implementation of diversity at the Board level and the workforce (including the senior management) for the year 2024;
- reviewed and approved the performance evaluation indicators of the senior management for the year 2025;
- considered the profile of the Directors who would retire from office by rotation and stand for re-election at the annual general meeting in accordance with the Company's articles of association and made recommendations to the Board;
- reviewed, considered and confirmed the appointment of Mr. WANG Zichao and Mr. ZHAO Yonggang as executive Directors of the Company, and made recommendations to the Board;
- recommended to the Board the appointment of Ms. HUANG Qinghua to the Committee to promote gender diversity;
- reviewed, considered and confirmed the changes in senior management during the year 2025 and made recommendations to the Board;
- reviewed and considered the matters related to the Share Incentive Scheme adopted in May 2022;
- reviewed and approved the amended and updated terms of reference of the Remuneration and Nomination Committee;
- reviewed the continuing professional development undertaken by the Directors during the year 2025, ensuring that all Directors received adequate training to effectively discharge their duties (please refer to the section titled "Directors' Continuous Professional Development" in the Corporate Governance Report for further details);
- reviewed the time commitment of the Directors for the year 2025 and was satisfied that all Directors demonstrated their commitment to the Company and contributed effectively to the Board through their active involvement in the Company's affairs and discussions at Board and Board Committees' meetings during the year (please refer to the section titled "Directors' Time Commitment" in the Corporate Governance Report for further details);
- assessed the availability of suitable skills and competencies within the Board through the maintenance of a Board skills matrix and concluded that the current composition, size, skills, knowledge, and experience adequately could enable the Board to fulfill its duties effectively going forward (please refer to the section titled "Board Skills Matrix" in the Corporate Governance Report for further details); and
- supported the Board's evaluation process by offering insights in the formulation of the Board evaluation questionnaire and monitoring its findings, particularly regarding the topics related to the effectiveness of the current Board composition, skills mix, and experience in carrying out their duties in overseeing the Company's operations.

Remuneration and Nomination Committee Report

Emoluments of executive Directors and chief executive

The emoluments of the executive Directors and the chief executive (President of the Company) are divided into fixed and variable portions. The fixed pay comprises the basic salary and other allowances, the variable pay comprises the discretionary bonus and share incentives which are linked to the individual as well as the Company's performance. The performance appraisal targets have been incorporated with the sustainability performance, e.g. the increased ratio of clean energy installed capacity to total installed capacity at the Company's level, and the contribution to any environmental, social and governance improvements that have been recognized or awarded by the local or central governments or professional institutions at the individual's level, during each appraisal year.

The Share Incentive Scheme was approved and adopted by shareholders on 15 June 2022, options under this scheme was granted to executive Directors and selected employees of the Company. Details of this scheme are set out in section headed "Share Incentive Scheme" in the Report of the Board of Directors in this annual report. Details of the emoluments for all the Directors and the senior management are set out in Note 14 to the Consolidated Financial Statements.

Remuneration of Senior Management

The remuneration of the members of the senior management by remuneration band for the year ended 31 December 2025 (which was reviewed, considered and confirmed by the Remuneration and Nomination Committee in early 2026) is set out below:

Remuneration band (HK\$)	Number of individuals	
	2025	2024
0 to 1,000,000	13	11
1,000,001 to 1,500,000	3	3
1,500,001 to 2,000,000	—	2

LOOKING FORWARD TO 2026

The rapidly evolving landscape of the power industry presents complex challenges to the Group, and the latest regulatory requirements also demand greater role and responsibilities for nomination committee of listed issuers. The Remuneration and Nomination Committee will ensure that the Board and the Board Committees are equipped with the right mix of skills, gender diversity, experience, and independence for driving the Company's long-term success.

With respect to the Board diversity and independence under the revised CG Code and related Listing Rules, which took effect on 1 July 2025, the Committee is prioritizing the development of a comprehensive succession plan to be adopted in phases in the coming years.

LI Fang

Chairman, Remuneration and Nomination Committee

Hong Kong, 17 March 2026

Strategic and Sustainable Development Committee Report

MEMBERS

Chairman	GUI Xude	Chairman of the Board and executive Director
Members	ZHAO Yonggang	Executive Director and President
	HU Jiandong	Non-executive Director (appointed on 16 May 2025)
	ZHOU Jie	Non-executive Director
	LI Fang	Independent non-executive Director
	YAU Ka Chi	Independent non-executive Director
Secretary	CHEUNG Siu Lan	Company Secretary

DUTIES AND FUNCTIONS

The Company established the Strategic and Sustainable Development Committee on 12 April 2023 with written terms of reference in compliance with the Listing Rules and provisions of the CG Code. The primary duties and functions of the Strategic and Sustainable Development Committee set out in its terms of reference include, inter alia, the following:

- To consider and formulate the medium and long-term plans and goals in relation to the strategic development of the Company for the Board's approval, and to review and supervise the implementation of the Company's strategic plans from time to time.
- To consider, review and make recommendations to the Board on the ESG objectives, strategies, targets and management policies for the sustainable development of the Group.
- To review and assess the adequacy and effectiveness of the management framework for ESG-related matters.
- To identify, determine, prioritize and assess ESG-related risks and opportunities, and advise on issues that will significantly affect the operations of the Group.
- To review and monitor the Group's ESG-related work and assess the Group's ESG performance against performance targets.
- To supervise the Sustainability Working Committee and monitor its works.
- To review the annual sustainability report of the Company and make recommendations to the Board for approval.

ACCOUNTABILITY

The Strategic and Sustainable Development Committee is accountable to the Board and shall assist the Board on formulating plans, policies and practices, and reviewing and assessing opportunities and risks related to the strategic and sustainable development of the Group. It will also advise the Board regarding the adequacy and effectiveness of the actions taken by the Group, based on its corporate sustainability plans, targets, strategies, priorities, policies and frameworks, and recommends improvements (if any).

TERMS OF REFERENCE

The latest version of the terms of reference of the Strategic and Sustainable Development Committee was adopted on 12 April 2023 and has been posted on the websites of the Company and the Hong Kong Stock Exchange.

Strategic and Sustainable Development Committee Report

WORK HIGHLIGHTS 2025

The Strategic and Sustainable Development Committee held two meetings during 2025 with attendance rate of 100%. Key work performed by the Strategic and Sustainable Development Committee during the year include:

- reviewed the Sustainability Report for the year ended 31 December 2024;
- reviewed four ESG Policies and recommended their approval to the Board, including the Employee Rights Protection Commitment, Supplier Code of Conduct, Occupational Health and Safety Management Policy, and Business Ethics Management Policy, all of which are accessible on the Company's website;
- reviewed the Climate Risk Stress Assessment Report, which highlighted the financial impacts on the Group in various scenarios regarding transitional and physical risks prepared by the Sustainability Working Committee, and their suggested actions to address these risks; and
- reviewed and was satisfied with the adequacy of the Group's resources and budget allocated for achieving ESG-related targets and for ESG reporting.

SUSTAINABILITY WORKING COMMITTEE

Members

As of the date of this report, the supervisor of the Sustainability Working Committee is Mr. GUI Xude, the executive Director and Chairman of the Board.

The members of the Sustainability Working Committee shall be appointed by the supervisor and the members shall include, but not limited to, the general managers or the heads of all the business and functional departments of the Company.

Duties and Functions

The Company established the Sustainability Working Committee on 27 August 2020. The Sustainability Working Committee now reports directly to the Strategic and Sustainable Development Committee and assists in providing leadership, direction and oversight with regard to policies formulation and practices implementation of sustainability-related matters of the Group. The primary duties and functions of the Sustainability Working Committee, as set out in its terms of reference, include, but are not limited to, the following:

- To lead and maintain sustainable growth and manage the sustainability risks and opportunities of the Group. To review and identify sustainability elements affecting or relevant to the Group's businesses or operations and make recommendations to the Board through the Strategic and Sustainable Development Committee for approval.
- To assist formulating the Group's sustainable development strategies, objectives and standards and provide them to the Board through the Strategic and Sustainable Development Committee for approval.
- To oversee the Group's implementation of policies, measures, duties and activities on sustainability matters to attain those goals and standards and to review and evaluate their effectiveness and provide to the Board through the Strategic and Sustainable Development Committee with confirmations and recommendations for improvement.
- To ensure the adequacy of resources, staff qualifications and experience, training programs and budget for implementation of sustainable development function.

Strategic and Sustainable Development Committee Report

Terms of References

The latest version of the terms of reference of the Sustainability Working Committee was adopted on 12 April 2023 and has been posted on the websites of the Company and the Hong Kong Stock Exchange.

FORWARD TO 2026

To address the major changes to the mandatory climate-related disclosure requirements set forth by the enhanced Environmental, Social, and Governance reporting code under Appendix C2 (Part D) of the Listing Rules (“**ESG Code**”) for the financial year starting 1 January 2026, the Committee will continue to ensure that the Group has the required internal and external resources for full compliance with the ESG Code on climate governance, strategy, risk management, and greenhouse gas emissions. The Committee will also oversee the Group’s progress in achieving our ESG targets and collaborate with the Risk Management Committee to ensure that our ESG risks are appropriately incorporated into our risk management frameworks.

GUI Xude

Chairman, Strategic and Sustainable Development Committee

Hong Kong, 20 March 2026

Report of the Board of Directors

The Board hereby presents to the shareholders its report together with the audited consolidated financial statements of the Group for the year ended 31 December 2025 (the “**Consolidated Financial Statements**”).

PRINCIPAL ACTIVITIES

The Group is principally engaged in generation and sales of electricity in Mainland China, including investment, development, operation and management of hydropower, wind power, photovoltaic power and thermal power plants, and provision of energy storage, green power transportation, integrated intelligent energy solution services and pollution control business. Its businesses are located in various major grid regions of China. Particulars of the Company’s principal subsidiaries are set out in Note 49 to the Consolidated Financial Statements.

RESULTS AND DISTRIBUTION

The results of the Group for the year ended 31 December 2025 are set out in the Consolidated Statement of Profit or Loss on page 156. The Board has recommended the payment of a final dividend of RMB0.168 (equivalent to HK\$0.1911) per ordinary share for the year ended 31 December 2025, with a total amount of RMB2,078,185,000 (equivalent to HK\$2,363,936,000).

BUSINESS REVIEW AND PERFORMANCE

Review of the Group’s business and performance for the year ended 31 December 2025 are set out in this annual report as follows:

Aspects	In the section headed	Page
A fair review of the Group’s business and analysis of financial position	- Letter to Shareholders - Management’s Discussion and Analysis	18–20 32–51
A description of the principal risks and uncertainties facing the Group*	- Management’s Discussion and Analysis - Risk Management and Internal Control Report - Note 45 to the Consolidated Financial Statements	51–53 94–106 239–248
The outlook of the Group’s business	- Letter to Shareholders - Management’s Discussion and Analysis	20–21 58–59
The Group’s environmental policies and performance and compliance with the relevant laws and regulations that have a significant impact on the Group*	Management’s Discussion and Analysis	54–57
An account of the Group’s key relationships with its stakeholders that have a significant impact on the Group*	- Management’s Discussion and Analysis - Investor Relations and Shareholders Interaction Report	57–58 60–62

* Details of these aspects were also included in the Company’s **Sustainability Report 2025**, which has been published on the websites of the Company and the Hong Kong Stock Exchange.

CORPORATE GOVERNANCE

The principles and practices of the Group's corporate governance are set out in the section headed "Corporate Governance Report" in this annual report.

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results, assets and liabilities of the Group for the last five financial years is set out in the section headed "Five-Year Financial and Operations Summary" in this annual report.

PROPERTY, PLANT AND EQUIPMENT

During the year, the additions and transfer from prepayment for property, plant and equipment of the Group amounted to RMB18,550,470,000, mainly representing general power assets. Details of the movements in property, plant and equipment of the Group and the Company during the year are set out in Note 15 to the Consolidated Financial Statements.

SHARE CAPITAL

As at 31 December 2025, the total number of ordinary shares of the Company amounted to 12,370,150,983. There was no movement in the number of ordinary shares of the Company during the year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 December 2025.

BANK LOANS, OTHER BORROWINGS AND EQUITY FINANCING INSTRUMENTS

Details of the bank loans, other borrowings and equity financing instruments of the Group during the year are set out in Notes 36, 38 and 34 to the Consolidated Financial Statements.

EQUITY-LINKED AGREEMENT

For the year ended 31 December 2025, the Company did not enter into any equity-linked agreement.

DISTRIBUTABLE RESERVES

As calculated in accordance with Sections 297 and 298 of the Hong Kong Companies Ordinance, as at 31 December 2025, the distributable reserve of the Company amounted to RMB14,661,332,000 (2024: RMB4,116,147,000).

Details of movements in the reserves of the Group and the Company during the year are set out in Notes 35 and 52 to the Consolidated Financial Statements respectively.

Report of the Board of Directors

DIRECTORS

(A) Directors of the Company

The Directors during the year 2025 and up to the date of this annual report is set out below:

Executive Directors

GUI Xude ^(Note)	(Appointed on 6 January 2026)
ZHAO Yonggang ^(Note)	(Appointed on 30 October 2025)
WANG Zichao ^(Note)	(Appointed on 17 October 2025 and resigned on 6 January 2026)
HE Xi	(Resigned on 17 October 2025)
GAO Ping	(Resigned on 30 October 2025)

Non-executive Directors

HU Jiandong ^(Note)
ZHOU Jie
HUANG Qinghua
CHEN Pengjun ^(Note)

Independent Non-executive Directors

LI Fang
YAU Ka Chi
HUI Hon Chung, Stanley

Note:

Pursuant to Rule 3.09D of the Listing Rules, the dates on which the directors obtained their legal advice from a firm of solicitors qualified to advise on Hong Kong law regarding the requirements under the Listing Rules applicable to them as directors of a listed issuer are as follows: Mr. GUI Xude on 27 December 2025; Mr. ZHAO Yonggang on 23 October 2025; Mr. WANG Zichao on 14 October 2025; Mr. HU Jiandong on 17 August 2024 and Mr. CHEN Pengjun on 20 June 2024. Each of them has confirmed their understanding of the obligations as directors of a listed issuer.

The change of composition of the Board and the Board Committees during the year and up to the date of this report are as follow:

Mr. HE Xi retired from his roles as executive Director, Chairman of the Board, RMC, SSDC, and Authorized Representative of the Company on 17 October 2025. Mr. WANG Zichao was then appointed to succeed him and fill the above vacancies.

Mr. WANG Zichao subsequently resigned from his positions as executive Director, Chairman of the Board, RMC, SSDC, and Authorized Representative of the Company on 6 January 2026 due to a job transfer arrangement. Following his departure, Mr. GUI Xude was appointed to fill the above vacancies after Mr. WANG Zichao's resignation.

Mr. GAO Ping resigned from his positions as executive Director and President of the Company on 30 October 2025. Mr. ZHAO Yonggang was then appointed to succeed the role and responsibilities of Mr. GAO Ping after his resignation.

On 16 May 2025, the Company made several appointments to enhance the Board Committees structure. Ms. HUANG Qinghua was appointed to the RNC, Mr. HU Jiandong joined the SSDC, and Mr. CHEN Pengjun was appointed as a member of the RMC.

Report of the Board of Directors

Under the Company's articles of association (the “**Articles**”) and the Listing Rules, Directors are subject to retirement by rotation and re-election at the annual general meeting.

In accordance with Article 81, Mr. GUI Xude and Mr. ZHAO Yonggang, who were appointed to fill casual vacancies on the Board, will retire and, being eligible, offer themselves for re-election at the annual general meeting to be held on 8 June 2026 (“**2026 AGM**”), being the first AGM following their appointments.

In accordance with Article 82 of the Articles, Mr. ZHOU Jie and Ms. HUANG Qinghua will retire by rotation and, being eligible, offer themselves for re-election at the 2026 AGM.

If the above Directors are re-elected, they will not enter into service contracts with the Company or any of its subsidiaries which are not determinable by the employing company within one year without payment of compensation other than statutory compensation.

As at 31 December 2025, none of the Directors had a service contract with the Company or any of its subsidiaries which was not determinable by the employing company within one year without payment of compensation other than statutory compensation.

The Company has confirmed with each of the independent non-executive Director that there is no change of circumstances which may affect their independence as regards each of the factors referred to in Rule 3.13 of the Listing Rules during the year. The Company considers all of its independent non-executive Directors are independent.

Biographical details of each of the present Directors are set out in the section headed “Directors and Senior Management Profiles” in this annual report, and details of Directors’ emoluments for the financial year ended 31 December 2025 are set out in Note 14 to the Consolidated Financial Statements.

(B) Directors of subsidiaries

The names of all directors who have served on the boards of the subsidiaries of the Company during the year ended 31 December 2025 or during the period from 1 January 2026 to the date of this annual report are available on the Company’s website at www.chinapower.hk.

PERMITTED INDEMNITY

Pursuant to the Articles, subject to the Hong Kong Companies Ordinance, every Director of the Company shall be indemnified against any liability incurred by him/her in the execution and discharge of his/her duties or in relation thereto. The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against directors of the Group.

Report of the Board of Directors

SHARE INCENTIVE SCHEME

The Share Incentive Scheme was approved and adopted by the shareholders of the Company at the extraordinary general meeting held on 15 June 2022.

The Company has used the Black-Scholes Option Pricing Model (the “**Model**”) to assess the value of the share option as at the dates of grant. The Model is one of the commonly used models to estimate the fair value of a share option. The value of a share option varies with different variables of certain subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of a share option. As such, the fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitations of the valuation model used.

Pursuant to the Share Incentive Scheme, the share options were granted on 5 July 2022 and 20 July 2022, respectively. The fair value of these share options determined at the date of grant using the Model were HK\$1.61 and HK\$1.56 per share option, respectively.

During the year ended 31 December 2025, no share option was granted. The number of share options available for grant under the Share Incentive Scheme as at 1 January 2025 and 31 December 2025 was 8,531,100 (being the scheme mandate limit of 111,711,100 shares less the accumulated total number of 103,180,000 share options that were granted), respectively.

During the year ended 31 December 2025, 11,865,700 share options were lapsed pursuant to the terms of the Share Incentive Scheme. Of which, 1,474,000 share options were lapsed following the resignations of Mr. HE Xi and Mr. GAO Ping from their roles as executive Directors and 10,391,700 share options of the other employees were lapsed during the year. For more details, please refer to the “Movement in Share Options” set out on next page.

As at 31 December 2025, the number of shares of the Company that may be issued in respect of share options granted under the Share Incentive Scheme was 46,799,500 (being the total number of 58,665,200 granted share options and available for issue as at 1 January 2025 less the total number of 11,865,700 share options that lapsed and were deemed to have utilized the scheme mandate limit during the year).

As at 31 December 2025, the total number of shares available for issue under the Share Incentive Scheme was 55,330,600 shares (being the number of share options of 8,531,100 available for grant plus the number share options of 46,799,500 that were granted but not yet been utilized under the Share Incentive Scheme, excluding treasury shares if any), representing approximately 0.45% of 12,370,150,983 issued shares of the Company.

As at 31 December 2025, the total grant date fair value of unexercised unvested share options amounted to approximately HK\$74,857,090. Assuming that all share options outstanding as at 31 December 2025 were exercised, the Company would receive proceeds of approximately HK\$226,357,758. For further information on the fair value of these share options, please refer to Note 33 to the Consolidated Financial Statements.

Report of the Board of Directors

Movement in Share Options

Movements of the share options granted under the Share Incentive Scheme for the year ended 31 December 2025 are as follows:

Name or Category of Grantees	Date of Grant	Exercise Price (HK\$)	Closing Price on the date of grant (HK\$)	Waiting Period	Exercise Period	As at 1 January 2025	Exercised during the year	Cancelled during the year	Lapsed during the year	As at 31 December 2025
Directors										
HE Xi	5 July 2022	4.82	4.69	5 July 2022 – 4 July 2025	5 July 2025 – 4 July 2026	363,000	–	–	(363,000)	–
		4.82	4.69	5 July 2022 – 4 July 2026	5 July 2026 – 4 July 2027	374,000	–	–	(374,000)	–
						737,000	–	–	(737,000)	–
GAO Ping	5 July 2022	4.82	4.69	5 July 2022 – 4 July 2025	5 July 2025 – 4 July 2026	363,000	–	–	(363,000)	–
		4.82	4.69	5 July 2022 – 4 July 2026	5 July 2026 – 4 July 2027	374,000	–	–	(374,000)	–
						737,000	–	–	(737,000)	–
Subtotal for Directors						1,474,000	–	–	(1,474,000)	–
Other Employees										
	5 July 2022	4.82	4.69	5 July 2022 – 4 July 2025	5 July 2025 – 4 July 2026	22,179,300	–	–	(3,956,700)	18,222,600
		4.82	4.69	5 July 2022 – 4 July 2026	5 July 2026 – 4 July 2027	22,851,400	–	–	(4,076,600)	18,774,800
						45,030,700	–	–	(8,033,300)	36,997,400
	20 July 2022	4.90	4.65	20 July 2022 – 19 July 2025	20 July 2025 – 19 July 2026	5,989,500	–	–	(1,161,600)	4,827,900
		4.90	4.65	20 July 2022 – 19 July 2026	20 July 2026 – 19 July 2027	6,171,000	–	–	(1,196,800)	4,974,200
						12,160,500	–	–	(2,358,400)	9,802,100
Subtotal for other Employees						57,191,200	–	–	(10,391,700)	46,799,500
Total						58,665,200	–	–	(11,865,700)	46,799,500

Report of the Board of Directors

Details of the movement in share options of the Company during the year ended 31 December 2025 are also set out in Note 33 to the Consolidated Financial Statements.

A summary of the Share Incentive Scheme is as follows:

Purposes of the Share Incentive Scheme	The Share Incentive Scheme aims at: (i) further improving the incentive mechanism of the Company in support of the transformation and development of the Company; (ii) fully motivating the Company's senior management, middle management and core business backbone personnel; and (iii) aligning the interest of the shareholders of the Company, the Company and the individual interest of the core backbone employees effectively, so that all parties will share a common concern for the long-term development of the Company.
Participants of the Share Incentive Scheme	The participants of the Share Incentive Scheme are: (i) Directors; (ii) senior management; and (iii) backbone management, technical and business personnel who has a direct impact on the Company's operating performance and sustainable development of the Company and its controlled subsidiaries.
Total number of shares available for issue under the Share Incentive Scheme and the percentage of the issued shares that it represents as at the date of this annual report	The total number of shares to be issued pursuant to the exercise of the share options granted under the Share Incentive Scheme shall not exceed 111,711,100 shares, representing 0.9% of the total issued share capital of the Company as at the date of this annual report.
Maximum entitlement of each participant	Unless approved by a resolution at a general meeting, the number of underlying shares in respect of the share options granted to a participant of the Share Incentive Scheme (including exercised and outstanding share options) during the effective period of the Share Incentive Scheme shall not in aggregate exceed 1% of the total issued share capital of the Company.
The basis of determining the exercise price of the share options granted under the Share Incentive Scheme	The exercise price of the share options granted under the Share Incentive Scheme shall be determined in accordance with the fair market price principle, with the grant date as the base day for pricing. The fair market price principle shall not be lower than the higher of the following prices: (i) the closing price of the shares on the grant date; and (ii) the average closing price of the shares on the 5 trading days prior to the grant date.
The waiting period of share options granted under the Share Incentive Scheme	Depending on the specific share option tranches, no share options granted under the Share Incentive Scheme shall be exercised until a minimum of 24, 36 or 48 months has lapsed from the grant date of the relevant share option (the "Waiting Period").

Report of the Board of Directors

The period within which the share options must be exercised	A participant of the Share Incentive Scheme may exercise their share options in tranches during the exercise period after expiration of the Waiting Period, subject to the achievement of specific performance appraisal targets for the year, as follows:	
	Exercise Period	Percentage of share options exercisable
	First Exercise Period	From the first trading day after 24 months from the grant date to the last trading day within 36 months from the grant date
	Second Exercise Period	From the first trading day after 36 months from the grant date to the last trading day within 48 months from the grant date
The amount payable on application or acceptance of the share options, and the period within which payments or calls must or may be made, or loans for such purposes must be repaid	Third Exercise Period	From the first trading day after 48 months from the grant date to the last trading day within 60 months from the grant date
	No payments are required from a participant of the Share Incentive Scheme on application or acceptance of the share options.	
Effective period of the Share Incentive Scheme	The Share Incentive Scheme shall be valid from the grant date until the date when all share options have been exercised, cancelled or lapsed and the maximum effective period of the Share Incentive Scheme shall not exceed 72 months.	
Performance targets	The Board may at its discretion to specify any conditions, including performance targets which must be satisfied before the share options are vested. Such performance targets may include financial targets or management targets which may include, among others, the following key performance indicators: (i) The level of return on equity and the ranking compared with the industry average or benchmark companies; (ii) The level of compound growth rate of net profit and the ranking compared with the industry average or benchmark companies; (iii) The level of economic value added (EVA) rate; and (iv) The ratio of clean energy installed capacity to total installed capacity (sustainability performance).	

DIRECTORS' INTEREST IN CONTRACTS

During the year ended 31 December 2025, there was no transaction, arrangement or contract of significance in which the Company, its subsidiaries, its holding companies, fellow subsidiaries, associates and joint ventures was a party, and in which the Director had any material interest.

Report of the Board of Directors

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year and up to the date of this report, save as disclosed below (excluding those already retired and resigned Directors), none of the Directors and their associates had any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group:

Name of the Director	Position(s) within Company	Other Interests
GUI Xude (Appointed on 6 January 2026)	Chairman of the Board and Executive Director	Chairman of CPI Holding
ZHAO Yonggang (Appointed on 30 October 2025)	Executive Director and President	Director and the general manager of CPI Holding, and the chairman of National Bio Energy Group Co, Ltd. and SPIC Biomass Energy Co., Ltd.
HU Jiandong	Non-executive Director	Special duty director of SPIC, director of CPI Holding, SPIC Green Energy, Qinghai Yellow River Upstream Hydropower Development Co. Ltd., SPIC Yellow River Upstream Hydropower Development Co., Ltd. and State Grid Jilin Energy Investment Co., Ltd.
ZHOU Jie	Non-executive Director	Special duty director of SPIC, director of CPI Holding, SPIC Yellow River Upstream Hydropower Development Co., Ltd., Qinghai Yellow River Upstream Hydropower Development Co., Ltd. and SPIC Aluminum & Power Investment Co., Ltd., and a non-independent director of SPIC Hydropower
HUANG Qinghua	Non-executive Director	Special duty director of SPIC, director of CPI Holding, SPIC Chongqing Electric Power Co., Ltd. and SPIC Guizhou Jinyuan Co., Ltd., and a non-independent director of SPIC Hydropower

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES OR DEBENTURES

As at 31 December 2025, none of the Directors or the chief executive of the Company had any interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong (the “SFO”) which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which would be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2025, save as disclosed below, no person, not being a Director nor chief executive of the Company, had an interest or short position in the shares or underlying shares of the Company which should be recorded in the register kept under Section 336 of the SFO.

Name	Capacity	Number of shares in which interested other than under equity derivatives ⁽⁴⁾	Percentage of issued share capital of the Company (%)	Long/Short position
CPDL	Beneficial owner	2,662,000,000	21.52	Long
CPNE	Beneficial owner	1,854,648,662	14.99	Long
CPI Holding ⁽¹⁾	Interest of controlled corporations	4,516,648,662	36.51	Long
	Beneficial owner	2,833,518,060	22.91	Long
SPIC Finance HK	Beneficial owner	446,275,453	3.61	Long
SPIC Innovation Investment Co. Ltd. ("SPIC Fund")	Beneficial owner	294,573,000	2.38	Long
SPIC ⁽²⁾	Interest of controlled corporations	8,091,015,175	65.41	Long
China CITIC Financial AMC International Holdings Limited ("CITIC International")	Beneficial owner	618,508,000	5.00	Long
China CITIC Financial Asset Management Co., Ltd ("CITIC Financial AMC") ⁽³⁾	Interest of controlled corporation	618,508,000	5.00	Long
	Beneficial owner	12,650,000	0.10	Long

Notes:

- (1) CPI Holding is the beneficial owner of CPDL and CPNE and therefore CPI Holding is deemed to be interested in the shares of the Company owned by CPDL and CPNE for the purposes of the SFO.
- (2) SPIC is the beneficial owner of CPI Holding, SPIC Finance HK and SPIC Fund and therefore SPIC is deemed to be interested in the shares of the Company owned by CPI Holding, SPIC Finance HK and SPIC Fund for the purposes of the SFO.
- (3) According to the latest Corporate Substantial Shareholder Notice filed by CITIC Financial AMC with the Hong Kong Stock Exchange pursuant to Part XV of the SFO — Disclosure of Interests, on 6 August 2024, CITIC Financial AMC directly holds 12,650,000 shares of the Company and indirectly holds 618,508,000 shares of the Company through its wholly-owned subsidiary, CITIC International. CITIC Financial AMC is the beneficial owner of CITIC International and therefore CITIC Financial AMC is deemed to be interested in the shares of the Company owned by CITIC International for the purpose of the SFO.
- (4) Save as disclosed above and to the best of the Company's knowledge, information and belief, SPIC, CPI Holding, CPDL, CPNE, SPIC Finance HK and SPIC Fund do not have any other interests in the equity derivatives of the Company.

Report of the Board of Directors

CONNECTED TRANSACTIONS

The connected transactions and continuing connected transactions entered by the Group during the year 2025 are set out in the schedule annexed to the Audit Committee Report in this annual report.

The Company confirmed that all the continuing connected transactions have been conducted in accordance with the specific pricing policies and guidelines of the aforesaid agreements as disclosed during the year under review. The continuing connected transactions (including the related parties transactions) during the year have been reviewed by the Audit Committee and the Company's external auditor (Ernst & Young).

In the opinion of the Directors and as confirmed by the Audit Committee and the Company's external auditor (Ernst & Young), the Company has complied with the disclosure requirements in accordance with the relevant Listing Rules.

GUARANTEED PROFITS AND ASSETS

Profit Undertaking in relation to Asset Restructuring

Pursuant to Equity Transfer Agreement I dated 16 April 2025, the Company and Xiangtou International agreed to transfer their respective 63% and 37% equity interests in Wu Ling Power to Yuanda Environmental (now known as SPIC Hydropower, a company listed on the SSE); and the parties entered into Wu Ling Power Compensation Agreement on the even date.

Pursuant to Equity Transfer Agreement II dated 16 April 2025, Guangxi Company agreed to transfer its 64.93% equity interest in Changzhou Hydropower to SPIC Hydropower; and the parties entered into Changzhou Hydropower Compensation Agreement on the even date.

Pursuant to Wu Ling Power Compensation Agreement and Changzhou Hydropower Compensation Agreement, if the cumulated actual net profits (after deducting extraordinary gains and losses) of the Profit Undertaking Assets are lower than the respective cumulated Committed Net Profits in any Applicable Period during the Compensation Period (FY2025, FY2026 and FY2027), the Compensation Obligors shall compensate SPIC Hydropower first by way of Compensation Shares and, to the extent that such Compensation Shares are insufficient, by cash.

According to the specific audit report issued by an external independent accounting firm, the cumulated actual net profits exceeded the corresponding cumulated Committed Net Profits of the respective Profit Undertaking Assets for FY2025. The profit undertaking in relation to the Asset Restructuring for FY2025 has been fulfilled, and therefore no compensation is required from the Company, Xiangtou International or Guangxi Company for FY2025.

For details of the above and definitions of the capitalized terms used, please refer to the Company's announcement dated 16 April 2025, the circular dated 20 May 2025 and the announcement dated 16 April 2026.

Impairment Compensation Arrangement for Market Approach Assets in relation to Asset Restructuring

Pursuant to Wu Ling Power Supplemental Compensation Agreement dated 29 August 2025 entered into between the Company, Xiangtou International and Yuanda Environmental (now known as SPIC Hydropower), certain assets of Wu Ling Power that were appraised using the market approach (the "**Market Approach Assets**"), the Company and Xiangtou International are required to fulfil the impairment compensation obligations in respect of such assets.

If there is impairment in respect of any category group of Market Approach Assets in any Applicable Period during the Compensation Period (FY2025, FY2026 and FY2027), the Company and Xiangtou International shall compensate SPIC Hydropower in proportion to their respective shareholding in Wu Ling Power as at the date of Equity Transfer Agreement I.

Report of the Board of Directors

The total impairment amount of the Market Approach Assets is the aggregate of (a) the difference between the valuation of each category group of Market Approach Assets as at the Appraisal Benchmark Date (31 October 2024) and the valuation of such category group of Market Approach Assets as at the end of each Applicable Period adjusted by the impact of capital increase, capital reduction, acceptance of grant and profit distribution during the Compensation Period, multiplied by (b) the percentage of equity interest held by Wu Ling Power in the relevant group.

According to the specific audit report issued by an external independent accounting firm, the adjusted valuations of each category group of Market Approach Assets as at 31 December 2025 exceeded their respective valuations as at the Appraisal Benchmark Date. The impairment compensation obligations for the Market Approach Assets in relation to the Asset Restructuring for FY2025 has been fulfilled, and therefore no impairment compensation is required from the Company or Xiangtou International for FY2025.

For details of the above and definitions of the capitalized terms used, please refer to the Company's announcements dated 1 September 2025 and 16 April 2026.

Profit Undertaking in relation to Asset Pre-Restructuring

Prior to implementing the Asset Restructuring, Wu Ling Power first underwent the Asset Pre-Restructuring through a series of transactions. Pursuant to Wu Ling External Acquisitions Agreements dated 17 January 2025 entered into between Wu Ling Power (as the buyer) and SPIC Associates and Beijing Xinying (as the sellers), the Compensation Obligors have undertaken that the cumulated actual net profits (being the net profit attributable to the shareholders of the parent after deducting extraordinary gains and losses) of the Profit Undertaking Assets shall not be less than the respective cumulated committed net profits in any Applicable Period during the Compensation Period (FY2025, FY2026 and FY2027). The relevant Compensation Obligors shall pay the respective shortfall amounts (if any) as compensation to Wu Ling Power in cash.

The shortfall amount is calculated in accordance with the compensation formula pursuant to Wu Ling External Acquisitions Agreements, being the difference between the cumulated committed net profits and the cumulated actual net profits, multiplied by the percentage of equity interest in the Profit Undertaking Asset transferred by the relevant Compensation Obligor.

According to the specific audit report issued by an external independent accounting firm, the cumulated actual net profits of the Profit Undertaking Assets (other than those held by Hunan Nuclear Power, Beijing Zhonghe Zero Carbon and SPIC Hunan Energy Development (the "Excluded Entities")) fell short of their respective cumulated committed net profits for FY2025. Accordingly, the relevant Compensation Obligors (other than the Excluded Entities) shall compensate Wu Ling Power in cash for the respective shortfalls, in aggregate of approximately RMB26.2 million. As at the date of this annual report, the Company is in the process of taking necessary actions to formalize the profit compensation arrangement with the Compensation Obligors to ensure the fulfillment of their obligations under Wu Ling External Acquisitions Agreements. The Board will continue to monitor the performance of the Profit Undertaking Assets and make further announcement as and when necessary.

For details of the above and definitions of the capitalized terms used, please refer to the Company's announcements dated 17 January 2025 and 16 April 2026.

Report of the Board of Directors

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, the aggregate amount of purchases attributable to the Group's five largest suppliers accounted for approximately 38.84% of the Group's total purchases and purchases attributable to the Group's largest supplier accounted for approximately 21.18% of the Group's total purchases.

For the year ended 31 December 2025, the aggregate amount of turnover attributable to the Group's five largest customers accounted for approximately 50.83% of the Group's total turnover and turnover attributable to the Group's largest customer accounted for approximately 13.07% of the Group's total turnover.

At no time during the year 2025 did a Director, an associate of a Director and a shareholder of the Company (which to the knowledge of the Directors owned more than 5% of the Company's share capital) have an interest in any of the Group's five largest suppliers or customers.

DONATIONS

Donations by the Group for charitable purposes amounted to RMB5,868,800 (2024: RMB4,356,400).

SUFFICIENCY OF PUBLIC FLOAT

As of 31 December 2025, excluding the interests of shareholders who are not members of the public, the Company maintained a public float of 34.59% of the total number of issued shares listed on the Hong Kong Stock Exchange (excluding treasury shares).

The Company confirmed its compliance of maintaining a sufficient public float as required under the Listing Rules, being no less than 25% of the issued share capital of the Company throughout the year and up to the date of this report.

AUDITOR

The Consolidated Financial Statements have been audited by Ernst & Young who will retire and, being eligible, offered themselves for re-appointment.

On behalf of the Board

China Power International Development Limited

GUI Xude

Chairman

Hong Kong, 20 March 2026

Independent Auditor's Report



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To the members of China Power International Development Limited

(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of China Power International Development Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 156 to 273 which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the “Code”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditor's Report

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Impairment considerations of property, plant and equipment and goodwill	
As at 31 December 2025, the Group's property, plant and equipment ("PPE") and goodwill amounted to RMB239,792 million and RMB1,256 million, respectively. As disclosed in Notes 2.10, 3(i), 15 and 18 to the consolidated financial statements, the Group reviews PPE for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, while impairment assessments on goodwill are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. As a result of the impairment testing of the current year, impairment losses of RMB47 million were recognized in respect of PPE. Management performed the impairment testing by comparing the recoverable amounts of the cash-generating units ("CGUs") or groups of CGUs that the PPE and goodwill were allocated to the carrying amounts of the CGUs or groups of CGUs. Estimation of the recoverable amounts of the CGUs involved estimation of the future cash flows which required significant management judgement and estimates. Auditing management's impairment assessment was complex due to the significant estimates and judgements involved in the projection of future cash flows, including the future sales volumes, expected tariff rates, fuel costs (if applicable), staff costs, growth rates and discount rates applied to these forecasted future cash flows. These estimates and judgements might be affected by unexpected changes in the future market or economic conditions.	Among other audit procedures performed, we evaluated the methodology used by the Group, that was the recoverable amount calculation based on future discounted cash flows and tested the underlying data used in the projections. We evaluated the appropriateness of the classification of CGUs or groups of CGUs. We also assessed the significant assumptions used in the calculations, which included, among others, the future sales volumes, expected price, fuel costs (if applicable), staff costs and discount rates applied to these forecasted future cash flows, by analysing the historical accuracy of management's estimates. We also assessed the competence and objectivity of external value appraisers and management's experts. In addition, we involved our valuation specialists to assist us in the assessment of the valuation methodologies and the discount rates adopted. We evaluated the sensitivity of the significant assumptions mentioned above by assessing the changes to the recoverable amounts of the CGUs resulting from changes in these assumptions. In addition, we also assessed the adequacy of the Group's relevant disclosures included in the consolidated financial statements regarding the impairment.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Allocation of purchase price of newly acquired subsidiaries As disclosed in Note 47 to the consolidated financial statements, the Group acquired a 55.13% equity interest in SPIC Hydropower Co., Ltd. ("SPIC Hydropower", formerly known as SPIC Yuanda Environmental-Protection Co., Ltd.) during the year ended 31 December 2025 ("the Acquisition"). The Acquisition was accounted for using the acquisition method under HKFRS 3. According to HKFRS 3, the Acquisition is supposed to recognize and measure the identifiable assets acquired and liabilities assumed at their fair values on the acquisition date. As disclosed in Notes 2.4 and 3(iv) to the consolidated financial statements, the assessment of the fair values of the identifiable assets acquired and liabilities assumed and allocation of the purchase price required significant management judgements and estimation. The Group engaged an external specialist to assess the fair values of the identifiable assets acquired and liabilities assumed under the Acquisition and recognized gain on bargain purchase of RMB292 million in total.	We assessed the competency, capabilities and objectivity of the external specialist engaged by the Group and involved our internal valuation specialists to support us in evaluating the valuation methodologies and discount rates used by management. We evaluated management's valuation methodologies and assumptions used in the purchase price allocation and examined the underlying data used by management. We also reviewed the accounting treatments applied to the Acquisition and assessed the adequacy of the disclosures of the Acquisition in the consolidated financial statements in accordance with applicable accounting standards.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ng Siu Ki Ricky (practising certificate number: P05575).

Ernst & Young

Certified Public Accountants

Hong Kong

20 March 2026

Consolidated Statement of Profit or Loss

For the year ended 31 December 2025

	Notes	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	4	49,029,459	54,212,792
Other income	5	3,925,872	2,538,793
Fuel costs		(11,983,769)	(16,356,588)
Depreciation		(14,041,195)	(12,663,472)
Staff costs	6	(6,310,063)	(5,539,523)
Repairs and maintenance		(1,005,513)	(1,029,122)
Subcontracting costs		(707,654)	(93,174)
Cost of sales of energy storage equipment		(1,702,002)	(3,119,462)
Consumables		(609,997)	(518,917)
Other gains and losses, net	7	1,557,827	735,572
Other operating expenses	8	(6,216,599)	(5,999,708)
Operating profit	9	11,936,366	12,167,191
Finance income	10	151,653	153,955
Finance costs	10	(5,062,776)	(5,043,066)
Share of results of associates		613,764	551,145
Share of results of joint ventures		219,742	181,455
Profit before taxation		7,858,749	8,010,680
Income tax expense	11	(1,940,587)	(1,470,790)
Profit for the year		5,918,162	6,539,890
Attributable to:			
Ordinary shareholders of the Company		2,910,226	3,364,381
Other equity instruments' holders		493,844	497,441
Non-controlling interests		2,514,092	2,678,068
		5,918,162	6,539,890
Earnings per share for profit attributable to ordinary shareholders of the Company (expressed in RMB per share)			
— Basic	12	0.24	0.27
— Diluted	12	0.24	0.27

Details of the dividends to ordinary shareholders of the Company attributable to the profit for the year are set out in Note 13.

The notes on pages 163 to 273 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Profit for the year	5,918,162	6,539,890
Other comprehensive income:		
<i>Items that will not be reclassified to profit or loss:</i>		
Fair value gain on equity instruments at fair value through other comprehensive income ("FVTOCI"), net of tax	2,945,359	195,570
Share of other comprehensive loss of an associate	(549)	(1,021)
	2,944,810	194,549
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	(43,533)	(24,979)
Share of other comprehensive income/(loss) of an associate and a joint venture	59	(75)
Fair value loss on debt instruments at FVTOCI, net of tax	(1,067)	(1,140)
Release on derecognition of debt instruments at FVTOCI, net of tax	1,140	825
	(43,401)	(25,369)
Other comprehensive income for the year, net of tax	2,901,409	169,180
Total comprehensive income for the year	8,819,571	6,709,070
Attributable to:		
Ordinary shareholders of the Company	5,827,907	3,544,059
Other equity instruments' holders	493,844	497,441
Non-controlling interests	2,497,820	2,667,570
Total comprehensive income for the year	8,819,571	6,709,070

The notes on pages 163 to 273 are an integral part of these consolidated financial statements

Consolidated Statement of Financial Position

As at 31 December 2025

		As at 31 December	
		2025	2024
	Notes	RMB'000	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	239,792,131	226,873,371
Right-of-use assets	16	10,418,035	9,772,861
Prepayments for construction of power plants	17	3,836,180	5,499,909
Goodwill	18	1,255,627	1,240,558
Other intangible assets	19	14,947,620	14,960,689
Interests in associates	20	11,232,097	8,606,139
Interests in joint ventures	21	2,495,847	2,384,166
Equity instruments at FVTOCI	22	9,272,721	5,091,105
Deferred income tax assets	23	1,395,988	1,138,019
Restricted deposits	30	72,287	29,706
Other non-current assets	24	15,206,693	13,220,651
		309,925,226	288,817,174
Current assets			
Inventories	25	1,724,628	1,402,560
Accounts receivable	26	33,661,239	31,647,499
Prepayments, deposits and other receivables	27	9,223,500	8,485,593
Amounts due from related parties	28	6,276,205	3,833,153
Tax recoverable		149,406	83,769
Debt instruments at FVTOCI	29	69,846	81,226
Restricted deposits	30	147,244	30,957
Cash and cash equivalents	31	6,378,305	6,073,616
		57,630,373	51,638,373
Total assets		367,555,599	340,455,547
EQUITY			
Equity attributable to ordinary shareholders of the Company			
Share capital	32	24,508,986	24,508,986
Reserves	35	18,410,917	15,280,985
		42,919,903	39,789,971
Other equity instruments	34	15,718,025	15,107,492
Non-controlling interests	49	59,393,956	52,634,930
Total equity		118,031,884	107,532,393

Consolidated Statement of Financial Position

As at 31 December 2025

		As at 31 December	
		2025 RMB'000	2024 RMB'000
Notes			
LIABILITIES			
Non-current liabilities			
Deferred income		419,903	100,250
Bank borrowings	36	118,221,512	110,759,447
Borrowings from related parties	37	6,152,571	5,312,428
Other borrowings	38	22,363,765	14,635,802
Lease liabilities	39	4,354,560	4,344,383
Deferred income tax liabilities	23	3,891,605	2,783,870
Provisions for other long-term liabilities	40	1,795,135	1,804,615
Other non-current liabilities		113,942	–
		157,312,993	139,740,795
Current liabilities			
Accounts and bills payables	41	3,637,526	3,699,803
Construction costs payable		14,928,718	18,218,505
Other payables and accrued charges	42	7,143,000	5,461,766
Amounts due to related parties	28	6,557,974	2,955,694
Bank borrowings	36	40,188,133	29,763,702
Borrowings from related parties	37	15,892,418	22,971,191
Other borrowings	38	2,534,948	8,951,915
Lease liabilities	39	621,837	622,102
Tax payable		706,168	537,681
		92,210,722	93,182,359
Total liabilities		249,523,715	232,923,154
Total equity and liabilities		367,555,599	340,455,547
Net current liabilities		34,580,349	41,543,986
Total assets less current liabilities		275,344,877	247,273,188

The consolidated financial statements on pages 156 to 273 were approved and authorized for issue by the Board on 20 March 2026 and are signed on its behalf by:

GUI Xude
Director

ZHAO Yonggang
Director

The notes on pages 163 to 273 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to ordinary shareholders of the Company				Other equity instruments (Note 34) RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
	Share capital (Note 32) RMB'000	Other reserves (Note 35) RMB'000	Retained earnings (Note 35) RMB'000	Sub-total RMB'000			
At 1 January 2025	24,508,986	7,970,740	7,310,245	39,789,971	15,107,492	52,634,930	107,532,393
Profit for the year	-	-	2,910,226	2,910,226	493,844	2,514,092	5,918,162
Other comprehensive income for the year:							
Fair value gain on equity instruments at FVTOCI, net of tax	-	2,945,359	-	2,945,359	-	-	2,945,359
Fair value loss on debt instruments at FVTOCI, net of tax	-	(617)	-	(617)	-	(450)	(1,067)
Release on derecognition of debt instruments at FVTOCI, net of tax	-	652	-	652	-	488	1,140
Share of other comprehensive loss of associates and a joint venture, net of tax	-	(287)	-	(287)	-	(203)	(490)
Exchange differences on translation of foreign operations	-	(27,426)	-	(27,426)	-	(16,107)	(43,533)
Total comprehensive income for the year	-	2,917,681	2,910,226	5,827,907	493,844	2,497,820	8,819,571
Share-based payment expenses (Note 33)	-	2,182	-	2,182	-	-	2,182
Issuance of perpetual debts (Note 34)	-	-	-	-	663,430	-	663,430
Transfer to statutory reserves	-	800,997	(800,997)	-	-	-	-
Capital injections from non-controlling shareholders of subsidiaries	-	-	-	-	-	1,105,345	1,105,345
Capital withdrawals by non-controlling shareholders of subsidiaries	-	-	-	-	-	(93,020)	(93,020)
Disposal of interests in subsidiaries without loss of control (Note 46(a))	-	(185,650)	-	(185,650)	-	4,988,083	4,802,433
Disposal of interests in subsidiaries (Note 46(b))	-	-	-	-	-	(31,921)	(31,921)
Acquisitions of subsidiaries (Note 47)	-	(386,626)	-	(386,626)	-	5,067,822	4,681,196
Acquisitions of non-controlling interests (Note 47(c))	-	(123,917)	-	(123,917)	-	(4,288,663)	(4,412,580)
Dividends paid to non-controlling interests	-	-	-	-	-	(2,486,440)	(2,486,440)
Distributions to holders of other equity instruments	-	-	-	-	(546,741)	-	(546,741)
Appropriation and utilization of safety production funds, net	-	73,639	(73,639)	-	-	-	-
Share of changes of reserves of associates and joint ventures	-	15,265	(15,265)	-	-	-	-
2024 final dividend (Note 13)	-	-	(2,003,964)	(2,003,964)	-	-	(2,003,964)
Total transactions recognized directly in equity	-	195,890	(2,893,865)	(2,697,975)	116,689	4,261,206	1,679,920
At 31 December 2025	24,508,986	11,084,311	7,326,606	42,919,903	15,718,025	59,393,956	118,031,884

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to ordinary shareholders of the Company				Other equity instruments (Note 34) RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
	Share capital (Note 32) RMB'000	Other reserves (Note 35) RMB'000	Retained earnings (Note 35) RMB'000	Sub-total RMB'000			
At 1 January 2024	24,508,986	6,300,008	7,656,238	38,465,232	15,174,509	41,380,971	95,020,712
Profit for the year	—	—	3,364,381	3,364,381	497,441	2,678,068	6,539,890
Other comprehensive income for the year:							
Fair value gain/(loss) on equity instruments at FVTOCI, net of tax	—	196,252	—	196,252	—	(682)	195,570
Fair value loss on debt instruments at FVTOCI, net of tax	—	(652)	—	(652)	—	(488)	(1,140)
Release on derecognition of debt instruments at FVTOCI, net of tax	—	533	—	533	—	292	825
Share of other comprehensive loss of associates and a joint venture, net of tax	—	(718)	—	(718)	—	(378)	(1,096)
Exchange differences on translation of foreign operations	—	(15,737)	—	(15,737)	—	(9,242)	(24,979)
Total comprehensive income for the year	—	179,678	3,364,381	3,544,059	497,441	2,667,570	6,709,070
Share-based payment expenses (Note 33)	—	19,283	—	19,283	—	—	19,283
Issuance of perpetual debts (Note 34)	—	—	—	—	32,050	—	32,050
Redemption of perpetual debts (Note 34)	—	—	—	—	(163,430)	—	(163,430)
Transfer to statutory reserves	—	1,223,339	(1,223,339)	—	—	—	—
Capital injections from non-controlling shareholders of subsidiaries	—	—	—	—	—	6,124,603	6,124,603
Disposal of interests in subsidiaries without loss of control (Note 46(a))	—	12,765	—	12,765	—	3,081,948	3,094,713
Disposal of interests in subsidiaries (Note 46(b))	—	—	—	—	—	(322,593)	(322,593)
Acquisitions of subsidiaries (Note 47)	—	—	—	—	—	1,596,489	1,596,489
Dividends paid to non-controlling interests	—	—	—	—	—	(1,894,058)	(1,894,058)
Distributions to holders of other equity instruments	—	—	—	—	(433,078)	—	(433,078)
Appropriation and utilization of safety production funds, net	—	212,214	(212,214)	—	—	—	—
Share of changes of reserves of associates and joint ventures	—	23,453	(23,453)	—	—	—	—
2023 final dividend (Note 13)	—	—	(1,632,860)	(1,632,860)	—	—	(1,632,860)
2024 special dividend (Note 13)	—	—	(618,508)	(618,508)	—	—	(618,508)
Total transactions recognized directly in equity	—	1,491,054	(3,710,374)	(2,219,320)	(564,458)	8,586,389	5,802,611
At 31 December 2024	24,508,986	7,970,740	7,310,245	39,789,971	15,107,492	52,634,930	107,532,393

The notes on pages 163 to 273 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Net cash generated from operating activities	43(a)	18,518,055	10,621,363
Cash flows from investing activities			
Payments for property, plant and equipment and prepayments for construction of power plants		(20,174,673)	(26,979,952)
Payments for right-of-use assets		(343,417)	(572,507)
Proceeds from disposal of property, plant and equipment		55,053	28,679
Proceeds from disposal of an equity instruments at FVTOCI		-	10,000
Proceeds from disposal of associates and a joint venture		31,283	173,901
Net cash inflow/(outflow) on disposals of subsidiaries	46(b)	29,147	(16,097)
Net cash inflow on acquisitions of subsidiaries	47	453,355	5,956
Payments of consideration payable for acquisition of subsidiaries in prior years		-	(7,263,767)
Investments in associates and equity instruments at FVTOCI		(1,843,869)	(811,911)
Advances to related parties		(1,334,830)	(155,578)
Dividends received		463,048	226,298
Interest received		140,145	119,830
(Increase)/decrease in restricted deposits		(158,868)	62,759
Net cash used in investing activities		(22,683,626)	(35,172,389)
Cash flows from financing activities			
Drawdown of bank borrowings	43(b)	110,176,136	93,601,694
Drawdown of borrowings from related parties	43(b)	37,371,491	24,596,575
Drawdown of other borrowings	43(b)	11,386,424	11,605,886
Capital injections from non-controlling shareholders of subsidiaries		1,105,345	6,124,603
Capital reductions from non-controlling shareholders of subsidiaries		(93,020)	-
Proceeds from disposal of interests in subsidiaries without loss of control	46(a)	4,802,433	3,094,713
Acquisitions of non-controlling interests	47(c)	(4,412,580)	-
Issuance of perpetual debts	34	663,430	32,050
Redemption of perpetual debts	34	-	(163,430)
Repayment of bank borrowings	43(b)	(96,627,649)	(77,909,879)
Repayment of borrowings from related parties	43(b)	(43,610,121)	(23,347,534)
Repayment of other borrowings	43(b)	(10,075,428)	(7,436,635)
Payments for lease liabilities	43(b)	(1,320,844)	(850,527)
Final dividend paid		(2,003,964)	(1,655,555)
Special dividend paid		-	(616,495)
Distributions to holders of other equity instruments	34	(546,741)	(433,078)
Dividends paid to non-controlling interests		(2,345,788)	(1,756,545)
Net cash generated from financing activities		4,469,124	24,885,843
Net increase in cash and cash equivalents		303,553	334,817
Cash and cash equivalents at 1 January		6,073,616	5,738,815
Exchange gain/(loss), net		1,136	(16)
Cash and cash equivalents at 31 December	31	6,378,305	6,073,616

The notes on pages 163 to 273 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

China Power International Development Limited (the “Company”) was incorporated in Hong Kong on 24 March 2004 as a limited liability company under the Hong Kong Companies Ordinance. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company and its subsidiaries (together referred to as the “Group”) are principally engaged in the generation and sale of electricity in the People’s Republic of China (the “PRC”), including investment, development, operation and management of hydropower, wind power, photovoltaic power and thermal power plants, and the provision of energy storage, green power transportation and integrated intelligent energy solution services. Its businesses are located in various major power grid regions of the PRC.

The Group is controlled by China Power International Holding Limited (“CPI Holding”), an intermediate holding company which directly holds the Company’s shares and also indirectly holds through China Power Development Limited (“CPDL”), a wholly-owned subsidiary of CPI Holding and through China Power (New Energy) Holdings Limited (“CPNE”), a non wholly-owned subsidiary of CPI Holding. The directors of the Company (the “Directors”) regard State Power Investment Corporation Limited (國家電力投資集團有限公司) (“SPIC”), a wholly state-owned enterprise established in the PRC which is the beneficial owner of CPI Holding, as the ultimate holding company.

These consolidated financial statements are presented in thousands of Renminbi (“RMB”), unless otherwise stated, and have been approved by the board of Directors (the “Board”) on 20 March 2026.

2. MATERIAL ACCOUNTING POLICIES

The material accounting policy applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The Group’s consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (which includes all applicable Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKAS”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the Hong Kong Companies Ordinance. In addition, these consolidated financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”). These consolidated financial statements have been prepared under the historical cost convention except for certain equity instruments and debt instruments, which have been measured at fair value.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

These consolidated financial statements are prepared on a going concern basis, details of which are set out in Note 45.2(e).

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures

The Group has adopted Amendments to HKAS 21 Lack of Exchangeability for the first time for the current year's consolidated financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, associates and joint ventures for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's consolidated financial statements.

In addition, the HKICPA has issued Amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples on disclosure of the effects of uncertainties in the financial statements (mainly from climate-related perspective) in the corresponding HKFRS Accounting Standards. Therefore, the amendments do not have an effective date or transitional provisions.

2.3 Issued but not yet effective HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ⁽²⁾
HKFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ⁽²⁾
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ⁽¹⁾
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ⁽¹⁾
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁽³⁾
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ⁽²⁾
Annual Improvements to HKFRS Accounting Standards — Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ⁽¹⁾

⁽¹⁾ Effective for annual periods beginning on or after 1 January 2026

⁽²⁾ Effective for annual/reporting periods beginning on or after 1 January 2027

⁽³⁾ No mandatory effective date yet determined but available for adoption

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Issued but not yet effective HKFRS ACCOUNTING STANDARDS (Continued)

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 *Presentation and Disclosure in Financial Statements* replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's consolidated financial statements.

HKFRS 19 *Subsidiaries without Public Accountability: Disclosures* allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards or IFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. These are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. It is not expected to have any significant impact on the Group's consolidated financial statement.

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognized and introduce an accounting policy option to derecognize a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at FVTOCI and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Issued but not yet effective HKFRS ACCOUNTING STANDARDS (Continued)

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the “own-use” requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity’s financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group’s consolidated financial statements.

Amendments to HKFRS 10 and HKAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognized in the investor’s profit or loss only to the extent of the unrelated investor’s interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now. The amendments are not expected to have any significant impact on the Group’s consolidated financial statements.

Annual Improvements to HKFRS Accounting Standards — Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- **HKFRS 7 *Financial Instruments: Disclosures*:** The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s consolidated financial statements.
- **HKFRS 9 *Financial Instruments*:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognize any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s consolidated financial statements.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Issued but not yet effective HKFRS ACCOUNTING STANDARDS (Continued)

- HKFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.
- HKAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's consolidated financial statements.

2.4 Consolidation

(a) Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(i) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at acquisition date, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and
- lease liabilities are recognized and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognized and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Consolidation (Continued)

(a) Subsidiaries (Continued)

(i) Business combinations (Continued)

The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. All other components of non-controlling interests are measured at their fair values at acquisition date, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss or other comprehensive income, as appropriate.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value at acquisition date of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the consolidated statement of profit or loss.

Intra-group transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

(ii) Changes in ownership interests in existing subsidiaries

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to ordinary shareholders of the Company.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Consolidation (Continued)

(a) Subsidiaries (Continued)

(iii) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as associates, joint ventures or financial assets. A gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the ordinary shareholders of the Company. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

(iv) Acquisition of a subsidiary not constituting a business

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognizes the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to the financial assets and financial liabilities at their respective fair values, the remaining balance of the purchase price is then allocated to the other individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or negative goodwill.

(b) Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, the Group shall reclassify to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

The Group's share of post-acquisition profit or loss is recognized in the consolidated statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Consolidation (Continued)

(b) Associates (Continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the consolidated statement of profit or loss. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognized in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interests in associates are recognized in the consolidated statement of profit or loss.

(c) Joint ventures

The Group has applied HKFRS 11 to all joint arrangements. Under HKFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The principal activities of the Group are mainly transacted in RMB and accordingly the consolidated financial statements are presented in RMB, which is the Company's functional and presentation currency.

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Foreign currency translation (Continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of profit or loss.

Exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of profit or loss within “finance costs”. All other exchange gains and losses are presented in the consolidated statement of profit or loss within “other gains and losses, net”.

Translation differences on non-monetary financial assets such as equity instruments are included in the FVTOCI reserve in equity.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of that reporting period;
- (ii) income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognized in other comprehensive income.

2.6 Property, plant and equipment

Property, plant and equipment other than construction in progress are stated at cost less subsequent accumulated depreciation and subsequent impairment losses. Cost includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalized in accordance with the Group’s accounting policy. Depreciation of these assets commences when the assets are ready for their intended use.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the period in which they are incurred.

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Property, plant and equipment (Continued)

Depreciation of property, plant and equipment (other than construction in progress) is calculated using the straight-line method to allocate their costs less accumulated impairment losses over their estimated useful lives to their residual values.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10(a)). Such impairment losses are recognized in the consolidated statement of profit or loss.

Gains or losses on disposals are determined by comparing the net sales proceeds with the carrying amount of the relevant assets and are recognized in the consolidated statement of profit or loss.

2.7 Construction in progress and prepayments for construction of power plants

Construction in progress represents property, plant and equipment under construction and pending installation and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction of buildings, the costs of plant and machinery, direct labour costs and overheads and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and are available for the intended use. When the assets concerned are brought into use, the costs are transferred to the appropriate categories of property, plant and equipment and depreciated in accordance with the policy as stated in Note 2.6 above.

Prepayments for construction of power plants represent advance payments made to contractors in connection with the construction of the Group's power plants including payments for equipment and machineries pending delivery to the relevant power plants for installation. Such prepayments are stated at cost less accumulated impairment losses, if any.

2.8 Intangible assets

Intangible assets acquired in a business combination are recognized separately from goodwill and are initially recognized at their fair values at the acquisition date (which is regarded as their costs). Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortization and any accumulated impairment losses, being their fair values at the date of the revaluation less subsequent accumulated amortization and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over expected beneficial period. The expected beneficial period and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

The Group's other intangible assets represent favourable tariff contracts and franchise rights as disclosed in Note 19.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

Right-of-use assets are recognized at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	2 to 60 years
Buildings	1 to 25 years
Equipment	2 to 25 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are recognized at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments or a change in assessment of an option to purchase the underlying asset.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets (mainly office equipment). Lease payments on short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

Sale and leaseback transactions

The Group applies the requirements of HKFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group as a seller-lessee

For a transfer that satisfies the requirements as a sale, the Group as a seller-lessee measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset and recognizes any gain or loss that relates to the rights transferred to the buyer-lessor only. For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee accounts for the transfer proceeds as borrowings within the scope of HKFRS 9.

2.10 Impairment of non-financial assets

(a) Non-financial assets other than goodwill

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amounts of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs.

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual CGU, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of CGU for which a reasonable and consistent allocation basis can be identified.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Impairment of non-financial assets (Continued)

(a) Non-financial assets other than goodwill (Continued)

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognized immediately in profit or loss.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(b) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree.

For the purpose of impairment assessment, goodwill acquired in a business combination is allocated to each of the CGUs or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at CGU level or groups of CGUs level within the operating segment.

Goodwill impairment assessments are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and the contractual term give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss (“FVTPL”), except that at the date of initial application of HKFRS 9/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortized cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(a) Amortized cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(b) *Debt instruments classified as at FVTOCI*

Subsequent changes in the carrying amounts for debt instruments classified as at FVTOCI are recognized in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowance are recognized in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these debt instruments. When these debt instruments are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

(c) *Equity instruments designated as at FVTOCI*

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the FVTOCI reserve, and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained earnings.

Dividends from these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in "other income" in the consolidated statement of profit or loss.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including accounts receivable, note receivables, other receivables, deposits, amounts due from related parties, debt instruments at FVTOCI, restricted deposits and cash and cash equivalents) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ("12m") ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment is done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognizes lifetime ECL for accounts receivable other than accounts receivable with significant financing components which is included in other non-current assets. The ECL on these assets are assessed individually.

For accounts receivable with significant financing component and all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition or the financial instrument is not determined to have low credit risk at the reporting date, the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets (Continued)

Impairment of financial assets (Continued)

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instruments external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due (except for clean energy power price premium) unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets (Continued)

Impairment of financial assets (Continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e., the Group's other receivables are assessed as a separate group. Amounts due from related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortized cost of the financial asset.

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets (Continued)

Impairment of financial assets (Continued)

Measurement and recognition of ECL (Continued)

Except for debt instruments that are measured at FVTOCI, the Group recognizes an impairment loss or reversal in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of accounts receivable where the corresponding adjustment is recognized through a loss allowance account. For debt instruments that are measured at FVTOCI, the loss allowance is recognized in other comprehensive income and accumulated in the FVTOCI reserve without reducing the carrying amounts of these debt instruments. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to retained earnings.

2.12 Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Perpetual securities

Perpetual securities are classified as equity if they are non-redeemable, or redeemable only at the issuer's option, and any interest and distributions are discretionary. Interest and distributions on perpetual securities classified as equity are recognized as distributions within equity.

The perpetual notes and other perpetual instruments are presented as "Other equity instruments".

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Financial liabilities and equity (Continued)

Financial liabilities

All financial liabilities including bank borrowings, borrowings from related parties, other borrowings, lease liabilities, amounts due to related parties, accounts and bills payables, construction costs payable and other payables and accrued charge are subsequently measured at amortized cost using the effective interest method.

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and with other financial institutions and other short-term highly liquid investments with original maturities of three months or less. Restricted deposits are separately disclosed from cash and cash equivalents.

2.14 Inventories

Inventories comprise coal, fuel oil, energy storage equipment, catalyst and raw materials, consumable supplies and spare parts held for consumption, usage or for sale and are stated at the lower of cost and net realizable value after provision for obsolete items, and are expensed to fuel costs, costs of sales of storage equipment, subcontracting costs, repairs and maintenance expense or consumables when used/sold, or capitalized to property, plant and equipment when installed, as appropriate using weighted average method. Cost comprises purchase price and other costs incurred in bringing the inventories to their present location and condition and excludes borrowing costs.

2.15 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as these assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalization rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 Current and deferred income tax

The tax expense for the year comprises current and deferred income tax. Tax is recognized in the consolidated statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(a) *Current income tax*

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the places where the Company and its subsidiaries, associates and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

(b) *Deferred income tax*

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profits or losses. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint ventures, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, associates and joint ventures only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profits available against which the temporary difference can be utilized.

(c) *Offsetting*

Deferred income tax assets and liabilities are offset when there is a legally enforceable rights to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied to the same taxable entity by the same taxation authority.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Employee benefits

(a) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group's contributions to the Mandatory Provident Fund Scheme established under the Hong Kong Mandatory Provident Fund Schemes Ordinance are expensed as incurred. The assets of the scheme are held separately from those of the Group and managed by independent professional fund managers. As the Mandatory Provident Fund (MPF)-Long Service Payment (LSP) offsetting mechanism in Hong Kong was abolished with effect from 1 May 2025, any long service payment or severance payment obligation not covered by the statutory contributions will be expensed when incurred.

For employees in Chinese Mainland, the Group contributes on a monthly basis to various defined contribution plans organized by the relevant municipal and provincial governments in the PRC based on certain percentage of the relevant employees' monthly salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans and the Group has no further constructive obligation for any post-retirement benefits beyond the contributions made. Contributions to these plans are expensed as incurred.

All contributions to pension plans are fully and immediately vested and the Group had no unvested benefits available to reduce its future contributions.

(b) Bonus entitlements

The expected cost of bonus payments is recognized as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities of bonus plan are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(c) Share-based payments

The Group operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including Directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions is recognized in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the consolidated statement of profit or loss for a period represents the movement in the cumulative expense recognized as at the beginning and end of that period.

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.18 Provisions

Provisions (including provisions for inundation compensation) are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligations using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed.

2.19 Government grants

Grants and subsidies from the government are recognized at their fair values for monetary asset where there is a reasonable assurance that the grant or subsidy will be received and the Group will comply with all attached conditions.

Government grants and subsidies relating to costs are deferred and recognized in the consolidated statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants and subsidies relating to property, plant and equipment and other environmental improvement projects are included in non-current liabilities as deferred income and are credited to the consolidated statement of profit or loss on a straight-line basis over the expected lives of the related assets and projects or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Non-monetary assets transferred from the government are recognized at nominal amount.

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the executive Directors and certain senior managements who make strategic decisions.

2.21 Revenue from contracts with customers

The Group recognizes revenue from sales of electricity to regional and provincial power grid companies, provision of power generation, subcontracting services and sales of energy storage equipment.

The Group recognizes revenue when (or as) a performance obligation is satisfied, i.e., when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and services (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.21 Revenue from contracts with customers (Continued)

Control is transferred over time and revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognized at a point in time when the customer obtains control of the distinct good or service.

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

For contracts where the Group transferred the associated goods or services before payments from customers in which the Group adjusts for the promised amount of consideration for significant financing components, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. The Group recognizes interest income during the period between the payment from customers and the transfer of the associated goods or services.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e., the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e., the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognizes revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.21 Revenue from contracts with customers (Continued)

Further details of revenue and income recognition policies are as follows:

(i) *Sales of electricity to regional and provincial power grid companies, and provision of power generation*

Revenue is recognized upon transmission of electricity to the power grid when the control of the electricity is transferred at the same time.

(ii) *Subcontracting services for energy storage projects*

A contract with a customer is classified by the Group as a construction contract when the contract relates to work on an asset under the control of the customer and therefore the Group's construction activities create or enhance an asset under the customer's control.

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognized progressively over time using the input method, i.e., based on the proportion of the actual costs incurred relative to the estimated total costs. When the outcome of the contract cannot be reasonably measured, revenue is recognized only to the extent of contract costs incurred that are expected to be recovered.

(iii) *Sales of energy storage equipment*

Revenue from the sales of energy storage equipment, at the point of time when control of the promised assets has been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

2.22 Revenue from other sources

Rental income is recognized on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognized as income in the accounting period in which they are incurred.

Dividend income is recognized when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Revenue from the sales of unused power production quota, heat, trading of coal, coal by-products, spare parts and others are recognized when the control is transferred to the customers.

Income from provision of repairs and maintenance services, entrusted management and other services is recognized progressively over time using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

Waste treatment income is recognized at the point in time upon completion of the treatment process and when the treated waste is utilized in power generation at the environmental power generation facilities.

Income from environmental protection-related services primarily arises from SPIC Hydropower Co., Ltd. ("SPIC Hydropower", formerly known as SPIC Yuanda Environmental-Protection Co., Ltd.), and includes engineering services for environmental protection, wastewater treatment services, desulfurization and denitrification services, and the production and sale of catalysts.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.22 Revenue from other sources (Continued)

(i) Environmental engineering services

- The Group's engineering contracts with customers typically include multiple performance obligations, such as project design, equipment installation, and construction.
- For those components that are distinct and separately identifiable, the Group accounts for them as individual performance obligations. For combinations of project design, equipment installation, and construction that are not separately identifiable, the Group assesses whether the customer can benefit from each combination individually or in conjunction with other readily available resources. Since these combinations are not clearly distinguishable from one another, the Group treats each such combination as a single performance obligation.
- For separately identifiable project design and construction services, the Group recognizes revenue over time based on the progress towards completion, as the customer simultaneously receives and consumes the benefits. Equipment installation revenue is recognized at the point in time when control transfers to the customer, which occurs upon customer acceptance.
- For EPC (engineering, procurement, and construction) contracts, where project design, equipment installation, and construction are not separately identifiable, the Group accounts for the entire package as a single performance obligation fulfilled over time. Revenue is recognized based on the progress towards completion of the contract.

(ii) Desulfurization and denitrification services

- The Group's desulfurization and denitrification concession contracts with customers typically include multiple performance obligations, such as providing desulfurization and denitrification services.
- For services that are separately identifiable, the Group accounts for them as individual performance obligations. For combinations of desulfurization and denitrification services that are not separately identifiable, the Group evaluates whether the customer can benefit from each combination individually or together with other readily available resources. As these combinations are not clearly distinguishable, the Group treats each such combination as a single performance obligation.
- Revenue from both separately identifiable services and combined services is recognized based on the actual volume of desulfurization and denitrification electricity generated, in accordance with the agreed desulfurization and denitrification electricity pricing.

(iii) Catalyst sales

- The Group's catalyst sales contracts with customers typically include only one performance obligation: the transfer of goods.
- The transfer of goods does not meet the criteria for recognition over time under HKFRS 15. Therefore, the Group recognizes revenue at a point in time, upon satisfaction of all of the following conditions:
 - The Group has a present right to payment for the goods;
 - The risks and rewards of ownership have transferred to the customer;
 - Legal title to the goods has transferred;
 - The physical goods have been delivered and transferred;
 - The customer has accepted the goods; and
 - Revenue is recognized upon completion of the delivery and acceptance process.

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.22 Revenue from other sources (Continued)

(iv) Wastewater treatment operations

- The Group's wastewater treatment concession contracts with customers typically include only one performance obligation: wastewater treatment services.
- Revenue from wastewater treatment operations is recognized based on the agreed treatment unit price and the volume of treated wastewater confirmed by both parties in the settlement statement.

2.23 Dividend distribution

Dividend distribution to the Company's ordinary shareholders is recognized as a liability in the period in which the dividends are approved by the Company's shareholders or Directors as appropriate.

2.24 Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person:
 - (i) has control or joint control over the Group;
 - (ii) has a significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements used in preparing the consolidated financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of non-financial assets

The Group tests annually whether goodwill has suffered any impairment. Property, plant and equipment, right-of-use assets and other intangible assets (favourable tariff contracts and franchise rights) are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of property, plant and equipment, right-of-use assets and franchise rights (included in other intangible assets) have been determined based on higher of value in use calculations, which is measured at the net present value of future cash flows which are estimated based upon the continued use of the asset in the business, and fair value less costs of disposal. The recoverable amounts of favourable tariff contracts (included in other intangible assets) have been determined based on the discounted cash flow of tariff difference (Note 19) during the expected beneficial period. These calculations require the use of judgements and estimates.

Management judgement is required in the area of asset impairment and fair value assessment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the CGU or group of CGUs to which the asset belongs. Changing the assumptions selected by management in assessing impairment, including the future sales volume, expected tariff rates, fuel costs (if applicable), staff costs, the discount rates, growth rate and the beneficial period for the favourable tariff contracts (if applicable) assumptions in the cash flow projections, could materially affect the net present value used in the impairment assessment and as a result affect the Group's financial position and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the consolidated statement of profit or loss.

As at 31 December 2025, management has performed impairment assessments based on higher of value in use and fair value less costs of disposal calculation by measuring the recoverable amount of certain CGUs or groups of CGUs associated with goodwill and certain property, plant and equipment, included in the "Thermal power electricity" segment, the "Hydropower electricity" segment, the "Wind power electricity" segment and the "Photovoltaic power electricity" segment.

As at 31 December 2025, the carrying amounts of property, plant and equipment, right-of-use assets, goodwill and other intangible assets (favourable tariff contracts and franchise rights) were RMB239,792,131,000, RMB10,418,035,000, RMB1,255,627,000 and RMB14,947,620,000 (2024: RMB226,873,371,000, RMB9,772,861,000, RMB1,240,558,000 and RMB14,960,689,000) respectively, of which the impairment of property, plant and equipment of RMB47,291,000 (2024: RMB265,262,000) and no impairment of goodwill (2024: Nil) were recognized for the year then ended. Details of the impairment of property, plant and equipment and goodwill are disclosed in Note 15(d) and Note 18 respectively.

Notes to the Consolidated Financial Statements

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(ii) Valuation of the provisions for compensation for inundation

The Group made provisions in relation to compensations for inundation caused by the construction of certain hydropower plants of the Group ("Inundation Compensation"). The provisions are measured at the present value of the expenditure expected to be required to settle the compensation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the compensation.

In determining the best estimate of the provisions for the Inundation Compensation, management is required to make subjective assumptions and judgements, including estimating the timing and duration of the compensation payments, the compensation per unit of area and growth rate of compensation as well as the pre-tax discount rate applied to account for time value of money and the risks specific to the compensation. Any change in assumptions or judgements applied would result in different provision amounts that would potentially affect the profit or loss and financial position of the Group significantly.

As at 31 December 2025, the provisions for Inundation Compensation were RMB1,807,757,000 (2024: RMB1,816,146,000).

(iii) Current and deferred income tax expenses

The Group is subject to income taxes in various locations within PRC. Judgement is required in determining the provision for income taxes in each of these locations. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred income tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognized when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilized. When the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and taxation amount in the period in which such estimate is changed.

(iv) Purchase price allocation of newly acquired subsidiaries

During the year ended 31 December 2025, the Group acquired a 55.13% equity interest in SPIC Hydropower. The assessment of the fair values of the identifiable assets acquired and liabilities assumed and allocation of the purchase price required significant management judgements and estimation. The Group recognized a gain on bargain purchase of RMB291,604,000 in total, details of which are set out in note 47 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

4. REVENUE AND SEGMENT INFORMATION

Revenue, net of sales related taxes, recognized during the year is as follows:

	2025 RMB'000	2024 RMB'000
Types of goods or services:		
Sales of electricity (note (a))	46,725,145	50,304,550
Energy storage revenue (note (b))	2,304,314	3,908,242
Total	49,029,459	54,212,792
Timing of revenue recognition:		
Goods — at a point in time	48,798,303	54,069,391
Services — over time	231,156	143,401
Total	49,029,459	54,212,792
Geographical markets:		
Chinese Mainland	48,957,630	54,137,353
Other countries	71,829	75,439
Total	49,029,459	54,212,792

Notes:

- (a) (i) Sales of electricity in Chinese Mainland: Majority of the sales of electricity are made to respective regional and provincial power grid companies, the revenue is calculated pursuant to the power purchase agreements at the tariff rates agreed as approved by the relevant government authorities in Chinese Mainland, some of these tariff rates followed the market-oriented price mechanism. Other sales of electricity are the supply of electricity to other companies located in Chinese Mainland and the revenue is calculated based on mutually agreed terms.
- (ii) Sales of electricity in other country are pursuant to power purchase agreements following relevant local policies.
- (b) Energy storage revenue includes income from the project development and integration of energy storage power stations, sales of energy storage equipment, sales of stored electricity and leasing of electricity storage capacities.

Segment information

The chief operating decision maker has been identified as the executive Directors and certain senior management (collectively referred to as the “CODM”) who make strategic decisions. The CODM reviews the internal reporting of the Company and its subsidiaries in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The CODM assesses the performance of the operating segments based on a measure of profit/loss before taxation. Other information provided to the CODM is measured in a manner consistent with that in the consolidated financial statements.

Segment assets exclude equity instruments at FVTOCI, deferred income tax assets and corporate assets, which are managed on a central basis.

Segment liabilities exclude deferred income tax liabilities, tax payable and corporate liabilities, which are managed on a central basis.

Notes to the Consolidated Financial Statements

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

	Year ended 31 December 2025							
	Thermal power electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Photovoltaic power electricity RMB'000	Energy storage RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Segment revenue								
Sales of electricity	19,499,332	4,774,606	12,650,926	9,800,281	-	46,725,145	-	46,725,145
Energy storage revenue	-	-	-	-	2,304,314	2,304,314	-	2,304,314
	19,499,332	4,774,606	12,650,926	9,800,281	2,304,314	49,029,459	-	49,029,459
Segment results	2,876,274	1,425,243	5,028,458	3,074,241	52,057	12,456,273	-	12,456,273
Unallocated income	-	-	-	-	-	-	1,914,836	1,914,836
Unallocated expense	-	-	-	-	-	-	(2,434,743)	(2,434,743)
Operating profit/(loss)	2,876,274	1,425,243	5,028,458	3,074,241	52,057	12,456,273	(519,907)	11,936,366
Finance income	4,781	22,109	32,627	21,944	2,322	83,783	67,870	151,653
Finance costs	(534,860)	(648,504)	(1,754,168)	(1,885,358)	(39,169)	(4,862,059)	(200,717)	(5,062,776)
Share of results of associates	381,687	-	19,937	66,271	-	467,895	145,869	613,764
Share of results of joint ventures	2,534	-	93,008	88,699	-	184,241	35,501	219,742
Profit/(loss) before taxation	2,730,416	798,848	3,419,862	1,365,797	15,210	8,330,133	(471,384)	7,858,749
Income tax expense	(461,195)	(498,384)	(475,760)	(390,390)	(3,324)	(1,829,053)	(111,534)	(1,940,587)
Profit/(loss) for the year	2,269,221	300,464	2,944,102	975,407	11,886	6,501,080	(582,918)	5,918,162
Other segment information								
Amounts included in the measure of segment profit or loss or segment assets:								
Capital expenditure								
— Property, plant and equipment, right-of-use assets and prepayments for construction of power plants	1,103,708	500,176	6,984,486	8,390,159	289,101	17,267,630	926,660	18,194,290
Depreciation of property, plant and equipment	1,881,799	1,585,914	5,284,622	4,205,116	102,154	13,059,605	234,765	13,294,370
Depreciation of right-of-use assets	17,190	7,932	194,844	425,870	17,481	663,317	83,508	746,825
Amortization of other intangible assets	234,887	-	554,759	385,110	-	1,174,756	10,353	1,185,109
Loss/(gain) on disposal of property, plant and equipment, net	1,793	31	(816)	1,181	(972)	1,217	1,891	3,108
Gain on disposal of subsidiaries	-	(147)	-	-	-	(147)	(2,102)	(2,249)
Impairment of property, plant and equipment	-	-	714	46,577	-	47,291	-	47,291
Gain on bargain purchase	-	-	(24,725)	(5,347)	-	(30,072)	(291,604)	(321,676)
Provision/(reversal) of impairment of accounts receivable, other receivables and amounts due from related parties, net	25,900	(36)	(36)	9,964	13,301	49,093	14,874	63,967

Notes to the Consolidated Financial Statements

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

	As at 31 December 2025							
	Thermal power electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Photovoltaic power electricity RMB'000	Energy storage RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Segment assets								
Other segment assets	38,540,399	35,607,864	126,610,324	112,934,720	6,972,384	320,665,691	-	320,665,691
Goodwill	-	585,751	372,637	297,239	-	1,255,627	-	1,255,627
Interests in associates	5,653,406	-	1,003,706	624,024	-	7,281,136	3,950,961	11,232,097
Interests in joint ventures	157,161	-	1,061,041	551,676	-	1,769,878	725,969	2,495,847
	44,350,966	36,193,615	129,047,708	114,407,659	6,972,384	330,972,332	4,676,930	335,649,262
Equity instruments at FVTOCI	-	-	-	-	-	-	9,272,721	9,272,721
Deferred income tax assets	-	-	-	-	-	-	1,395,988	1,395,988
Other unallocated assets	-	-	-	-	-	-	21,237,628	21,237,628
Total assets per consolidated statement of financial position	44,350,966	36,193,615	129,047,708	114,407,659	6,972,384	330,972,332	36,583,267	367,555,599
Segment liabilities								
Other segment liabilities	(4,162,890)	(4,069,738)	(9,043,513)	(11,943,741)	(3,398,174)	(32,618,056)	-	(32,618,056)
Borrowings	(20,634,042)	(21,191,091)	(73,000,238)	(75,149,924)	(1,876,443)	(191,851,738)	(13,501,609)	(205,353,347)
	(24,796,932)	(25,260,829)	(82,043,751)	(87,093,665)	(5,274,617)	(224,469,794)	(13,501,609)	(237,971,403)
Deferred income tax liabilities	-	-	-	-	-	-	(3,891,605)	(3,891,605)
Tax payable	-	-	-	-	-	-	(706,168)	(706,168)
Other unallocated liabilities	-	-	-	-	-	-	(6,954,539)	(6,954,539)
Total liabilities per consolidated statement of financial position	(24,796,932)	(25,260,829)	(82,043,751)	(87,093,665)	(5,274,617)	(224,469,794)	(25,053,921)	(249,523,715)

Notes to the Consolidated Financial Statements

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

	Year ended 31 December 2024							
	Thermal power electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Photovoltaic power electricity RMB'000	Energy storage RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Segment revenue								
Sales of electricity	24,268,883	4,806,371	11,737,415	9,491,881	–	50,304,550	–	50,304,550
Energy storage revenue	–	–	–	–	3,908,242	3,908,242	–	3,908,242
	24,268,883	4,806,371	11,737,415	9,491,881	3,908,242	54,212,792	–	54,212,792
Segment results	2,552,806	1,482,769	4,922,634	3,694,125	140,086	12,792,420	–	12,792,420
Unallocated income	–	–	–	–	–	–	661,211	661,211
Unallocated expense	–	–	–	–	–	–	(1,286,440)	(1,286,440)
Operating profit/(loss)	2,552,806	1,482,769	4,922,634	3,694,125	140,086	12,792,420	(625,229)	12,167,191
Finance income	4,649	7,100	69,295	4,697	2,971	88,712	65,243	153,955
Finance costs	(742,979)	(816,375)	(1,626,677)	(1,680,600)	(56,913)	(4,923,544)	(119,522)	(5,043,066)
Share of results of associates	219,087	–	86,654	65,989	–	371,730	179,415	551,145
Share of results of joint ventures	4,666	–	114,178	30,661	–	149,505	31,950	181,455
Profit/(loss) before taxation	2,038,229	673,494	3,566,084	2,114,872	86,144	8,478,823	(468,143)	8,010,680
Income tax (expense)/credit	(481,440)	(158,560)	(383,404)	(393,955)	436	(1,416,923)	(53,867)	(1,470,790)
Profit/(loss) for the year	1,556,789	514,934	3,182,680	1,720,917	86,580	7,061,900	(522,010)	6,539,890
Other segment information								
Amounts included in the measure of segment profit or loss or segment assets:								
Capital expenditure								
— Property, plant and equipment, right-of-use assets and prepayments for construction of power plants	2,872,444	648,337	8,901,919	14,587,925	445,611	27,456,236	756,324	28,212,560
Depreciation of property, plant and equipment	2,013,306	1,617,710	4,534,370	3,678,816	96,612	11,940,814	121,357	12,062,171
Depreciation of right-of-use assets	82,453	33,491	120,712	282,092	6,657	525,405	75,896	601,301
Amortization of other intangible assets	244,922	–	554,759	375,077	–	1,174,758	–	1,174,758
(Gain)/loss on disposal of property, plant and equipment, net	(12,039)	9,834	(5,897)	2,001	–	(6,101)	(107)	(6,208)
Loss/(gain) on disposal of subsidiaries, net	70,941	–	–	–	–	70,941	(20,497)	50,444
Gain on remeasurement of remaining equity interests in associates and a joint venture after loss of control over subsidiaries	(89,619)	–	–	–	–	(89,619)	(3,597)	(93,216)
Impairment of property, plant and equipment	13,895	–	9,232	240,166	–	263,293	1,969	265,262
Provision/(reversal) of impairment of accounts receivable and other receivables	174,870	(97)	34,297	19,511	–	228,581	(87)	228,494

Notes to the Consolidated Financial Statements

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

	As at 31 December 2024							
	Thermal power electricity	Hydropower electricity	Wind power electricity	Photovoltaic power electricity	Energy storage	Segment total	Unallocated	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment assets								
Other segment assets	41,159,091	36,746,140	123,084,453	107,493,735	6,498,615	314,982,034	-	314,982,034
Goodwill	-	585,751	364,097	290,710	-	1,240,558	-	1,240,558
Interests in associates	3,866,556	-	912,527	396,300	-	5,175,383	3,430,756	8,606,139
Interests in joint ventures	154,627	-	978,195	549,987	-	1,682,809	701,357	2,384,166
	45,180,274	37,331,891	125,339,272	108,730,732	6,498,615	323,080,784	4,132,113	327,212,897
Equity instruments at FVTOCI	-	-	-	-	-	-	5,091,105	5,091,105
Deferred income tax assets	-	-	-	-	-	-	1,138,019	1,138,019
Other unallocated assets	-	-	-	-	-	-	7,013,526	7,013,526
Total assets per consolidated statement of financial position								
	45,180,274	37,331,891	125,339,272	108,730,732	6,498,615	323,080,784	17,374,763	340,455,547
Segment liabilities								
Other segment liabilities	(4,296,244)	(3,651,938)	(10,375,980)	(12,627,097)	(3,679,698)	(34,630,957)	-	(34,630,957)
Borrowings	(26,265,833)	(21,398,941)	(65,413,194)	(67,737,180)	(2,235,352)	(183,050,500)	(9,343,985)	(192,394,485)
	(30,562,077)	(25,050,879)	(75,789,174)	(80,364,277)	(5,915,050)	(217,681,457)	(9,343,985)	(227,025,442)
Deferred income tax liabilities	-	-	-	-	-	-	(2,783,870)	(2,783,870)
Tax payable	-	-	-	-	-	-	(537,681)	(537,681)
Other unallocated liabilities	-	-	-	-	-	-	(2,576,161)	(2,576,161)
Total liabilities per consolidated statement of financial position								
	(30,562,077)	(25,050,879)	(75,789,174)	(80,364,277)	(5,915,050)	(217,681,457)	(15,241,697)	(232,923,154)

Notes to the Consolidated Financial Statements

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

Revenue from external customers is mainly generated from Chinese Mainland. As at 31 December 2025, except for non-current assets of RMB827,891,000 (2024: RMB869,091,000) located outside Chinese Mainland, substantially all the Group's assets were located or utilized in Chinese Mainland.

The Group's major customers are regional and provincial power grid companies. For the year ended 31 December 2025, the Group's external revenue amounting to RMB18,386,769,000 (2024: RMB19,833,020,000) was generated from three (2024: three) major customers, each of which accounted for 10% or more of the Group's external revenue.

For the years ended 31 December 2025 and 2024, major customers who accounted for 10% or more of the Group's external revenue are as follows:

Major customers	Proportion in approximate	Segments
Customer A	13% (2024: 13%)	Thermal power electricity
Customer B	13% (2024: 12%)	Thermal power electricity, photovoltaic power electricity and wind power electricity
Customer C	12% (2024: 8%)	Photovoltaic power electricity, wind power electricity and hydropower electricity

5. OTHER INCOME

	2025 RMB'000	2024 RMB'000
Rental income	22,792	22,054
Income from provision of repairs and maintenance services (note)	228,906	349,083
Dividend income (Note 48(a)(ii))	183,049	103,022
Income from provision of entrusted management and other services (note)	2,100,336	1,574,818
Income from provision of environmental protection-related services (note):		
— desulfurization and denitrification services	398,571	—
— engineering services for environmental protection	397,030	—
— wastewater treatment services	77,162	—
— production and sales of catalysts	97,872	—
— others	9,718	—
Waste treatment income (note)	357,150	402,436
Others	53,286	87,380
Total	3,925,872	2,538,793

Note:

Among these other income recognized in 2025, RMB940,473,000 (2024: RMB402,436,000) was recognized when goods transferred at a point in time and RMB2,726,272,000 (2024: RMB1,923,901,000) was recognized when services transferred over time. All such revenue were recognized in Chinese Mainland.

Notes to the Consolidated Financial Statements

6. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	2025 RMB'000	2024 RMB'000
Wages, salaries and bonuses	4,196,632	3,624,076
Staff welfare	1,469,694	1,393,647
Share-based payment expenses (Note 33)	2,182	19,283
Pension costs — defined contribution plans	641,555	502,517
Total	6,310,063	5,539,523

7. OTHER GAINS AND LOSSES, NET

	2025 RMB'000	2024 RMB'000
Amortization of deferred income	29,811	16,010
Government subsidies	435,013	353,473
(Loss)/gain on disposal of property, plant and equipment, net	(3,108)	6,208
Gain/(loss) on disposal of subsidiaries, net (Note 46(b))	2,249	(50,444)
Loss on disposal of associates and a joint venture	(4,774)	(12,978)
Gain on remeasurement of remaining equity interests in associates and a joint venture after loss of control over subsidiaries	—	93,216
Profits on sales of unused power production quota	12,591	3,895
Profits on sales of heat, trading of coal, coal by-products, spare parts and others (note)	343,590	285,740
Impairment of property, plant and equipment (Note 15)	(47,291)	(265,262)
Gain on bargain purchase [#] (Note 47)	321,676	19,902
Others	468,070	285,812
Total	1,557,827	735,572

Note:

Among the other source of gain recognized in 2025, net gain of RMB343,590,000 (2024: RMB285,740,000) was recognized when goods transferred at a point in time. All such revenue was recognized in Chinese Mainland.

[#] The amount for year 2025 includes gains on bargain purchase recognized in relations to the Asset Pre-Restructuring and the Asset-Restructuring of RMB30,072,000 (Note 47(a)(i)) and RMB291,604,000 (Note 47(a)(ii)) respectively.

Notes to the Consolidated Financial Statements

8. OTHER OPERATING EXPENSES

	2025 RMB'000	2024 RMB'000
Amortization of other intangible assets (Note 19)	1,185,109	1,174,758
Research and development expenses	293,889	352,424
Lease expenses	232,232	219,997
Reservoir maintenance and usage fees	137,347	133,602
Operating costs related to power generation	1,675,685	1,525,207
Cost of purchase of unused power production quota	8,243	14,481
Administrative and selling related expenses	804,699	780,648
Taxes (other than income tax) and surcharges	614,240	500,920
Provision of impairment of accounts receivable, other receivables and amounts due from related parties, net	63,967	228,494
Consultation fee	323,087	301,196
Insurance expenses	165,240	153,454
Others	712,861	614,527
Total	6,216,599	5,999,708

9. OPERATING PROFIT

Operating profit is stated after charging/(crediting) the following:

	2025 RMB'000	2024 RMB'000
Amortization of other intangible assets	1,185,109	1,174,758
Auditor's remuneration:		
— annual audit and interim review services	11,900	10,600
— other audit related services	15,770	7,240
— non-audit services	1,083	3,186
Research and development expenses	293,889	352,424
Depreciation:		
— property, plant and equipment (Note 15)	13,294,370	12,062,171
— right-of-use assets (Note 16)	746,825	601,301
Lease expenses:		
— equipment	57,753	53,761
— buildings	174,479	166,236
Impairment of property, plant and equipment (Note 15)	47,291	265,262
Provision of impairment of accounts receivable, other receivables and amounts due from related parties, net	63,967	228,494
Share-based payments (included in staff costs) (Note 6)	2,182	19,283
Government subsidies (Note 7)	(435,013)	(353,473)
Exchange (gain)/loss, net (Note 10)	(23,013)	14,328
(Gain)/loss on disposal of subsidiaries, net (Note 46(b))	(2,249)	50,444
Gain on bargain purchase (Note 47)	(321,676)	(19,902)

Notes to the Consolidated Financial Statements

10. FINANCE INCOME AND FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Finance income		
Interest income from bank deposits	62,768	63,334
Interest income from related parties (Note 48(a)(i))	76,488	70,163
Interest income from discounting effect on clean energy power price premium receivable (Note 26(b))	12,397	20,458
Total	151,653	153,955
Finance costs		
Interest expense on		
— bank borrowings	3,851,365	3,717,666
— borrowings from related parties (Note 48(b)(iii))	700,031	852,509
— other borrowings	591,034	557,425
— amounts due to related parties (Note 48(b)(iii))	525	519
— lease liabilities	184,503	171,352
— provisions for other long-term liabilities (Note 40)	92,427	93,557
	5,419,885	5,393,028
Less: amounts capitalized in property, plant and equipment	(334,096)	(364,290)
	5,085,789	5,028,738
Exchange (gain)/loss, net	(23,013)	14,328
Total	5,062,776	5,043,066

The weighted average interest rate on capitalized borrowings is approximately 2.62% (2024: 3.34%) per annum.

Notes to the Consolidated Financial Statements

11. INCOME TAX EXPENSE

The Group's provision for Hong Kong profits tax has been provided at a tax rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong for the year ended 31 December 2025.

The provision for current income tax in Chinese Mainland is calculated based on the statutory tax rate of 25% (2024: 25%) on the estimated assessable profits for the year except that certain subsidiaries were either exempted from PRC Enterprise Income Tax or entitled to the preferential tax rate of 7.5%, 12.5%, 15% or 20% (2024: 7.5%, 12.5%, 15% or 20%).

The amount of income tax recognized in the consolidated statement of profit or loss represents:

	2025 RMB'000	2024 RMB'000
Current income tax		
Charge for the year	2,058,195	1,582,909
Under provision in prior years	34,176	52,930
	2,092,371	1,635,839
Deferred income tax		
Credit for the year (Note 23(a))	(151,784)	(165,049)
Total	1,940,587	1,470,790

Notes to the Consolidated Financial Statements

11. INCOME TAX EXPENSE (CONTINUED)

The income tax expense on the Group's profit before taxation differs from the theoretical amount that would arise using the income tax rate of the PRC as follows:

	2025 RMB'000	2024 RMB'000
Profit before taxation	7,858,749	8,010,680
Less: Share of results of associates	(613,764)	(551,145)
Share of results of joint ventures	(219,742)	(181,455)
	7,025,243	7,278,080
Calculated at the PRC statutory tax rate of 25% (2024: 25%)	1,756,311	1,819,520
Effect on tax concession	(963,095)	(952,646)
Income not subject to taxation	(85,238)	(80,885)
Expenses not deductible for taxation purpose	80,228	59,916
Tax losses with no deferred income tax assets recognized	818,336	591,554
Deductible temporary differences with no deferred income tax assets recognized (Note 23)	23,514	87,871
Utilization of tax losses previously not recognized	(80,169)	(103,318)
Utilization of deductible temporary differences previously not recognized (Note 23)	-	(4,152)
Under provision in prior years	34,176	52,930
Other [#]	356,524	-
Income tax expense	1,940,587	1,470,790

[#] The amount represented an one-off tax charge in relation to the intra-group reorganizations pursuant to the Asset Pre-restructuring of Wu Ling Power, as disclosed in Note 47(a)(i). Due to the cash-settled nature of these transactions, which formed part of asset pre-restructuring, the applicable income tax regulations precluded eligibility for special tax treatment. Consequently, this resulted in income tax expenses of RMB356,524,000.

Share of income taxation charge attributable to associates and joint ventures for the year ended 31 December 2025 of RMB210,239,000 (2024: RMB213,261,000) and RMB18,243,000 (2024: RMB25,219,000) respectively were included in the Group's share of results of associates and joint ventures respectively.

The Group is within the scope of global minimum tax ("GMT") under the Organisation for Economic Co-operation and Development Pillar Two model rules ("Pillar Two"). Pillar Two legislation in Hong Kong has been enacted in June 2025 with effect from 1 January 2025. Subject to tax legislation enacting Pillar Two being passed in the jurisdictions where the Company and its subsidiaries operate, the Group is liable to pay a top-up tax for any deficiency between the minimum tax rate of 15% and the effective tax rate per jurisdiction. Since the Pillar Two effective tax rates in certain jurisdictions in which the Company and its subsidiaries operate are above 15%, no top-up tax for the year ended 31 December 2025 was required.

Notes to the Consolidated Financial Statements

12. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the year.

	2025	2024
Profit for the year attributable to ordinary shareholders of the Company, used in the basic earnings per share calculation (RMB'000)	2,910,226	3,364,381
Weighted average number of shares outstanding (shares in thousands)	12,370,151	12,370,151
Basic earnings per share (RMB)	0.24	0.27

(b) Diluted

For the years ended 31 December 2025 and 2024, the computation of diluted earnings per share did not assume the exercise of the Company's share options as the exercise prices of these options were higher than the average market share price of the Company's shares during the years, therefore, the diluted earnings per share was same as basic earnings per share.

13. DIVIDENDS

	2025 RMB'000	2024 RMB'000
2024 special dividend of RMB0.05 per ordinary share	–	618,508
Final proposed dividend of RMB0.168 (2024: RMB0.162) per ordinary share	2,078,185	2,003,964
Total	2,078,185	2,622,472
2024 special dividend paid — RMB0.05 (equivalent to HK\$0.0547) per ordinary share	–	618,508
2024 final dividend paid — RMB0.162 (equivalent to HK\$0.1754) per ordinary share	2,003,964	–
2023 final dividend paid — RMB0.132 (equivalent to HK\$0.1455) per ordinary share	–	1,632,860
Total	2,003,964	2,251,368

At the Board meeting held on 20 March 2026, the Board recommended the payment of a final dividend for the year ended 31 December 2025 of RMB0.168 (equivalent to HK\$0.1911, at the exchange rate announced by People's Bank of China ("PBOC") on 20 March 2026) per ordinary share (2024: RMB0.162 (equivalent to HK\$0.1754) per ordinary share), totaling RMB2,078,185,000 (equivalent to HK\$2,363,936,000) (2024: RMB2,003,964,000 (equivalent to HK\$2,169,724,000)), which was based on 12,370,150,983 shares (2024: 12,370,150,983 shares) in issue on 20 March 2026 (2024: 20 March 2025).

This proposed dividend is not reflected as dividend payable in these consolidated financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2026.

Notes to the Consolidated Financial Statements

14. EMOLUMENTS FOR DIRECTORS, FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT REMUNERATION

(a) Directors' emoluments

Name of Director	Fees RMB'000	Basic salary, housing allowance, other allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Reversal of share-based payment expense (note) RMB'000	Employer's contribution to pension plans RMB'000	Total RMB'000
Year ended 31 December 2025						
Executive Directors						
Mr. HE Xi ⁽¹⁾	-	324	950	(761)	194	707
Mr. GAO Ping ⁽²⁾	-	321	973	(761)	174	707
Mr. WANG Zichao ⁽³⁾	-	75	-	-	-	75
Mr. ZHAO Yonggang ⁽⁴⁾	-	168	533	-	112	813
Mr. TIAN Jun ⁽⁵⁾	-	-	-	-	10	10
Non-executive Directors						
Mr. HU Jiandong ⁽⁶⁾	-	-	-	-	-	-
Mr. ZHOU Jie ⁽⁶⁾	-	-	-	-	-	-
Mr. CHEN Pengjun ⁽⁶⁾	-	-	-	-	-	-
Ms. HUANG Qinghua ⁽⁶⁾	-	-	-	-	-	-
Independent non-executive Directors						
Mr. LI Fang	182	219	-	-	-	401
Mr. YAU Ka Chi	182	246	-	-	-	428
Mr. HUI Hon Chung, Stanley	182	201	-	-	-	383
Total	546	1,554	2,456	(1,522)	490	3,524

Notes to the Consolidated Financial Statements

14. EMOLUMENTS FOR DIRECTORS, FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT REMUNERATION (CONTINUED)

(a) Directors' emoluments (Continued)

Name of Director	Fees RMB'000	Basic salary, housing allowance, other allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Share-based payment expenses (note) RMB'000	Employer's contribution to pension plans RMB'000	Total RMB'000
Year ended 31 December 2024						
Executive Directors						
Mr. HE Xi	—	424	2,027	356	88	2,895
Mr. GAO Ping	—	443	1,854	356	69	2,722
Mr. TIAN Jun ⁽⁵⁾	—	—	117	—	—	117
Non-executive Directors						
Mr. HU Jiandong ⁽⁶⁾	—	—	—	—	—	—
Mr. ZHOU Jie ⁽⁶⁾	—	—	—	—	—	—
Mr. CHEN Pengjun ⁽⁶⁾	—	—	—	—	—	—
Ms. HUANG Qinghua ⁽⁶⁾	—	—	—	—	—	—
Independent non-executive Directors						
Mr. LI Fang	183	238	—	—	—	421
Mr. YAU Ka Chi	183	238	—	—	—	421
Mr. HUI Hon Chung, Stanley	183	220	—	—	—	403
Total	549	1,563	3,998	712	157	6,979

- (1) Mr. HE Xi resigned with effect from 17 October 2025.
- (2) Mr. GAO Ping resigned with effect from 30 October 2025.
- (3) Mr. WANG Zichao was appointed as an executive Director with effect from 17 October 2025. Mr. WANG resigned on 6 January 2026, Mr. GUI Xude was appointed as an executive Director on the same date.
- (4) Mr. ZHAO Yonggang was appointed as an executive Director with effect from 30 October 2025.
- (5) Mr. TIAN Jun resigned as an executive Director and the Chairman of the Board with effect from 12 April 2021. For the years ended 31 December 2024 and 2025, the discretionary bonus represented the back pay incentive for 2021 and the retirement contribution was the corresponding corporate pension top-up.
- (6) Mr. HU Jiandong, Mr. ZHOU Jie, Mr. CHEN Pengjun and Ms. HUANG Qinghua had agreed to waive their director fees during their directorship with the Company.

The executive Directors' emoluments shown above were for their services in connection with the management of the affairs of the Group. The non-executive Directors' and independent non-executive Directors' emoluments shown above were for their services as directors of the Company.

Notes to the Consolidated Financial Statements

14. EMOLUMENTS FOR DIRECTORS, FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT REMUNERATION (CONTINUED)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included two (2024: two) Directors. The emoluments payable to the remaining three (2024: three) individuals during the year are as follows:

	2025 RMB'000	2024 RMB'000
Basic salaries, housing allowance, other allowances and benefits in kind	1,127	1,025
Discretionary bonuses	1,779	3,032
Share-based payment expenses (note)	77	550
Employer's contribution to pension plans	233	181
Total	3,216	4,788

Note:

The remuneration in form of share-based payment expenses are the fair values of share options granted to executive Directors and eligible employees, which are determined at the respective dates of grant and expensed over the vesting period (unless the share options are forfeited before vesting), regardless of whether these share options are exercised or not during the year. The reversal of share-based payment expense refers the fair value adjustment upon forfeiture of share options.

Their emoluments fell within the following bands:

	Number of individuals	
	2025	2024
HK\$1,000,001 to HK\$1,500,000 (equivalent to RMB903,221 to RMB1,354,830 (2024: RMB926,041 to RMB1,389,060))	3	1
HK\$1,500,001 to HK\$2,000,000 (equivalent to RMB1,354,831 to RMB1,806,440 (2024: RMB1,389,061 to RMB1,852,080))	-	2

During both years, no emoluments have been paid by the Group to the Directors or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

(c) Senior management remuneration by band

Senior management is defined as the same persons whose biographical details are disclosed in the "Directors and Senior Management Profiles" section in the annual report. Their emoluments fell within the following bands:

	Number of individuals	
	2025	2024
Nil to HK\$1,000,000 (equivalent to RMB903,220 (2024: RMB926,040)) (note)	13	11
HK\$1,000,001 to HK\$1,500,000 (equivalent to RMB903,221 to RMB1,354,830 (2024: RMB926,041 to RMB1,389,060))	3	3
HK\$1,500,001 to HK\$2,000,000 (equivalent to RMB1,354,831 to RMB1,806,440 (2024: RMB1,389,061 to RMB1,852,080))	-	2

Note:

Number of individuals in 2025 included ten (2024: nine) personnel departed from the Company for back pay tenure incentive.

Notes to the Consolidated Financial Statements

15. PROPERTY, PLANT AND EQUIPMENT

		Dam	Buildings and leasehold improvements	Power generators and equipment	Electricity supply equipment	Furniture and fixtures, tools and other equipment	Transportation facilities	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost									
At 1 January 2025	26,227,599	32,900,986	178,549,169	16,196,405	15,049,508	569,661	13,020,775		282,514,103
Additions and transfer from prepayments	-	-	-	-	45,158	6,454	18,498,858		18,550,470
Acquisitions of subsidiaries (Note 47)	-	807,016	5,177,327	296,405	599,042	5,559	918,103		7,803,452
Disposals	-	(3,665)	(106,817)	(1,046)	(10,255)	(12,179)	-		(133,962)
Write-off	-	-	-	-	-	-	(14,489)		(14,489)
Disposal of subsidiaries (Note 46(b))	-	-	(46,965)	(5,218)	(9,845)	(147)	(35,948)		(98,123)
Reclassified from right-of-use assets (Note 16)	-	107,647	-	-	-	-	-		107,647
Transfer between categories	-	651,581	21,433,032	1,124,129	1,211,425	29,405	(24,449,572)		-
Currency translation difference	-	-	(59,293)	-	(47)	(118)	-		(59,458)
At 31 December 2025	26,227,599	34,463,565	204,946,453	17,610,675	16,884,986	598,635	7,937,727		308,669,640
Accumulated depreciation and impairment losses									
At 1 January 2025	8,420,192	8,968,506	29,732,740	4,427,204	3,392,214	401,244	298,632		55,640,732
Depreciation charged for the year (Note 9)	922,881	1,391,586	8,887,385	1,032,973	1,020,966	38,579	-		13,294,370
Impairment loss recognized for the year (note (d))	-	-	6,816	-	-	-	40,475		47,291
Disposals	-	(1,837)	(58,397)	(1,034)	(8,810)	(11,179)	-		(81,257)
Write-off	-	-	-	-	-	-	(14,489)		(14,489)
Disposal of subsidiaries (Note 46(b))	-	-	(5,141)	(571)	(216)	(83)	-		(6,011)
Currency translation difference	-	-	(3,119)	-	(2)	(6)	-		(3,127)
At 31 December 2025	9,343,073	10,358,255	38,560,284	5,458,572	4,404,152	428,555	324,618		68,877,509
Net book value									
At 31 December 2025	16,884,526	24,105,310	166,386,169	12,152,103	12,480,834	170,080	7,613,109		239,792,131

Notes to the Consolidated Financial Statements

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Dam RMB'000	Buildings and leasehold improvements RMB'000	Power generators and equipment RMB'000	Electricity supply equipment RMB'000	Furniture and fixtures, tools and other equipment RMB'000	Transportation facilities RMB'000	Construction in progress RMB'000	Total RMB'000
Cost								
At 1 January 2024	26,368,678	31,979,363	152,800,594	13,834,329	12,629,846	598,873	11,871,468	250,083,151
Additions and transfer from								
prepayments	-	-	-	-	94,360	17,824	25,871,698	25,983,882
Acquisitions of subsidiaries	-	516,760	8,933,596	1,293,115	1,087,437	2,630	2,590,965	14,424,503
Disposals	(144,067)	(129,189)	(333,258)	(64,102)	(95,738)	(8,259)	(23,985)	(798,598)
Write-off	-	-	-	-	-	-	(24,124)	(24,124)
Disposal of subsidiaries	-	(926,919)	(3,055,346)	(338,134)	(547,765)	(57,000)	(2,517,843)	(7,443,007)
Reclassified from right-of-use assets (Note 16)	-	8,951	260,761	-	-	-	18,584	288,296
Transfer between categories	2,988	1,452,020	19,942,822	1,471,197	1,881,368	15,593	(24,765,988)	-
At 31 December 2024	26,227,599	32,900,986	178,549,169	16,196,405	15,049,508	569,661	13,020,775	282,514,103
Accumulated depreciation and impairment losses								
At 1 January 2024	7,497,760	8,867,155	23,944,745	3,909,764	2,815,027	422,996	70,010	47,527,457
Depreciation charged for the year (Note 9)	922,432	1,083,873	8,281,209	855,643	883,494	35,520	-	12,062,171
Impairment loss recognized for the year (note (d))	-	-	5,684	-	715	-	258,863	265,262
Disposals	-	(112,270)	(214,126)	(59,740)	(58,988)	(7,522)	(6,117)	(458,763)
Write-off	-	-	-	-	-	-	(24,124)	(24,124)
Disposal of subsidiaries	-	(870,252)	(2,284,772)	(278,463)	(248,034)	(49,750)	-	(3,731,271)
At 31 December 2024	8,420,192	8,968,506	29,732,740	4,427,204	3,392,214	401,244	298,632	55,640,732
Net book value								
At 31 December 2024	17,807,407	23,932,480	148,816,429	11,769,201	11,657,294	168,417	12,722,143	226,873,371

Notes:

- (a) Depreciation of property, plant and equipment (other than construction in progress) is calculated using the straight-line method to allocate their costs less accumulated impairment losses over their estimated useful lives to their residual values, as follows:

Dam	30–50 years
Buildings	5–45 years
Leasehold improvements	Shorter of 5 years and over the lease term
Power generators and equipment	9–35 years
Electricity supply equipment	13–30 years
Furniture and fixtures	3–5 years
Tools and other equipment	3–18 years
Transportation facilities	2–20 years

Notes to the Consolidated Financial Statements

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Notes: (Continued)

- (b) As at 31 December 2025, the legal titles of certain properties of the Group with a net book value of RMB2,127,215,000 (2024: RMB2,173,465,000) have not been transferred to the Group. However, the Directors are of the opinion that the risks and rewards of using these assets have been transferred to the Group.

In addition, certain of the Group's property, plant and equipment are situated on right-of-use assets (leasehold land) in the PRC which were granted, free of charge, by the relevant government authorities to the relevant subsidiaries of the Group with no specific terms of usage.

- (c) As at 31 December 2025, certain property, plant and equipment of the Group with a net book value of RMB345,380,000 (2024: RMB632,581,000) were pledged as security for certain bank borrowings (Note 36(d)), borrowings from related parties (Note 37(d)), and other borrowings (Note 38(c)) of the Group.
- (d) For the year ended 31 December 2025, management has performed impairment assessment on certain property, plant and equipment with impairment indication included in "Thermal power electricity" segment, "Wind power electricity" segment and "Photovoltaic power electricity" segment.

The recoverable amounts of the associated CGUs had been determined based on higher of value in use and fair value less costs to sell calculations. Value in use calculations use pre-tax cash flow projections based on financial budgets approved by management for the purposes of impairment assessment covering a five-year period. Annual cash flows beyond the five-year period are expected to be similar to that of the fifth year based on the current production capacity, taking into account of the expected remaining useful lives of the relevant underlying operating assets. Fair value less costs to sell is the arm's length sale price between knowledgeable willing parties less costs of disposal.

Management prepared the financial budgets taking into account of the actual and prior years' performance and market development expectations. For certain CGUs in "Photovoltaic power electricity" segment, the growth rates in electricity sold (including sales of power generation quota) and pre-tax discount rates used for value in use calculations were 0% (2024: 0%) and 8.01% (2024: 8.11%) respectively. For certain CGUs in "Thermal power electricity" segment, the growth rates in electricity sold (including sales of power generation quota) and pre-tax discount rates used for value in use calculations were 0% (2024: 0% to 10%) and 8% (2024: 7.59% to 9.18%) respectively. Management estimates the growth rates in electricity sold by reference to the expected demand for electricity in the regions where the power plants are located. In addition, management estimates the discount rates using pre-tax rate that reflects market assessments of the time value of money and the specific risks relating to the CGUs. Other key assumptions applied in the impairment assessment include the expected tariff rates, fuel costs and staff costs. Based on the result of the assessments, no impairment loss was required to be recognized in "Photovoltaic power electricity" segment and "Thermal power electricity" segment for the year ended 31 December 2025 (2024: RMB6,399,000 and nil).

It was identified that the likelihood of the Group in obtaining necessary approval to continue construction in certain projects in "Photovoltaic power electricity" and "Wind power electricity" segment (2024: "Photovoltaic power electricity", "Thermal power electricity", "Wind power electricity" and "Unallocated" segment) was remote as at 31 December 2025. As a result, the carrying amount of these constructions in progress of RMB46,577,000 and RMB714,000 (2024: RMB233,767,000, RMB13,895,000, RMB9,232,000 and RMB1,969,000) was provided for as impairment.

For the year ended 31 December 2025, above-mentioned impairments aggregated to RMB47,291,000 (2024: RMB265,262,000) (Note 7).

Notes to the Consolidated Financial Statements

16. RIGHT-OF-USE ASSETS

	Leasehold lands RMB'000	Buildings RMB'000	Equipment RMB'000	Construction in progress RMB'000	Total RMB'000
Cost					
At 1 January 2025	7,847,826	1,310,488	1,913,935	244,431	11,316,680
Additions	937,268	273,944	96,327	-	1,307,539
Acquisitions of subsidiaries (Note 47)	172,334	20,673	14,288	-	207,295
Reclassified to property, plant and equipment (Note 15)	-	-	-	(107,647)	(107,647)
Lease termination	-	(111,325)	(1,590)	-	(112,915)
At 31 December 2025	8,957,428	1,493,780	2,022,960	136,784	12,610,952
Accumulated depreciation					
At 1 January 2025	744,316	325,266	474,237	-	1,543,819
Depreciation charged for the year (Note 9)	410,394	160,956	175,475	-	746,825
Lease termination	-	(96,137)	(1,590)	-	(97,727)
At 31 December 2025	1,154,710	390,085	648,122	-	2,192,917
Net book value					
At 31 December 2025	7,802,718	1,103,695	1,374,838	136,784	10,418,035
For the year ended 31 December 2025					
Expenses relating to short-term leases	-	173,156	57,343	-	230,499
Expenses relating to leases of low-value assets, excluding short- term leases of low value assets	-	1,323	410	-	1,733
Additions to right-of-use assets (Note 39)	1,109,602	294,617	110,615	-	1,514,834

Notes to the Consolidated Financial Statements

16. RIGHT-OF-USE ASSETS (CONTINUED)

	Leasehold lands RMB'000	Buildings RMB'000	Equipment RMB'000	Construction in progress RMB'000	Total RMB'000
Cost					
At 1 January 2024	6,412,847	713,388	2,106,866	263,015	9,496,116
Additions	1,293,584	622,176	112,428	–	2,028,188
Acquisitions of subsidiaries	264,521	40	–	–	264,561
Reclassified to property, plant and equipment (Note 15)	–	(8,951)	(305,359)	(18,584)	(332,894)
Disposal of subsidiaries	(123,126)	(16,165)	–	–	(139,291)
At 31 December 2024	7,847,826	1,310,488	1,913,935	244,431	11,316,680
Accumulated depreciation					
At 1 January 2024	442,082	224,589	334,821	–	1,001,492
Depreciation charged for the year (Note 9)	309,605	107,682	184,014	–	601,301
Reclassified to property, plant and equipment (Note 15)	–	–	(44,598)	–	(44,598)
Disposal of subsidiaries	(7,371)	(7,005)	–	–	(14,376)
At 31 December 2024	744,316	325,266	474,237	–	1,543,819
Net book value					
At 31 December 2024	7,103,510	985,222	1,439,698	244,431	9,772,861
For the year ended 31 December 2024					
Expenses relating to short-term leases	–	165,298	52,629	–	217,927
Expenses relating to leases of low-value assets, excluding short- term leases of low value assets	–	938	1,132	–	2,070
Additions to right-of-use assets (Note 39)	1,558,105	622,216	112,428	–	2,292,749

16. RIGHT-OF-USE ASSETS (CONTINUED)

Note:

For both years, the Group leases leasehold lands, buildings, equipment and components of power generators included in construction in progress for its operations. Lease contracts are entered into for fixed term of 1 to 60 years, but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for equipment. As at 31 December 2025, the portfolio of short-term leases was similar to the portfolio of short-term leases to which the short-term lease expense was recognized and as disclosed in Note 9.

The total cash outflow for leases is disclosed in Note 43(b).

Extension options

The Group has extension options in a number of leases for leasehold land. The majority of extension options held are exercisable only by the Group and not by the respective lessors.

The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. Based on the assessment, the extension option of leasehold land lease was reasonably certain to be exercised so that the extension period was included in lease period.

In addition, the Group reassesses whether it is reasonably certain to exercise an extension option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the years ended 31 December 2025 and 2024, there is no such triggering event.

17. PREPAYMENTS FOR CONSTRUCTION OF POWER PLANTS

Prepayments for construction of power plants represent advance payments made to contractors in connection with the construction of the Group's power plants including payments for equipment and machinery pending delivery to the relevant power plants for installation.

As at 31 December 2025, the balance of prepayments for construction of power plants includes an amount of RMB1,190,973,000 (2024: RMB1,524,901,000), which was prepayments to related parties (companies controlled by SPIC other than SPIC Financial Company Limited ("SPIC Financial"), associates and non-controlling shareholders of subsidiaries) for construction of power plants.

Notes to the Consolidated Financial Statements

18. GOODWILL

	2025 RMB'000	2024 RMB'000
Cost		
At 1 January	1,743,001	1,743,001
Acquisitions of subsidiaries (Note 47)	15,069	–
At 31 December	1,758,070	1,743,001
Accumulated impairment losses		
At 1 January and 31 December	502,443	502,443
Net book value		
At 1 January	1,240,558	1,240,558
At 31 December	1,255,627	1,240,558

Goodwill is allocated to the Group's CGU or groups of CGUs identified according to operating arrangement. The accumulated impairment losses relate to "Thermal power electricity" segment and "Hydropower electricity" segment.

A segment-level summary of the goodwill allocation at cost before impairment and at net book value is presented below:

	Thermal power electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Photovoltaic power electricity RMB'000	Total RMB'000
Cost					
At 31 December 2024	234,651	853,543	364,097	290,710	1,743,001
At 31 December 2025	234,651	853,543	372,637	297,239	1,758,070
Net book value					
At 31 December 2024	–	585,751	364,097	290,710	1,240,558
At 31 December 2025	–	585,751	372,637	297,239	1,255,627

Notes:

- (a) For the purpose of impairment assessment, the recoverable amount of each CGU or group of CGUs is determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management for the purposes of impairment assessment covering a five-year period. Annual cash flows beyond the five-year period are expected to be similar to that of the fifth year based on the then production capacity, taking into account of the expected remaining useful lives of the relevant underlying operating assets.

Notes to the Consolidated Financial Statements

18. GOODWILL (CONTINUED)

Notes: (Continued)

- (b) Management prepared the financial budgets taking into account of the actual and prior years' performance and market development expectations. For certain CGUs in "Thermal power electricity" segment, the pre-tax discount rates used for value in use calculations was 8.63% (2024: 8.63%). For certain CGUs in "Hydropower electricity" segment, the pre-tax discount rates used for value in use calculations was 8.5% (2024: 8.5%). For certain CGUs in "Photovoltaic power electricity" segment, the pre-tax discount rates used for value in use calculations range from 8.1% to 9.9% (2024: 8.1% to 9.9%). For certain CGUs in "Wind power electricity" segment, the pre-tax discount rates used for value in use calculations range from 8.1% to 9.9% (2024: 8.1% to 9.9%). Management estimates the discount rates using pre-tax rate that reflects market assessments of the time value of money and the specific risks relating to the CGUs. Other key assumptions applied in the impairment assessment include the expected tariff rates and staff costs.
- (c) Management of the Group has performed impairment test of goodwill of related CGUs. Based on the value in use calculation and the allocation, no impairment provision (2024: Nil) was required to make against the carrying amount of goodwill for the year ended 31 December 2025.

19. OTHER INTANGIBLE ASSETS

	2025 RMB'000	2024 RMB'000
Cost		
At 1 January	17,084,601	17,084,601
Acquisitions of subsidiaries (Note 47(a)(ii))	1,172,040	–
At 31 December	18,256,641	17,084,601
Accumulated amortization		
At 1 January	2,123,912	949,154
Amortization charge for the year (Note 8)	1,185,109	1,174,758
At 31 December	3,309,021	2,123,912
Net book value		
At 1 January	14,960,689	16,135,447
At 31 December	14,947,620	14,960,689

Notes:

- (a) Other intangible assets represent the favourable tariff contracts and franchise rights. During the current year, the Group acquired franchise rights through the acquisitions of subsidiaries of RMB1,172,040,000 (2024: Nil). Further details are disclosed in Note 47. These intangible assets have finite useful lives and are amortized on a straight-line basis over the period of 3 to 27 years (2024: 3 to 27 years).
- (b) As at 31 December 2025, certain other intangible assets of the Group with a net book value of RMB961,080,000 (31 December 2024: Nil) were pledged as security for certain bank borrowings (Note 36(d)) of the Group.

Notes to the Consolidated Financial Statements

20. INTERESTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
Cost of investment in associates	9,678,940	7,493,410
Share of undistributed post-acquisition reserves	1,553,157	1,112,729
Total	11,232,097	8,606,139

As at 31 December 2025, interests in associates included goodwill of RMB158,732,000 (2024: RMB158,732,000).

There are no contingent liabilities relating to the Group's interests in associates and these associates did not have any material contingent liabilities as at 31 December 2025 and 2024.

Dividends from associates for the year ended 31 December 2025 amounted to RMB172,787,000 (2024: RMB87,315,000).

The followings are the details of the principal associates as at 31 December 2025:

Name of companies	Place of establishment and operation	Registered/ paid up capital	Proportion of ownership interest		Type of legal entity	Principal activities
			Held by the Company	Held by subsidiaries		
Jiangsu Changshu Electric Power Generating Company Limited ("Changshu Power Plant") (江蘇常熟發電有限公司)	The PRC	RMB4,200,000,000/ RMB3,215,000,000	50%	–	Sino-foreign equity joint venture	Generation and sale of electricity
Shandong Green Energy Investment Co., Ltd. (山東綠色能源投資有限公司)	The PRC	RMB4,000,000,000	–	30%	Limited liability company	Energy investment
Shanghai Qiyuanxin Power Technology Co., Ltd. (上海啟源芯動力科技有限公司)	The PRC	RMB441,824,000	24.87%	–	Sino-foreign equity joint venture	Provision of technical services
Anhui Huainan Pingwei Electric Power Generation Company Limited ("Pingwei Power") (安徽淮南平圩發電有限責任公司)	The PRC	RMB2,522,381,000/ RMB2,486,274,000	49%	–	Sino-foreign equity joint venture	Generation and sale of electricity
Xinyuan Ronghe (Beijing) Power Co., Ltd. ("Xinyuan Ronghe") (新源融合(北京)電力有限公司)	The PRC	RMB2,000,000,000/ RMB1,908,911,000	40%	–	Sino-foreign equity joint venture	Generation and sale of electricity

Notes to the Consolidated Financial Statements

20. INTERESTS IN ASSOCIATES (CONTINUED)

Summarized unaudited financial information of a material associate

In the opinion of the Directors, Changshu Power Plant and its subsidiary (collectively referred to as “Changshu Group”) is a material associate to the Group and its summarized unaudited financial information is set out below:

Summarized consolidated statement of financial position

	Changshu Group	
	2025 RMB'000	2024 RMB'000
Non-current assets	7,889,765	5,660,076
Current assets	1,479,502	2,295,198
Non-current liabilities	(328,514)	(1,566,735)
Current liabilities	(3,715,753)	(2,219,159)
Net assets	5,325,000	4,169,380

Summarized consolidated statement of profit or loss and consolidated statement of comprehensive income

	Changshu Group	
	2025 RMB'000	2024 RMB'000
Revenue	6,798,749	7,637,157
Profit and total comprehensive income for the year	651,640	516,422
Interest on perpetual debts classified as equity	(26,020)	(20,844)

Reconciliation of summarized unaudited financial information

Reconciliation of summarized unaudited financial information presented above to the carrying amount of interests in Changshu Group is as follows:

	Changshu Group	
	2025 RMB'000	2024 RMB'000
Opening net assets	4,169,380	3,673,802
Profit and total comprehensive income for the year	651,640	516,422
Capital invested by shareholders	530,000	–
Distributions to holders of other equity instruments	(26,020)	(20,844)
Closing net assets	5,325,000	4,169,380
Group's share of net assets of associate, excluding perpetual debts	4,674,509	3,513,725
Interest in associate (at 50%) — At carrying amount	2,337,255	1,756,863

Notes to the Consolidated Financial Statements

20. INTERESTS IN ASSOCIATES (CONTINUED)

Aggregate information of associates that are not individually material

	2025 RMB'000	2024 RMB'000
The Group's share of results and total comprehensive income for the year	300,405	302,881
Aggregate carrying amount of the Group's interests	8,894,842	6,849,276

21. INTERESTS IN JOINT VENTURES

	2025 RMB'000	2024 RMB'000
Unlisted investments, at cost	2,396,756	2,401,806
Share of undistributed post-acquisition reserves	255,461	138,730
Less: Accumulated impairment (note)	(156,370)	(156,370)
Total	2,495,847	2,384,166

Note: It represents the full impairment on the carrying amount of the Group's interest in Sichuan Guangwang Group Chuanjing Coal Industry Company Limited provided in 2015.

The followings are the details of the principal joint ventures as at 31 December 2025:

Name of companies	Place of establishment and operation	Registered/ paid up capital	Proportion of ownership interest		Type of legal entity	Principal activities
			Held by the Company	Held by subsidiaries		
Guangxi SPIC Overseas Energy Investment Co., Ltd. ("Guangxi Overseas") (廣西國電投海外能源投資有限公司)	The PRC	RMB1,300,000,000	–	40%	Limited liability company	Energy investment
Anhui Power Investment Xintuo Energy Development Co., Ltd. (安徽電投新拓能源發展有限公司)	The PRC	RMB600,000,000	–	20%	Limited liability company	Generation and sale of electricity

None of the joint ventures was individually material.

There were no contingent liabilities relating to the Group's interests in the joint ventures and the joint ventures did not have any material contingent liabilities as at 31 December 2025 and 2024.

Dividend from joint ventures for the year ended 31 December 2025 amounted to RMB107,212,000 (2024: RMB103,036,000).

Aggregate information of joint ventures that are not individually material

	2025 RMB'000	2024 RMB'000
The Group's share of results and total comprehensive income for the year	219,801	180,834
Aggregate carrying amount of the Group's interests	2,495,847	2,384,166

Notes to the Consolidated Financial Statements

22 EQUITY INSTRUMENTS AT FVTOCI

	2025 RMB'000	2024 RMB'000
Unlisted equity investments in the PRC (note (a))	1,999,612	1,759,716
Listed equity securities in the PRC — Shanghai Electric Power Co., Ltd. (“Shanghai Power”) (note (b))	7,273,109	3,331,389
Total	9,272,721	5,091,105

Notes:

- (a) Unlisted equity investments mainly represent interests in certain unlisted companies which are principally engaged in financial services, coal production and electricity trading services respectively. The Directors have elected to designate these investments as equity instruments at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realizing their performance potential in the long run.
- (b) Details of the equity securities listed in the PRC held directly by the Company as at 31 December 2025 and 2024 are as follows:

Name of company	Place of establishment and operation	Registered and paid up capital	Equity interest attributable to the Group	Type of legal entity	Principal activity
Shanghai Power #	The PRC	RMB2,816,744,000/ RMB2,821,185,000	12.88%	Joint stock, limited liability company with its A-share listed on the Shanghai Stock Exchange (“SSE”)	Investment holdings and generation and sale of electricity

Shanghai Power is a subsidiary of SPIC.

The equity securities are not held for trading. Instead, they are held for long-term strategic purposes. The Directors have elected to designate these equity securities as equity instruments at FVTOCI as they believe that recognizing short-term fluctuations in these equity securities' fair value in profit or loss would not be consistent with the Group's strategy of holding these equity securities for long-term purposes and realizing their performance potential in the long run.

23. DEFERRED INCOME TAXES

Deferred income taxes are calculated in respect of temporary differences under the liability method using the tax rates enacted or substantively enacted by the end of reporting period.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position:

	2025 RMB'000	2024 RMB'000
Deferred income tax assets	1,395,988	1,138,019
Deferred income tax liabilities	(3,891,605)	(2,783,870)
Net deferred income tax liabilities	(2,495,617)	(1,645,851)

Notes to the Consolidated Financial Statements

23. DEFERRED INCOME TAXES (CONTINUED)

Notes:

- (a) The net movements in the deferred income tax assets/(liabilities) during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Accelerated tax depreciation RMB'000	Decelerated tax depreciation RMB'000	Changes in fair value RMB'000	Provisions RMB'000	Tax losses RMB'000	Right-of-use assets/lease liabilities RMB'000	Others RMB'000	Total RMB'000
At 1 January 2025	(2,236,072)	509,062	(551,819)	199,670	91,770	(327)	341,865	(1,645,851)
Acquisitions of subsidiaries (Note 47)	(164,909)	139,265	(47,036)	-	4,162	(1,592)	50,370	(19,740)
Credited/(charged) to profit or loss (Note 11)	104,910	(10,520)	-	23,740	(41,349)	16,435	58,568	151,784
Charged to other comprehensive income	-	-	(981,810)	-	-	-	-	(981,810)
At 31 December 2025	(2,296,071)	637,807	(1,580,665)	223,410	54,583	14,516	450,803	(2,495,617)
At 1 January 2024	(2,363,032)	490,158	(486,733)	190,907	159,413	11,276	244,789	(1,753,222)
Acquisitions of subsidiaries	(18,442)	31,285	-	-	-	(3,788)	-	9,055
Credited/(charged) to profit or loss (Note 11)	145,402	(11,039)	-	8,763	(67,643)	(7,510)	97,076	165,049
Charged to other comprehensive income	-	-	(65,086)	-	-	-	-	(65,086)
Disposal of subsidiaries	-	(1,342)	-	-	-	(305)	-	(1,647)
At 31 December 2024	(2,236,072)	509,062	(551,819)	199,670	91,770	(327)	341,865	(1,645,851)

- (b) Deferred income tax assets are recognized for tax losses carried forward to the extent that the realization of the related tax benefit through future taxable profits is probable. As at 31 December 2025, the Group had unrecognized tax losses to be carried forward against future taxable profits amounting to RMB12,948,086,000 (2024: RMB9,995,418,000), which would expire within 5 to 10 years. Deferred tax assets have not been recognized in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.
- (c) As at 31 December 2025, the Group had deductible temporary differences of RMB1,028,465,000 (2024: RMB934,409,000), which mainly related to the impairment losses of the Group's property, plant and equipment, inventories, accounts receivable and interest in a joint venture. No deferred income tax assets had been recognized in relation to such deductible temporary difference as it is not probable that taxable profits will be available against which the deductible temporary differences can be utilized.
- (d) As the Company is a deemed PRC Tax Resident Enterprise, the Company is exempted from the withholding tax charged on the dividends remitted to the Company by the subsidiaries, associates or joint ventures. As such, no deferred income tax liabilities on unremitted earnings of subsidiaries, associates or joint ventures would be recognized.

Notes to the Consolidated Financial Statements

24. OTHER NON-CURRENT ASSETS

	2025 RMB'000	2024 RMB'000
Deductible value-added tax ("VAT") and other taxes	6,963,437	6,578,079
Accounts receivable (Note 26)	7,244,198	5,887,294
Others	999,058	755,278
Total	15,206,693	13,220,651

25. INVENTORIES

	2025 RMB'000	2024 RMB'000
Coal and fuel oil	911,646	852,723
Energy storage equipment, spare parts and consumables	635,156	549,837
Catalyst and raw materials	177,826	–
Total	1,724,628	1,402,560

26. ACCOUNTS RECEIVABLE

	2025 RMB'000	2024 RMB'000
Accounts receivable from regional and provincial power grid companies (notes (a) and (b))	37,979,282	35,047,355
Accounts receivable from other companies (notes (a) and (b))	3,133,214	2,700,447
Loss allowance (note (c))	(233,387)	(222,041)
	40,879,109	37,525,761
Notes receivable (note (d))	26,328	9,032
Total	40,905,437	37,534,793
Analyzed for reporting purposes as:		
— Non-current (included in other non-current assets (Note 24)) (note (b))	7,244,198	5,887,294
— Current	33,661,239	31,647,499
Total	40,905,437	37,534,793

Notes:

- (a) To measure the ECL, accounts receivable and notes receivable have been assessed individually when applying HKFRS 9. As at 31 December 2025, the loss allowance of the accounts receivable was RMB233,387,000 (2024: RMB222,041,000).

Notes to the Consolidated Financial Statements

26. ACCOUNTS RECEIVABLE (CONTINUED)

Notes: (Continued)

- (b) The ageing analysis of the accounts receivable presented based on invoice date is as follows:

	2025 RMB'000	2024 RMB'000
Within one year or no invoice date specified	40,879,109	37,525,761

The Group's accounts receivable are mainly receivables (including clean energy power price premium) on sales of electricity to regional and provincial power grid companies. Generally, these receivables are due within 15 to 30 days from the invoice date, except for clean energy power price premium. The collection of power price premium is subject to the allocation of funds by relevant government authorities to these grid companies, which consequently takes a relatively longer time for settlement. The accounts receivable that are neither past due nor impaired have been assessed by reference to the historical information about counterparty default rates. The existing counterparties did not have significant default in the past. As at 31 December 2025, accounts receivable from regional and provincial power grid companies included clean energy power price premium receivable of RMB7,244,198,000 (2024: RMB5,887,294,000), which was unbilled and stated after discounting.

The clean energy power price premium, which was a component of the government-approved on-grid tariff for wind, photovoltaic and waste-to-energy power generation, was recognized as revenue from sales of electricity in the consolidated statement of profit or loss of the Group for its wind, photovoltaic and waste-to-energy power projects.

The financial resource for the clean energy power price premium was the national renewable energy fund that is accumulated through a special levy on the consumption of electricity. Pursuant to Caijian [2012] No. 102 Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加補助資金管理暫行辦法) jointly issued by the Ministry of Finance of the PRC (the "MOF"), the National Development and Reform Commission of the PRC (the "NDRC") and the National Energy Administration (the "NEA") in March 2012, the standardized application and approval procedures on a project by project basis for the settlement of the tariff premium have come into force since 2012. Such applications were to be reviewed and approved in batches jointly by the MOF, the NDRC and the NEA, through the periodic issuance of the renewable energy subsidy catalogue (the "Subsidy Catalogue").

In February 2020, the MOF, the NDRC and the NEA jointly issued new guidelines and notices, i.e., Caijian [2020] No. 4 Guidelines on the Stable Development of Non-Water Renewable Energy Generation (關於促進非水可再生能源發電健康發展的若干意見) and Caijian [2020] No. 5 Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加資金管理辦法) (collectively referred to as the "New Guidelines"). Pursuant to the New Guidelines, the quota of new subsidies is decided based on the scale of subsidy funds, and there will not be any new Subsidy Catalogue to be published for tariff premium, and as an alternative, power grid companies will publish list of renewable energy projects qualified for tariff premium (the "Subsidy List") periodically after the renewable energy generators have gone through certain approval and information publicity process.

Based on the above New Guidelines and their past experience, the Directors estimated that there were no foreseeable obstacles that would lead to the application not being approved before entering into either the Subsidy Catalogue or the Subsidy List. It is expected that the Group's wind, photovoltaic and waste-to-energy power generation projects will be listed as qualified projects for tariff premium within one year from commercial production and the corresponding premium receivables are estimated to be recovered within one year upon these projects being listed as qualified projects for tariff premium. Therefore, the Directors considered the renewable energy electricity sales contracts for renewable energy projects, before entering into the Subsidy Catalogue or the Subsidy List, contains a significant financing component. During the year ended 31 December 2025, the respective clean energy power price premiums were adjusted for the financing component based on an effective interest rate of 3.13% (2024: 3.23%) per annum, and the Group's revenue was adjusted by RMB111,741,000 (2024: RMB120,772,000) and interest income amounting to RMB12,397,000 (2024: RMB20,458,000) (Note 10) was recognized.

Notes to the Consolidated Financial Statements

26. ACCOUNTS RECEIVABLE (CONTINUED)

Notes: (Continued)

- (c) The movements in the loss allowance for accounts receivable are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	(222,041)	–
Impairment losses recognized	(13,301)	(224,470)
Reversal of impairment losses	1,955	–
Amount written off	–	2,429
At 31 December	(233,387)	(222,041)

- (d) As at 31 December 2025, notes receivable were bank acceptance notes issued by third parties and were normally with a maturity period of 360 days (2024: 360 days).
- (e) As at 31 December 2025 and 2024, certain of the bank borrowings, other borrowings and lease liabilities (Notes 36(d), 38(c) and 39) were secured by the rights on certain accounts receivable. The accounts receivable pledged under these debts as at 31 December 2025 amounted to RMB11,732,758,000 (2024: RMB9,576,998,000).
- (f) Apart from certain clean energy power price premium receivables of RMB7,244,198,000 (2024: RMB5,887,294,000) which are stated after discounting, the fair values of the remaining accounts and notes receivables approximate their carrying amounts as the impact of discounting is not significant. Substantially all the accounts and notes receivables are denominated in RMB.

27. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Prepayments, deposits and other receivables mainly represent current portion of deductible VAT, prepayments for purchasing inventories and materials, deposits and other receivables.

	2025 RMB'000	2024 RMB'000
Deposits and other receivables	5,250,622	4,058,593
Prepayments	2,377,050	2,865,126
Deductible VAT	1,784,417	1,699,418
Provision under ECL	(188,589)	(137,544)
Total	9,223,500	8,485,593

As at 31 December 2025, prepayments, deposits and other receivables included prepayments to non-controlling shareholders of subsidiaries of RMB34,041,000 (2024: RMB83,841,000).

Notes to the Consolidated Financial Statements

27. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

The movements in the provision under ECL are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	(137,544)	(133,631)
Impairment losses recognized	(58,345)	(4,144)
Reversal of impairment losses	7,270	120
Amount written off	30	111
At 31 December	(188,589)	(137,544)

Where applicable upon the financial assets above, an impairment analysis is performed at each reporting date by considering the probability of default by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

The impairment loss amounted to RMB58,345,000 (2024: RMB4,144,000), which has been provided for the year 2025 for the deposits and other receivables with ECL rates from 0% to 100% (2024: 0% to 100%).

28. AMOUNTS DUE FROM/TO RELATED PARTIES

	2025 RMB'000	2024 RMB'000
Amounts due from related parties		
Amounts due from CPI Holding	161,453	35,744
Amounts due from SPIC Financial	104,688	108,555
Amounts due from companies controlled by SPIC other than CPI Holding and SPIC Financial	2,807,619	2,329,327
Amounts due from associates (note (a))	2,485,541	780,266
Amounts due from joint ventures (note (b))	524,428	412,962
Amounts due from non-controlling shareholders of subsidiaries	188,857	162,620
Amounts due from SPIC	3,619	3,679
Total	6,276,205	3,833,153

Notes to the Consolidated Financial Statements

28. AMOUNTS DUE FROM/TO RELATED PARTIES (CONTINUED)

	2025 RMB'000	2024 RMB'000
Amounts due to related parties		
Amounts due to CPI Holding (note (c))	146,542	118,604
Amounts due to SPIC Financial	171,437	24,290
Amounts due to companies controlled by SPIC other than CPI Holding and SPIC Financial	3,309,195	1,648,341
Amounts due to SPIC	222,246	212,907
Amounts due to associates	577,049	588,587
Amounts due to joint ventures	141,118	–
Amounts due to non-controlling shareholders of subsidiaries (note (d))	1,990,387	362,965
Total	6,557,974	2,955,694

Notes:

- The amounts due from associates are unsecured. Except for a balance of RMB1,695,080,000 (2024: RMB55,080,000) which is interest bearing at 1.95% (2024: 1.75%) per annum, a balance of RMB195,000,000 (2024: RMB195,000,000) which is interest bearing at 2.35% (2024: 2.35%) per annum, and a balance of RMB100,000,000 (2024: Nil) which is interest bearing at 2.00% (2024: Nil) per annum and repayable within one year, the remaining balances are interest free. Two balances of RMB200,000,000 and RMB205,000,000 as at 31 December 2024, both were interest bearing at 2.27% per annum, were repaid during the current year.
- The amounts due from joint ventures are unsecured and interest free.
- The amounts due to CPI Holding are unsecured. Except for a balance of RMB106,440,000 (2024: RMB106,440,000) which is interest bearing at 1.75% (2024: 1.75%) per annum and repayable within one year, the remaining balances are interest free.
- The amounts due to non-controlling shareholders of subsidiaries included dividend payable of RMB268,664,000 (2024: RMB262,626,000) and cash consideration payable of RMB1,220,916,000 (2024: Nil) to Hunan Xiangtou International Investment Limited (“Xiangtou International”) in relations to the Asset Restructuring (Note 47(a)(ii)).
- Balances with related parties, other than those disclosed in notes (a) to (d) above, are unsecured, interest free and repayable within one year.
- The fair values of these balances approximate their carrying amounts as the impact of discounting is not significant.

29. DEBT INSTRUMENTS AT FVTOCI

As at 31 December 2025, debt instruments at FVTOCI represent certain notes receivable issued by third parties and related parties, and were normally with maturity period within 360 days (2024: 360 days). Notes receivable discounted and endorsed to banks, suppliers and related parties of RMB227,944,000, RMB1,047,010,000 and RMB3,430,000 respectively (2024: RMB904,650,000, RMB866,128,000 and RMB2,883,000 respectively) are derecognized by the Group (the “Derecognized Notes”). In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognized Notes have a right of recourse against the Group if the PRC banks default (the “Continuing Involvement”). In the opinion of the Directors, the Group has transferred substantially all risks and rewards relating to the Derecognized Notes. Accordingly, it has derecognized the full carrying amounts of the Derecognized Notes and the associated trade payables and amounts due to related parties. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognized Notes and the undiscounted cash flows to repurchase these Derecognized Notes equal to their derecognized amounts. In the opinion of the Directors, the fair value of the Group’s Continuing Involvement in the Derecognized Notes is not significant.

Details of impairment assessment are set out in Note 45.2(d).

Notes to the Consolidated Financial Statements

30. RESTRICTED DEPOSITS

Restricted deposits are all restricted cash deposits. As at 31 December 2025, the restricted deposits of the Group are interest bearing from 0% to 1.20% (2024: 0.10% to 0.20%) per annum.

The restricted cash deposits mainly represent cash deposits held in the “joint control account” under the names of certain subsidiaries of the Group for the co-development of wind power plants with local government. The deposits are operated with the approvals from both parties and will be released upon the completion of power plant construction.

31. CASH AND CASH EQUIVALENTS

	2025 RMB'000	2024 RMB'000
Cash at banks and in hand (note (a))	1,024,961	2,547,411
Deposits at SPIC Financial (note (b))	5,353,344	3,526,205
Total	6,378,305	6,073,616
Denominated in:		
RMB	6,260,310	5,999,031
United States Dollars (“USD”)	84,025	40,519
Bangladeshi Taka (“BDT”)	29,894	14,487
HK\$	4,076	19,579
Total	6,378,305	6,073,616

Notes:

- (a) The Group’s cash at banks are interest bearing from 0.05% to 1.40% (2024: 0.10% to 0.20%) per annum.
- (b) The Group’s deposits at SPIC Financial are interest bearing at 0.35% to 1.35% (2024: 0.35% to 1.35%) per annum.
- (c) The Group’s cash and cash equivalents denominated in RMB of RMB6,215,314,000 (2024: RMB5,972,594,000) are deposited at banks, SPIC Financial in Chinese Mainland. The conversion of these RMB denominated balances into foreign currencies and the remittance of funds out of the PRC are subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

32. SHARE CAPITAL

	2025 RMB'000	2024 RMB'000
Ordinary shares, issued and fully paid:		
12,370,150,983 (2024: 12,370,150,983) ordinary shares	24,508,986	24,508,986

Note:

The ordinary shares of the Company do not have a par value.

There are no movements in the number of shares of the Company during the two years ended 31 December 2024 and 2025.

Notes to the Consolidated Financial Statements

33. SHARE OPTION SCHEME

On 5 and 20 July 2022, the Directors announced that the Company has granted share options to certain eligible participants (the “Grantees”), subject to acceptance of the Grantees, under the Company’s new share incentive scheme (the “Scheme”) adopted on 15 June 2022. The Scheme shall be valid from the grant date until the date when all share options have been exercised or cancelled and the maximum effective period of the Scheme shall not exceed 72 months. Grantees included the Directors, and employees of the Company or the Group’s controlled subsidiaries. Each share option shall entitle the Grantees to subscribe for one new share of the Company at the exercise price. Details of the share options granted are set out below:

Date of grant	5 July 2022	20 July 2022
Exercise price (per share)	HK\$4.82	HK\$4.90
Number of share options granted	84,590,000	18,590,000
Exercise period	First exercise period (Percentage of share options exercisable: 33%) Trading days from 5 July 2024 to 4 July 2025	First exercise period (Percentage of share options exercisable: 33%) Trading days from 20 July 2024 to 19 July 2025
	Second exercise period (Percentage of share options exercisable: 33%) Trading days from 5 July 2025 to 4 July 2026	Second exercise period (Percentage of share options exercisable: 33%) Trading days from 20 July 2025 to 19 July 2026
	Third exercise period (Percentage of share options exercisable: 34%) Trading days from 5 July 2026 to 4 July 2027	Third exercise period (Percentage of share options exercisable: 34%) Trading days from 20 July 2026 to 19 July 2027
Closing price immediately before the date of grant (per share)	HK\$4.76	HK\$4.75

The exercise prices and exercise periods of the Company’s share options outstanding as at 31 December 2025 are as follows:

Number of share options	Exercise price (HK\$ per share)	Exercise period
18,222,600	4.82	5 July 2025 to 4 July 2026
18,774,800	4.82	5 July 2026 to 4 July 2027
4,827,900	4.90	20 July 2025 to 19 July 2026
4,974,200	4.90	20 July 2026 to 19 July 2027

The movements of share options under the Scheme during the current year are as follows:

	2025	
	Weighted average exercise price (HK\$ per share)	Number of share options
At 1 January	4.84	58,665,200
Lapsed during the year	4.84	(11,865,700)
At 31 December	4.84	46,799,500

Notes to the Consolidated Financial Statements

33. SHARE OPTION SCHEME (CONTINUED)

During the year ended 31 December 2025, the Company recognized a share-based payment expenses of RMB2,182,000 (2024: RMB19,283,000)(Note 6), which has already taken into account of the impact of revisions to the original estimates at the year-end.

The fair value of equity-settled share options granted during the year was estimated as at the date of grant using a Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The following table lists the key inputs to the model used:

	Date of grant	
	5 July 2022	20 July 2022
Estimated fair value (per share option)	HK\$1.61	HK\$1.56
Expected volatility	44.42%	44.83%
Risk-free interest rate	2.4455%	2.3805%
Expected life of share options	3.5 years	3.5 years
Exercise price (per share)	HK\$4.82	HK\$4.90
Closing share price (per share)	HK\$4.69	HK\$4.65

34. OTHER EQUITY INSTRUMENTS

On 15 December 2025, Qinglong Zhongpu New Energy Co., Ltd., the Company's subsidiary, entered into an investment contract ("Qinglong Investment Contract") with Bridge Trust Co., Ltd. ("Bridge Trust", a subsidiary of SPIC). Pursuant to the Qinglong Investment Contract, the Group received a perpetual debt from Bridge Trust amounting to RMB500,000,000, with an initial interest rate of 2.69% per annum. The Group has the right to defer current interest and all deferred interest. The perpetual debt has no fixed maturity date and is callable at the Group's discretion in whole at each distribution date after the 10th year of issuance, or the payment of the principal may be deferred at each distribution date.

In 2023, the Company issued the debt financing instruments ("DFI"). On 1 November 2023 and 15 November 2023, the Company issued the 2023 first tranche of RMB1,500,000,000 perpetual medium-term note (the "DFI-PMTN-1st-tranche") and RMB1,500,000,000 perpetual medium-term note (the "DFI-PMTN-2nd-tranche"), at initial interest rates of 3.58% per annum and 3.30% per annum, respectively. The proceeds from the issuance of the DFI-PMTN-1st-tranche and the DFI-PMTN-2nd-tranche after deducting the issuance cost were approximately RMB1,499,100,000 and RMB1,499,100,000, respectively. The Group has the right to defer current interest and all deferred interest. The medium-term notes have no fixed maturity date and are callable at the Group's discretion in whole at each distribution date after the third year of issuance, or the payment of the principal may be deferred at each distribution date aforementioned.

On 15 November 2022, the Company and certain of its subsidiaries entered into the perpetual debt investment contracts with Bridge Trust. During the year ended 31 December 2025, the Group has received perpetual debts amounting to RMB163,430,000 (2024: RMB32,050,000) with initial interest rates ranging from 2.97% to 3.69% (2024: 2.97% to 3.69%) per annum. The perpetual debts have no fixed maturity date and are callable at the Group's discretion in whole at each distribution date after the third year or fifth year of issuance, or the payment of the principal may be deferred at each distribution date. As at 31 December 2025, the balance of the perpetual debts amounted to RMB12,149,510,000 (2024: RMB11,986,010,000).

In 2025, the profit attributable to holders of other equity instruments, based on the applicable interest rate, was RMB493,844,000 (2024: RMB497,441,000) and distribution of RMB546,741,000 (2024: RMB433,078,000) has been made.

Notes to the Consolidated Financial Statements

35. RESERVES

	Merger reserve (note (a)) RMB'000	Capital reserve (note (b)) RMB'000	FVTOCI reserve RMB'000	Statutory reserves (note (c)) RMB'000	Share-based payment reserve RMB'000	Special reserve RMB'000	Exchange translation reserve RMB'000	Others RMB'000	Other reserves sub-total RMB'000	Retained earnings (note (d)) RMB'000	Total RMB'000
At 1 January 2025	306,548	1,138,661	1,493,261	4,231,381	55,507	361,586	(15,737)	399,533	7,970,740	7,310,245	15,280,985
Profit for the year	-	-	-	-	-	-	-	-	-	2,910,226	2,910,226
Fair value gain on equity instruments at FVTOCI	-	-	3,927,145	-	-	-	-	-	3,927,145	-	3,927,145
Deferred income tax on fair value gain on equity instruments at FVTOCI	-	-	(981,786)	-	-	-	-	-	(981,786)	-	(981,786)
Fair value loss on debt instruments at FVTOCI	-	-	(823)	-	-	-	-	-	(823)	-	(823)
Deferred income tax on fair value loss on debt instruments at FVTOCI	-	-	206	-	-	-	-	-	206	-	206
Release on derecognition of debt instruments at FVTOCI	-	-	869	-	-	-	-	-	869	-	869
Release of deferred income tax on derecognition of debt instruments at FVTOCI	-	-	(217)	-	-	-	-	-	(217)	-	(217)
Share of other comprehensive loss of associates and a joint venture, net of tax	-	-	-	-	-	-	-	(287)	(287)	-	(287)
Share-based payment expenses (Note 33)	-	-	-	-	2,182	-	-	-	2,182	-	2,182
Transfer to statutory reserves	-	-	-	800,997	-	-	-	-	800,997	(800,997)	-
Acquisitions of subsidiaries (Note 47)	-	-	-	-	-	-	-	(386,626)	(386,626)	-	(386,626)
Disposal of interests in subsidiaries without loss of control (Note 46(a))	-	-	-	-	-	-	-	(185,650)	(185,650)	-	(185,650)
Acquisitions of non-controlling interests (Note 47(c))	-	-	-	-	-	-	-	(123,917)	(123,917)	-	(123,917)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(27,426)	-	(27,426)	-	(27,426)
Appropriation and utilization of safety production funds, net	-	-	-	-	-	73,639	-	-	73,639	(73,639)	-
Share of changes of reserves of associates and joint ventures	-	-	-	-	-	15,265	-	-	15,265	(15,265)	-
2024 final dividend (Note 13)	-	-	-	-	-	-	-	-	-	(2,003,964)	(2,003,964)
At 31 December 2025	306,548	1,138,661	4,438,655	5,032,378	57,689	450,490	(43,163)	(296,947)	11,084,311	7,326,606	18,410,917

Notes to the Consolidated Financial Statements

35. RESERVES (CONTINUED)

	Merger reserve (note (a)) RMB'000	Capital reserve (note (b)) RMB'000	FVTOCI reserve RMB'000	Statutory reserves (note (c)) RMB'000	Share-based payment reserve RMB'000	Special reserve RMB'000	Exchange translation reserve RMB'000	Others RMB'000	Other reserves sub-total RMB'000	Retained earnings (note (d)) RMB'000	Total RMB'000
At 1 January 2024	306,548	1,138,661	1,297,128	3,008,042	36,224	125,919	–	387,486	6,300,008	7,656,238	13,956,246
Profit for the year	–	–	–	–	–	–	–	–	–	3,364,381	3,364,381
Fair value gain on equity instruments at FVTOCI	–	–	261,670	–	–	–	–	–	261,670	–	261,670
Deferred income tax on fair value gain on equity instruments at FVTOCI	–	–	(65,418)	–	–	–	–	–	(65,418)	–	(65,418)
Fair value loss on debt instruments at FVTOCI	–	–	(869)	–	–	–	–	–	(869)	–	(869)
Deferred income tax on fair value loss on debt instruments at FVTOCI	–	–	217	–	–	–	–	–	217	–	217
Release on derecognition of debt instruments at FVTOCI	–	–	711	–	–	–	–	–	711	–	711
Release of deferred income tax on derecognition of debt instruments at FVTOCI	–	–	(178)	–	–	–	–	–	(178)	–	(178)
Share of other comprehensive loss of associates and a joint venture, net of tax	–	–	–	–	–	–	–	(718)	(718)	–	(718)
Share-based payment expenses (Note 33)	–	–	–	–	19,283	–	–	–	19,283	–	19,283
Transfer to statutory reserves	–	–	–	1,223,339	–	–	–	–	1,223,339	(1,223,339)	–
Disposal of interests in subsidiaries without loss of control	–	–	–	–	–	–	–	12,765	12,765	–	12,765
Exchange differences on translation of foreign operations	–	–	–	–	–	–	(15,737)	–	(15,737)	–	(15,737)
Appropriation and utilization of safety production funds, net	–	–	–	–	–	212,214	–	–	212,214	(212,214)	–
Share of changes of reserves of associates and joint ventures	–	–	–	–	–	23,453	–	–	23,453	(23,453)	–
2023 final dividend (Note 13)	–	–	–	–	–	–	–	–	–	(1,632,860)	(1,632,860)
2024 special dividend (Note 13)	–	–	–	–	–	–	–	–	–	(618,508)	(618,508)
At 31 December 2024	306,548	1,138,661	1,493,261	4,231,381	55,507	361,586	(15,737)	399,533	7,970,740	7,310,245	15,280,985

Notes:

(a) Merger reserve

The merger reserve of the Group represents the difference between the nominal amount of the share capital issued by the Company and the nominal amount of the registered capital of the subsidiaries transferred to the Company pursuant to the reorganization of the Group which took place in 2004.

(b) Capital reserve

Capital reserve mainly represents the difference between the fair value of the net assets injected by the then owner of the relevant companies of the Group and the registered capital of these companies upon their establishment.

(c) Statutory reserves

Statutory reserves are non-distributable and the transfers to these funds are determined by the boards of directors of the relevant PRC subsidiaries in accordance with the relevant laws and regulations in the PRC.

(d) Retained earnings

Accumulated profits retained by the Group, its associates and joint ventures included impairment losses on property, plant and equipment of certain subsidiaries and an associate which have been accounted for in the Group's consolidated statement of profit or loss in prior years. In the local statutory financial statements of the certain subsidiaries and an associate, these impairment losses have been dealt with in the respective company's capital reserves in accordance with the relevant local accounting rules and regulations. Profit distributions made by these companies were based on the distributable reserves as reported in the statutory financial statements.

Notes to the Consolidated Financial Statements

36. BANK BORROWINGS

	2025 RMB'000	2024 RMB'000
Non-current		
Long-term bank borrowings		
— secured (note (d))	32,212,564	30,928,332
— unsecured (note (e))	100,413,718	92,393,005
	132,626,282	123,321,337
Less: Current portion of long-term bank borrowings	(14,404,770)	(12,561,890)
	118,221,512	110,759,447
Current		
Short-term bank borrowings		
— secured (note (d))	12,000	—
— unsecured	25,771,363	17,201,812
Current portion of long-term bank borrowings	14,404,770	12,561,890
	40,188,133	29,763,702
Total	158,409,645	140,523,149

Notes:

- (a) The carrying amounts of the Group's bank borrowings are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RMB	158,240,358	140,335,184
Japanese Yen ("JPY")	169,287	187,965
Total	158,409,645	140,523,149

- (b) The repayment terms of the long-term bank borrowings are analyzed as follows:

	2025 RMB'000	2024 RMB'000
Within one year	14,404,770	12,561,890
Between one and two years	12,766,185	12,320,353
Between two and five years	35,343,863	30,159,212
Over five years	70,111,464	68,279,882
Total	132,626,282	123,321,337

Notes to the Consolidated Financial Statements

36. BANK BORROWINGS (CONTINUED)

Notes: (Continued)

- (c) The effective interest rates per annum of the Group's bank borrowings are as follows:

	2025	2024
Short-term bank borrowings	2.11%	3.14%
Long-term bank borrowings (including current portion)	2.59%	3.65%

As at 31 December 2025 and 2024, the bank borrowings of the Group in fixed and floating rates are as follows:

	2025 RMB'000	2024 RMB'000
Fixed-rate borrowings	32,994,865	23,816,780
Floating-rate borrowings	125,414,780	116,706,369
Total	158,409,645	140,523,149

- (d) As at 31 December 2025 and 2024, the bank borrowings of the Group are secured as follows:

	2025 RMB'000	2024 RMB'000
Secured by the equity of a non-controlling shareholder of a subsidiary	242,600	135,400
Secured by certain property, plant and equipment (Note 15(c))	695,041	953,204
Secured against the rights on certain accounts receivable (Note 26(e))	30,862,246	29,839,728
Secured by certain other intangible assets (Note 19(b))	424,677	–

- (e) As at 31 December 2025, bank borrowings amounting to RMB169,287,000 (2024: RMB187,965,000) were guaranteed by Hunan Provincial Finance Bureau.
- (f) As at 31 December 2025, the Group had available unutilized banking facilities amounting to RMB42,136,334,000 (2024: RMB39,474,060,000).
- (g) The fair values of short-term bank borrowings approximate their carrying amounts as the impact of discounting is not significant.

The fair values of long-term bank borrowings at floating interest rates approximate their carrying amounts.

As at 31 December 2025, the carrying amounts and fair values of long-term bank borrowings at fixed interest rates amount to RMB9,573,357,000 (2024: RMB11,006,828,000) and RMB10,480,080,000 (2024: RMB12,439,645,000) respectively. The fair values are calculated using cash flows discount rates from 0.75% to 3.85% (2024: 1% to 4.30%) and are within level 3 of the fair value hierarchy.

Notes to the Consolidated Financial Statements

37. BORROWINGS FROM RELATED PARTIES

	2025 RMB'000	2024 RMB'000
Non-current		
Long-term borrowings from SPIC (note (b))	4,011,343	12,034,556
Long-term borrowings from SPIC Financial (note (c))	2,640,050	2,776,377
Long-term borrowings from other related parties (note (d))	1,209,032	1,511,581
	7,860,425	16,322,514
Less: Current portion of long-term borrowings from SPIC	(1,050,000)	(8,218,149)
Current portion of long-term borrowings from SPIC Financial	(509,550)	(2,068,000)
Current portion of long-term borrowings from other related parties	(148,304)	(723,937)
	6,152,571	5,312,428
Current		
Short-term borrowings from SPIC (note (e))	374,917	500,000
Short-term borrowings from SPIC Financial (note (f))	9,809,413	8,253,500
Short-term borrowings from CPI Holding (note (g))	1,200,000	1,200,000
Short-term borrowings from other related parties (note (h))	2,800,234	2,007,605
Current portion of long-term borrowings from SPIC (note (b))	1,050,000	8,218,149
Current portion of long-term borrowings from SPIC Financial (note (c))	509,550	2,068,000
Current portion of long-term borrowings from other related parties (note (d))	148,304	723,937
	15,892,418	22,971,191
Total	22,044,989	28,283,619

Notes:

- (a) The carrying amounts of the Group's borrowings from related parties are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RMB	21,342,057	27,564,779
USD	702,932	718,840
Total	22,044,989	28,283,619

- (b) The long-term borrowings from SPIC are unsecured, interest bearing from 2.00% to 5.80% (2024: 2.48% to 5.80%) per annum.

The repayment terms of these borrowings are analyzed as follows:

	2025 RMB'000	2024 RMB'000
Within one year	1,050,000	8,218,149
Between one and two years	840,000	990,910
Between two and five years	2,121,343	1,083,359
Over five years	–	1,742,138
Total	4,011,343	12,034,556

Notes to the Consolidated Financial Statements

37. BORROWINGS FROM RELATED PARTIES (CONTINUED)

Notes: (Continued)

- (c) The long-term borrowings from SPIC Financial are unsecured, interest bearing from 1.77% to 2.85% (2024: 2.30% to 4.27%) per annum.

The repayment terms of these borrowings are analyzed as follows:

	2025 RMB'000	2024 RMB'000
Within one year	509,550	2,068,000
Between one and two years	1,900,000	358,000
Between two and five years	79,000	90,377
Over five years	151,500	260,000
Total	2,640,050	2,776,377

As at 31 December 2025 and 2024, the long-term borrowings from SPIC Financial in fixed and floating rate are as follows:

	2025 RMB'000	2024 RMB'000
Fixed-rate borrowings	2,125,550	1,601,377
Floating-rate borrowings	514,500	1,175,000
Total	2,640,050	2,776,377

- (d) As at 31 December 2025, RMB61,779,000 (2024: RMB66,346,000) is secured against certain property, plant and equipment (Note 15(c)) and interest bearing at 3.24% (2024: 3.24%) per annum. The remaining long-term borrowings from other related parties are unsecured and interest bearing from 2.08% to 5.50% (2024: 3.22% to 4.50%) per annum.
- (e) As at 31 December 2025, the short-term borrowings from SPIC are unsecured, interest bearing from 2.11% to 2.65% (2024: 2.00% to 3.46%) per annum.
- (f) As at 31 December 2025, the short-term borrowings from SPIC Financial are unsecured, interest bearing from 2.00% to 3.60% (2024: 2.40% to 3.46%) per annum.
- (g) As at 31 December 2025, the short-term borrowings from CPI Holding are unsecured, interest bearing from 1.78% to 2.00% (2024: 2.00%) per annum.
- (h) As at 31 December 2025, the short-term borrowings from other related parties are unsecured, interest bearing from 1.80% to 5.63% (2024: 1.75% to 4.35%) per annum.
- (i) As at 31 December 2025, the Group had no available unutilized facilities from SPIC Financial (2024: RMB10,000,000,000).
- (j) As at 31 December 2025, the Group had available unutilized facilities from SPIC International Finance (Hong Kong) Company Limited ("SPIC Finance HK") amounting to RMB1,300,000,000 (2024: RMB1,300,000,000).
- (k) The fair values of short-term borrowings from related parties approximate their carrying amounts as the impact of discounting is not significant.

The fair values of long-term borrowings from related parties at floating interest rates approximate their carrying amounts.

As at 31 December 2025, the carrying amounts and fair values of long-term borrowings from related parties at fixed interest rates amounted to RMB6,198,671,000 (2024: RMB10,501,031,000) and RMB6,512,993,000 (2024: RMB10,818,490,000) respectively. The fair values are calculated using cash flows with discount rates from 1.77% to 5.80% (2024: 2.30% to 5.80%) and are within level 3 of the fair value hierarchy.

Notes to the Consolidated Financial Statements

38. OTHER BORROWINGS

	2025 RMB'000	2024 RMB'000
Non-current		
Medium-term notes issued by the Company (note (a))	12,500,000	12,500,000
Corporate bonds issued by the Company (note (b))	3,000,000	3,000,000
Long-term other borrowings from third parties (note (c))	7,398,713	7,687,717
	22,898,713	23,187,717
Less: Current portion of medium-term notes issued by the Company	-	(8,000,000)
Current portion of long-term other borrowings from third parties	(534,948)	(551,915)
	22,363,765	14,635,802
Current		
Super & short-term commercial paper issued by the Company (note(d))	2,000,000	-
Short-term note issued by a subsidiary	-	400,000
Current portion of medium-term notes issued by the Company (note (a))	-	8,000,000
Current portion of long-term other borrowings from third parties (note (c))	534,948	551,915
	2,534,948	8,951,915
Total	24,898,713	23,587,717

Notes:

(a) The balance includes:

- (i) In 2025, the Company issued three unsecured RMB denominated medium-term notes, two in June and one in July, each amounting to RMB2,000,000,000 for a term of three years, and interest bearing at 1.86%, 1.70% and 1.82% per annum respectively. One unsecured RMB denominated green medium-term note (blue bond) was issued by the Company in September 2025, amounting to RMB2,000,000,000, for a term of three years, and interest bearing at 2.00% per annum.
- (ii) Three unsecured RMB denominated green medium-term notes were issued by the Company in April, June and October 2024, amounting to RMB2,000,000,000, RMB1,500,000,000 and RMB1,000,000,000 respectively, for terms of three years, ten years and five years, and interest bearing at 2.12%, 2.58% and 2.28% per annum respectively.
- (iii) Four unsecured RMB denominated medium-term notes were issued by the Company in 2022 (two in June, one in July and one in September), each amounting to RMB2,000,000,000 for a term of three years, and interest bearing at 3.00%, 2.99%, 2.87% and 2.71% per annum respectively. As at 31 December 2025, these four medium-term notes have been repaid.

As at 31 December 2025, the fair value of the medium-term note amounted to RMB15,402,517,000 (2024: RMB15,036,209,000), which has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

Notes to the Consolidated Financial Statements

38. OTHER BORROWINGS (CONTINUED)

Notes: (Continued)

- (b) Two unsecured RMB denominated corporate bonds were issued by the Company in March and April 2024 of RMB2,000,000,000 and RMB1,000,000,000 respectively, each for a term of three years, and interests bearing at 2.67% and 2.39% per annum respectively.
- (c) As at 31 December 2025, RMB637,927,000 (2024: RMB1,148,957,000) is secured against the rights on certain accounts receivable (Note 26(e)) and interest bearing from 2.55% to 4.20% (2024: 2.64% to 4.19%) per annum and RMB212,966,000 (2024: RMB527,067,000) is secured against certain property, plant and equipment (Note 15(c)) and interest bearing from 2.90% to 3.08% (2024: 3.35% to 3.46%) per annum. The remaining balances are unsecured and interest bearing from 0.75% to 4.66% (2024: 3.05% to 4.30%) per annum. The fair values of the long-term other borrowings from third parties approximate their carrying amounts as the impact of discounting is not significant.
- (d) As at 31 December 2025, the balance is an unsecured RMB denominated super & short-term commercial paper of RMB2,000,000,000 issued by the Company, in August 2025 for a term of 270 days, and interest-bearing at 1.69% per annum.

39. LEASE LIABILITIES

	2025 RMB'000	2024 RMB'000
Lease liabilities payable		
Within one year	621,837	622,102
Between one and two years	547,525	475,066
Between two and five years	1,060,635	1,022,889
Over five years	2,746,400	2,846,428
	4,976,397	4,966,485
Less: Amounts payable within 12 months shown under current liabilities	(621,837)	(622,102)
Amounts payable after 12 months shown under non-current liabilities	4,354,560	4,344,383

The balance as at 31 December 2025 includes certain lease agreements entered into with related parties, namely CPI Ronghe Financial Leasing Co., Ltd. and China Kangfu International Leasing Co., Ltd. for the use of property, plant and equipment for 14 to 15 years amounting to RMB705,586,000, of which RMB705,586,000 (2024: RMB923,095,000) are secured against the rights on certain accounts receivable (Note 26(e)) with interest rate of 4.41% (2024: 4.01% to 7%) per annum.

Except for short-term leases and low value leases in which the Group applied recognition exemption, the Group has recognized additions of right-of-use assets and lease liabilities of RMB1,514,834,000 (2024: RMB2,292,749,000) (Note 16) and RMB1,149,128,000 (2024: RMB1,585,570,000) respectively.

Notes to the Consolidated Financial Statements

40. PROVISIONS FOR OTHER LONG-TERM LIABILITIES

Provisions for other long-term liabilities represent provisions for inundation compensation caused by the construction of certain hydropower plants of the Group, namely the Sanbanxi Power Plant, Baishi Power Plant, Tuokou Power Plant and Changzhou Hydropower Plant in accordance with the rules and regulations of inundation compensation.

The provisions are measured at the present value of the expenditures expected to be required to settle the compensations, based on the latest rules and regulations as set out by the relevant local government authorities in the PRC, compensation per unit of area, growth rate of compensation, and the expected useful lives of these hydropower plants, using a pre-tax discount rate that reflects current assessments of the time value of money and the risks specific to the compensations. The increase in the provisions due to the passage of time had been recognized as interest expense.

Analysis of the provisions for inundation compensation as at 31 December 2025 and 2024 is as follows:

	2025 RMB'000	2024 RMB'000
Non-current liabilities	1,795,135	1,804,615
Current liabilities (included in other payables and accrued charges (Note 42))	12,622	11,531
Total	1,807,757	1,816,146

The movements of the provisions for inundation compensation for the years ended 31 December 2025 and 2024 are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	1,816,146	1,970,037
Reversal during the year	-	(144,067)
Interest expense (Note 10)	92,427	93,557
Payment	(100,816)	(103,381)
At 31 December	1,807,757	1,816,146

Notes to the Consolidated Financial Statements

41. ACCOUNTS AND BILLS PAYABLES

	2025 RMB'000	2024 RMB'000
Accounts payable (note (a))	2,856,359	3,383,571
Bills payable (note (b))	781,167	316,232
Total	3,637,526	3,699,803

Notes:

- (a) The normal credit period for accounts payable generally ranges from 60 to 180 days. The ageing analysis of the accounts payable based on invoice date is as follows:

	2025 RMB'000	2024 RMB'000
Within one year	2,817,392	3,343,512
Over one year	38,967	40,059
Total	2,856,359	3,383,571

- (b) As at 31 December 2025, bills payable are bills of exchange with maturity period ranged from 6 to 12 months (2024: ranged from 3 to 12 months).
- (c) The fair values of accounts and bills payables approximate their carrying amounts as the impact of discounting is not significant. All accounts and bills payables are denominated in RMB.

42. OTHER PAYABLES AND ACCRUED CHARGES

	2025 RMB'000	2024 RMB'000
Salaries and staff welfare payable	452,576	369,563
VAT payable	444,413	422,370
Other taxes payable	372,986	352,366
Repairs and maintenance expense payable	117,628	106,943
Insurance expense payable	45,340	45,008
Reservoir maintenance and usage fees payables	26,414	24,991
Service fees payables	489,637	420,609
Interest payable	415,238	376,775
Current portion of provisions for other long-term liabilities (Note 40)	12,622	11,531
Consideration payable for acquisition of subsidiaries	176,366	24,749
Payables for construction and equipment	1,665,818	21,771
Payable due to former shareholders of subsidiaries	372,480	737,368
Other payables and accrued operating expenses	2,551,482	2,547,722
Total	7,143,000	5,461,766

Notes to the Consolidated Financial Statements

43. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of profit before taxation to cash generated from operating activities

	2025 RMB'000	2024 RMB'000
Profit before taxation	7,858,749	8,010,680
Share of results of associates	(613,764)	(551,145)
Share of results of joint ventures	(219,742)	(181,455)
Finance income	(151,653)	(153,955)
Finance costs	5,062,776	5,043,066
Dividend income	(183,049)	(103,022)
Depreciation of property, plant and equipment	13,294,370	12,062,171
Depreciation of right-of-use assets	746,825	601,301
Provision of impairment of accounts receivable, other receivables and amounts due from related parties, net	63,967	228,494
Impairment of property, plant and equipment	47,291	265,262
Amortization of other intangible assets	1,185,109	1,174,758
Amortization of deferred income	(29,811)	(16,010)
Loss/(gain) on disposal of property, plant and equipment, net	3,108	(6,208)
(Gain)/loss on disposal of subsidiaries, net	(2,249)	50,444
Gain on remeasurement of remaining equity interests in associates and a joint venture after loss of control over subsidiaries	-	(93,216)
Share-based payment expenses	2,182	19,283
Loss on disposal of associates and a joint venture	4,774	12,978
Gain on bargain purchase	(321,676)	(19,902)
Others	-	(129,840)
Operating cash flows before working capital changes	26,747,207	26,213,684
(Increase)/decrease in inventories	(65,232)	913,742
Increase in accounts receivable	(2,974,162)	(9,055,316)
Decrease/(increase) in prepayments, deposits and other receivables	1,641,683	(515,396)
Decrease in amounts due from related parties	1,525	577,340
Decrease/(increase) in debt instruments at FVTOCI	154,884	(22,301)
Decrease in accounts and bills payables	(620,603)	(123,593)
Decrease in other payables and accrued charges	(872,195)	(163,820)
Increase/(decrease) in amounts due to related parties	919,484	(929,003)
Increase in deferred income	288,088	58,153
Cash generated from operations	25,220,679	16,953,490
Interest paid	(4,842,829)	(4,708,662)
Tax paid	(1,859,795)	(1,623,465)
Net cash generated from operating activities	18,518,055	10,621,363

Notes to the Consolidated Financial Statements

43. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Analysis of changes in financing during the year

	Bank borrowings and other borrowings RMB'000	Borrowings from related parties RMB'000	Leases liabilities RMB'000
At 31 December 2024	164,110,866	28,283,619	4,966,485
Drawdown of bank borrowings	110,176,136	-	-
Repayment of bank borrowings	(96,627,649)	-	-
Drawdown of other borrowings	11,386,424	-	-
Repayment of other borrowings	(10,075,428)	-	-
Drawdown of borrowings from related parties	-	37,371,491	-
Repayment of borrowings from related parties	-	(43,610,121)	-
Payments for lease liabilities	-	-	(1,320,844)
Interest expense on lease liabilities (Note 10)	-	-	184,503
New finance leases (note (c)(ii))	-	-	964,122
Acquisitions of subsidiaries (Note 47)	4,398,432	-	185,006
Disposal of right-of-use assets	-	-	(2,875)
Disposal of interests in subsidiaries (Note 46(b))	(60,423)	-	-
At 31 December 2025	183,308,358	22,044,989	4,976,397

	Bank borrowings and other borrowings RMB'000	Borrowings from related parties RMB'000	Leases liabilities RMB'000
At 31 December 2023	137,558,240	27,024,008	4,132,592
Drawdown of bank borrowings	93,601,694	-	-
Repayment of bank borrowings	(77,909,879)	-	-
Drawdown of other borrowings	11,605,886	-	-
Repayment of other borrowings	(7,436,635)	-	-
Drawdown of borrowings from related parties	-	24,596,575	-
Repayment of borrowings from related parties	-	(23,347,534)	-
Payments for lease liabilities	-	-	(850,527)
Interest expense on lease liabilities (Note 10)	-	-	171,352
New finance leases (note (c)(ii))	-	-	1,455,681
Acquisitions of subsidiaries	10,528,952	-	134,303
Disposal of interests in subsidiaries	(3,820,454)	-	(76,916)
Exchange (gain)/loss, net	(16,938)	10,570	-
At 31 December 2024	164,110,866	28,283,619	4,966,485

Notes to the Consolidated Financial Statements

43. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(c) Major non-cash transactions

- (i) For the year ended 31 December 2025, accounts payable and amounts due to related parties of RMB1,047,010,000 (2024: RMB866,128,000) and RMB3,430,000 (2024: RMB2,883,000) (Note 29) respectively have been settled through endorsement of notes receivables.
- (ii) During the year ended 31 December 2025, the Group entered into new lease agreements for the use of power generator equipment, leasehold land and buildings from 2 to 20 years. Upon the lease commencement, the Group recognized right-of-use assets of RMB964,122,000 (2024: RMB1,455,681,000) and lease liabilities of RMB964,122,000 (2024: RMB1,455,681,000).

44. COMMITMENTS

	2025 RMB'000	2024 RMB'000
Contracted but not provided for in respect of		
— property, plant and equipment	4,290,545	5,744,423
— capital contribution to associates	4,426,034	3,842,553
Total	8,716,579	9,586,976

45. FINANCIAL INSTRUMENTS

45.1 Categories of financial instruments

	2025 RMB'000	2024 RMB'000
Financial assets		
Equity instruments at FVTOCI	9,272,721	5,091,105
Financial assets at amortized cost	59,484,419	52,008,523
Debt instruments at FVTOCI	69,846	81,226
Total	68,826,986	57,180,854
Financial liabilities		
Amortized cost	240,447,810	225,793,055

Notes to the Consolidated Financial Statements

45. FINANCIAL INSTRUMENTS (CONTINUED)

45.2 Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks: market risks (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

(a) Foreign exchange risk

The Group mainly operates in Chinese Mainland with most of the transactions settled in RMB. Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the entity's functional currency. The Group is exposed to foreign exchange risk primarily with respect to JPY, HK\$, BDT and USD.

The Group's assets and liabilities and transactions arising from its operations primarily do not expose to material foreign exchange risk. Other than certain bank borrowings, certain borrowings from related parties and certain cash and cash equivalents, the Group's assets and liabilities are primarily denominated in RMB. The Group generates RMB from sales in Chinese Mainland to meet its liabilities denominated in RMB.

As at 31 December 2025, the Group was exposed to foreign exchange risk primarily with respect to bank borrowings which were denominated in JPY, borrowings from related parties which were denominated in USD, and cash and cash equivalents which were denominated in USD, BDT and HK\$, details of which have been disclosed in Notes 36, 37 and 31, respectively.

The Group manages its foreign currency risk by closely monitoring the movements in the foreign currency rates.

RMB experienced certain appreciation against USD, JPY, BDT and HK\$ during the year which is the major reason for the exchange gain recognized by the Group for the year. Further exchange rate fluctuation of USD, JPY, BDT and HK\$ against RMB will affect the Group's financial position and results of operations.

As at 31 December 2025, if RMB had weakened/strengthened by 5% (2024: 5%) against JPY, with all other variables held constant, the Group's post-tax profit for the year would have been RMB6,348,000 lower/higher (2024: RMB7,049,000 lower/higher), mainly as a result of foreign exchange differences on translation of JPY denominated borrowings.

As at 31 December 2025, if RMB had weakened/strengthened by 5% (2024: 5%) against USD, with all other variables held constant, the Group's post-tax profit for the year would have been RMB29,511,000 lower/higher (2024: RMB28,476,000 lower/higher), mainly as a result of net foreign exchange differences on translation of USD denominated borrowings and bank deposits.

As at 31 December 2025, if RMB had weakened/strengthened by 5% (2024: 5%) against BDT, with all other variables held constant, the Group's post-tax profit for the year would have been RMB1,121,000 higher/lower (2024: RMB543,000 higher/lower), mainly as a result of foreign exchange differences on translation of BDT denominated bank deposits.

As at 31 December 2025, if RMB had weakened/strengthened by 5% (2024: 5%) against HK\$, with all other variables held constant, the Group's post-tax profit for the year would have been RMB153,000 higher/lower (2024: RMB734,000 higher/lower), mainly as a result of foreign exchange differences on translation of HK\$ denominated bank deposits.

In the Group management's opinion, the sensitivity analysis is unrepresentative of the inherent currency risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

Notes to the Consolidated Financial Statements

45. FINANCIAL INSTRUMENTS (CONTINUED)

45.2 Financial risk management objectives and policies (Continued)

(b) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing assets mainly include amounts due from associates and joint ventures, cash at banks and deposits at SPIC Financial, details of which have been disclosed in Notes 28 and 31. The Group's exposure to changes in interest rates is mainly attributable to its borrowings and lease liabilities, details of which have been disclosed in Notes 36 to 39. Borrowings carried at floating rates expose the Group to cash flow interest rate risk whereas borrowings and lease liability carried at fixed rates expose the Group to fair value interest rate risk, details of which have been disclosed in Notes 36 to 39. The Group has not used any specific interest rate swap contracts to hedge its exposure to interest rate risk.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of PBOC interest rate arising from the Group's RMB denominated floating rate bank borrowings.

As at 31 December 2025, if the interest rates on bank borrowings and borrowings from related parties had been 50 basis points (2024: 50 basis points) higher/lower than the prevailing interest rates, with all other variables held constant, post-tax profit for the year (net of interest capitalized) would have been RMB654,865,000 lower/higher (2024: RMB590,834,000 lower/higher) mainly as a result of higher/lower interest expense on floating rate bank borrowings and borrowings from related parties.

As at 31 December 2025, if the interest rates on cash at banks and deposits at SPIC Financial had been 50 basis points (2024: 50 basis points) higher/lower than the prevailing interest rates, with all other variables held constant, post-tax profit for the year would have been RMB23,347,000 higher/lower (2024: RMB22,117,000 higher/lower) mainly as a result of higher/lower interest income on floating rate cash at banks and deposits at SPIC Financial.

Total interest income from financial assets that are measured at amortized cost is as follows:

	2025 RMB'000	2024 RMB'000
Interest income		
Cash and cash equivalents and restricted deposits	62,768	63,334
Amounts due from related parties	76,488	70,163
Discounting effect on clean energy power price premium receivable	12,397	20,458
Total interest income	151,653	153,955

Interest expense on financial liabilities not measured at FVTPL:

	2025 RMB'000	2024 RMB'000
Interest expense on financial liabilities at amortized cost	4,993,362	4,935,181

Notes to the Consolidated Financial Statements

45. FINANCIAL INSTRUMENTS (CONTINUED)

45.2 Financial risk management objectives and policies (Continued)

(c) Price risk

The Group is exposed to equity securities price risk in respect of investments held by the Group which are classified as equity instruments at FVTOCI. Most of the Group's equity instruments at FVTOCI are publicly traded. However, the Group does not trade these investments as such investments are held for strategic rather than trading purpose. The stock market is relatively more volatile in recent years. As at 31 December 2025, if the quoted market price of the listed equity investments held by the Group had increased/decreased by 10% to 30% (2024: 10% to 30%), with all other variables held constant, the results of the Group would have been unaffected as these investments are classified as equity instruments at FVTOCI; and equity would have been RMB545,483,000 to RMB1,636,450,000 (2024: RMB249,854,000 to RMB749,563,000) higher/lower, mainly as a result of the changes in fair value of equity instruments at FVTOCI.

In addition, the Group also invested in certain unquoted equity securities for investees operating in financial services, coal production and electricity trading services industry sectors for long term strategic purposes which had been designated as at FVTOCI. The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

The Group is also exposed to commodity price risk mainly in relation to the coal price. The Group manages such risk by entering into certain bulk purchase agreements with coal suppliers.

(d) Credit risk and impairment test

The Group's credit risk primarily arises from accounts receivable (Note 26), deposits and other receivables (Note 27), amounts due from related parties (Note 28), debt instruments at FVTOCI (Note 29), restricted deposits (Note 30), and cash and cash equivalents (Note 31). The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Accounts receivable arising from contracts with customers (including those under other non-current assets)

The Group is exposed to significant concentration of credit risk in terms of electricity sales as a majority of the Group's sales of electricity were made to regional and provincial power grid companies. The Group normally grants credit terms ranged from 15 to 90 days to these power grid companies except for the clean energy power price premium. The collection of such clean energy power price premium is subject to the allocation of funds by relevant government authorities to local grid companies, which therefore takes a relatively long time for settlement. The Group only accepts bills issued or guaranteed by reputable PRC banks if accounts receivables are settled by bills and therefore the management of the Group considers the credit risk arising from the endorsed or discounted bills is insignificant. The Group normally does not require collaterals from trade debtors. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 on accounts receivable individually. Ageing analysis of the Group's accounts receivable is disclosed in Note 26 and the Directors are of the opinion that adequate provision for uncollectible accounts receivable has been made.

Other receivables and amounts due from related parties

The counterparties of the Group's other receivables and amounts due from related parties are mainly large state-owned enterprises with good credit quality and subsidiaries of SPIC. Under ECL model upon application of HKFRS 9, management makes periodic collective assessment as well as individual assessment on the recoverability of all loans and receivables, based on historical payment records, the length of the overdue period, the financial strength of the debtors and whether there are any disputes with the relevant debtors. The Group's historical experience in collection of loans and receivables falls within the recorded allowances and the Directors are of the opinion that adequate provision for uncollectible receivables has been made.

Notes to the Consolidated Financial Statements

45. FINANCIAL INSTRUMENTS (CONTINUED)

45.2 Financial risk management objectives and policies (Continued)

(d) Credit risk and impairment test (Continued)

Restricted deposits and cash and cash equivalents

Substantially all of the Group's restricted deposits and cash and cash equivalents are held in major financial institutions and SPIC Financial, which management believes are of high credit quality. Therefore, the Group performs impairment assessment under 12m ECL model upon application of HKFRS 9 on restricted deposits and cash and cash equivalents on collective basis. Management does not expect any losses from non-performance by these counterparties.

Debt instruments at FVTOCI

The Group's debt instruments at FVTOCI are Group's certain notes receivable which were considered as for holding to collect contractual cash flows and to sell business model. The notes which have been classified as debt instruments at FVTOCI are issued by major financial institutions with high credit quality and therefore are considered to be low credit risk investments. Therefore, the Group performs impairment assessment under 12m ECL model upon application of HKFRS 9 on debt instruments at FVTOCI on individual basis. For the year ended 31 December 2025, no ECL on debt instruments at FVTOCI has been recognized.

The tables below detail the credit risk exposures of the Group's financial assets, including accounts receivable, deposits and other receivables, amounts due from related parties, other non-current assets, debt instruments at FVTOCI, restricted deposits and cash and cash equivalents, which are subject to ECL assessment:

	Notes	Internal credit rating	12m or lifetime ECL	Gross carrying amount	
				2025 RMB'000	2024 RMB'000
Debt instruments at FVTOCI	29	Note (i)	12m ECL	69,846	81,226
Financial assets at amortized cost:					
Amounts due from related parties	28	Note (ii)	12m ECL	6,276,205	3,833,153
			Lifetime ECL (credit impaired)	220,932	225,664
Restricted deposits	30	Note (i)	12m ECL	219,531	60,663
Cash and cash equivalents	31	Note (i)	12m ECL	6,378,305	6,073,616
Other receivables	27	Note (iii)	12m ECL	5,159,747	4,018,763
			Lifetime ECL (credit impaired)	90,875	39,830
Accounts receivable	26	Note (iv)	12m ECL	33,634,911	31,638,467
			Lifetime ECL (credit impaired)	233,387	222,041
Notes receivable	26	Note (iv)	12m ECL	26,328	9,032
Other non-current assets	24	Note (v)	12m ECL	7,244,198	5,887,294

Notes:

- (i) Debt instruments at FVTOCI, restricted deposits and cash and cash equivalents:

At the end of the reporting period, the Directors have performed impairment assessment under 12m ECL model for debt instruments at FVTOCI, restricted deposit and cash and cash equivalents, and concluded that there has been no significant increase in credit risk since initial recognition. Since the counterparties are in major financial institutions with high credit ratings assigned by international credit-rating agencies, the probability of defaults of the counterparties are insignificant and accordingly, no allowance for credit losses is provided for these financial assets.

Notes to the Consolidated Financial Statements

45. FINANCIAL INSTRUMENTS (CONTINUED)

45.2 Financial risk management objectives and policies (Continued)

(d) Credit risk and impairment test (Continued)

Notes: (Continued)

(ii) Amounts due from related parties:

For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

	Past due RMB'000	Not past due/No fixed repayment terms RMB'000	Total RMB'000
2025	220,932	6,276,205	6,497,137
2024	225,664	3,833,153	4,058,817

For all amounts due from related parties, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition or the financial instrument is not determined to have low credit risk at the reporting date, the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition. The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue costs or effort.

(iii) Other receivables:

For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Other receivables
A	The counterparties can honor the terms of the contracts. There is no reason to doubt their ability to fulfill the payment on a timely basis.	12m ECL
B	The counterparties frequently repay after due dates but usually settle after due date.	12m ECL
C	The counterparties cannot repay in full and there has been a significant increase in credit risk since initial recognition.	Lifetime ECL(not credit-impaired)
D	There is evidence indicating the asset is credit-impaired.	Lifetime ECL (credit-impaired)

	Past due RMB'000	Not past due/No fixed repayment terms RMB'000	Total RMB'000
2025	155,043	5,095,579	5,250,622
2024	104,107	3,954,486	4,058,593

For the year ended 31 December 2025, the Group accrued RMB58,345,000 (2024: RMB4,144,000) impairment allowance. The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

45. FINANCIAL INSTRUMENTS (CONTINUED)

45.2 Financial risk management objectives and policies (Continued)

(d) Credit risk and impairment test (Continued)

Notes: (Continued)

(iv) Accounts receivable:

As a majority of the Group's sales of electricity were made to regional and provincial power grid companies, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL individually for accounts receivable. At the end of the reporting period, the Directors have performed impairment assessment for accounts receivable based on external credit rating and corresponding default rate issued by international credit-rating agencies. As of 31 December 2025, loss allowance amounting to RMB233,387,000 was provided (2024: RMB224,350,000).

(v) Other non-current assets:

For the year ended 31 December 2025, other non-current assets include clean energy power price premium of RMB7,244,198,000 (2024: RMB5,887,294,000). The collection of such clean energy power price premium is subject to the allocation of funds by relevant government authorities to local grid companies, which therefore takes a relatively longer time for settlement. The Group periodically makes credit assessment of the regional and provincial power grid companies under the 12m ECL model by reference to external ratios.

(e) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of credit facilities.

The Group's primary cash requirements have been for construction of power plants, additions of and upgrades on property, plant and equipment, payment on related debts and payment for purchases and operating expenses. The Group finances its working capital requirements through a combination of internal resources, borrowings from related parties, and short-term and long-term bank and other borrowings and perpetual securities.

As at 31 December 2025, the net current liabilities of the Group amounted to RMB34,580,349,000. Management monitors regularly the Group's current and expected liquidity requirements to ensure it maintains sufficient cash and cash equivalents and has available funding through adequate amount of facilities to meet its working capital requirements. As at 31 December 2025, the Group had available unutilized facilities in writing from banks and from related parties amounted to approximately RMB43,436,334,000 as disclosed in Notes 36(f), 37(i) and 37(j) respectively, and will refinance and/or restructure certain short-term loans into long-term loans or consider alternative sources of financing, where applicable.

Notes to the Consolidated Financial Statements

45. FINANCIAL INSTRUMENTS (CONTINUED)

45.2 Financial risk management objectives and policies (Continued)

(e) Liquidity risk (Continued)

The table below analyzes the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash outflows by maturity and its carrying amounts.

	Within one year RMB'000	Between one and two years RMB'000	Between two and five years RMB'000	Over five years RMB'000	Total contractual undiscounted cash outflows RMB'000	Total carrying amount RMB'000
At 31 December 2025						
Payables and accrued charges	24,231,934	-	-	-	24,231,934	24,231,934
Amounts due to related parties	6,559,837	-	-	-	6,559,837	6,557,974
Bank borrowings	41,313,604	13,801,343	38,484,926	77,369,771	170,969,644	158,409,645
Borrowings from related parties	16,421,860	3,246,717	2,971,831	647,785	23,288,193	22,044,989
Other borrowings	2,595,171	5,337,624	9,911,584	9,493,289	27,337,668	24,898,713
Lease liabilities	646,710	592,203	1,290,425	3,614,074	6,143,412	4,976,397
At 31 December 2024						
Payables and accrued charges	25,919,733	-	-	-	25,919,733	25,919,733
Amounts due to related parties	2,957,444	-	-	-	2,957,444	2,955,694
Bank borrowings	31,127,475	13,829,410	34,085,868	78,235,923	157,278,676	140,523,149
Borrowings from related parties	23,793,977	1,557,161	1,467,098	3,138,087	29,956,323	28,283,619
Other borrowings	9,249,122	-	6,599,092	9,785,499	25,633,713	23,587,717
Lease liabilities	646,986	513,831	1,244,501	3,745,704	6,151,022	4,966,485

45.3 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages the capital structure and makes adjustments to it in light of changes in economic condition. In order to maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders, return capital to shareholders, issue new shares, and sell assets to reduce debt or to obtain bank and other borrowings.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total debts (including current and non-current borrowings as well as lease liabilities as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as total equity, as shown in the consolidated statement of financial position, plus net debt.

Notes to the Consolidated Financial Statements

45. FINANCIAL INSTRUMENTS (CONTINUED)

45.3 Capital risk management (Continued)

The table below analyzes the Group's capital structure.

	2025 RMB'000	2024 RMB'000
Bank borrowings (Note 36)	158,409,645	140,523,149
Borrowings from related parties (Note 37)	22,044,989	28,283,619
Other borrowings (Note 38)	24,898,713	23,587,717
Lease liabilities (Note 39)	4,976,397	4,966,485
Less: Cash and cash equivalents (Note 31)	(6,378,305)	(6,073,616)
Net debt	203,951,439	191,287,354
Total equity	118,031,884	107,532,393
Total capital	321,983,323	298,819,747
Gearing ratio	63%	64%

45.4 Fair value estimation

The table below analyzes the Group's financial instruments carried at fair value by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into 3 levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the year. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise listed equity investments classified as equity instruments at FVTOCI.

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Notes to the Consolidated Financial Statements

45. FINANCIAL INSTRUMENTS (CONTINUED)

45.4 Fair value estimation (Continued)

- (a) Fair value of the Group's financial assets that are measured at fair value on a recurring basis:

Financial assets	Fair value		Hierarchy	Valuation technique and key inputs
	2025 RMB'000	2024 RMB'000		
Equity instruments at FVTOCI — Shanghai Power	7,273,109	3,331,389	Level 1	Quoted market prices at the end of reporting period (current bid price).
Equity instruments at FVTOCI — Unlisted equity investments in the PRC	1,999,612	1,759,716	Level 3	Market approach — Fair value of such equity instruments is estimated by calculating the appropriate value ratio based on market multiples derived from a set of comparable listed companies in the same or similar industries. Key inputs are market value of the equity interest, price-to-book ratio (1.05-1.82) (2024: 1.60-2.00) and the discount for lack of marketability (28.00%) (2024: 29.69%-31.05%). The fair value measurement is positively correlated to the above ratios and negatively correlated to the discount for lack of marketability.
Debt instruments at FVTOCI	69,846	81,226	Level 3	Discounted cash flow at a comparable discount rate of 3.00% (2024: 3.65%).

- (b) Reconciliation of level 3 fair value measurements — Financial assets at FVTOCI:

	2025 RMB'000	2024 RMB'000
At 1 January	1,840,942	1,746,237
Additions	1,492,316	1,854,299
Derecognition	(1,278,384)	(1,773,661)
Total gains in other comprehensive income	14,584	14,067
At 31 December	2,069,458	1,840,942

Included in other comprehensive income is a gain of RMB14,584,000 (2024: gain of RMB14,067,000) relating to equity instruments at FVTOCI — unlisted equity investments in the PRC and debt instruments at FVTOCI held at the end of the current reporting period, which is reported as changes of FVTOCI reserve.

46. DISPOSAL OF INTERESTS IN SUBSIDIARIES

(a) Without loss of control

In January 2025, SPIC (Beijing) New Energy Investment Co., Ltd. (“Beijing New Energy”), a non wholly-owned subsidiary of the Group and Wu Ling Power, entered into equity transfer agreements, pursuant to which Beijing New Energy transferred its entire equity interest in both Leiyang Taiping Wind Power Co., Ltd. (“Leiyang Wind Power”) and Jianghua Yao Autonomous County Kunhao Wind Power Generation Co., Ltd. (“Kunhao Wind Power”) to Wu Ling Power at nil consideration. Upon completion of these equity transfers, as the Group maintained the control over Leiyang Wind Power and Kunhao Wind Power and continue to consolidate their financial statements, these transfers were internal restructuring within the Group and did not result in a change in control. Therefore, the Group recognized a decrease in non-controlling interests of RMB16,719,000 and an increase in other reserves of RMB16,719,000.

In February 2025, the Company entered into equity transfer agreements with Wu Ling Power, pursuant to which the Company agreed to sell, and Wu Ling Power agreed to acquire, 100%, 80%, 51%, 51%, 100%, 63.75%, 80%, and 100% of the interests in Chenzhou Rucheng China Power New Energy Co., Ltd., Loudi Shuangfeng China Power New Energy Co., Ltd., China Power (Huaihua) New Energy Co., Ltd., Hengyang County China Power New Energy Co., Ltd., Yongzhou Jianghua China Power New Energy Co., Ltd., Huaihua Xupu County China Power New Energy Co., Ltd., China Power (Datonghu) Energy Development Co., Ltd. and Chenzhou Zhongxindian New Energy Co., Ltd. (collectively referred to as “Certain Subsidiaries I”), respectively, for an aggregate consideration of RMB370,783,000. Upon completion of these equity transfers, as the Group maintained the control over the Certain Subsidiaries I and continue to consolidate their financial statements, these transfers were internal restructuring within the Group and did not result in a change in control. Therefore, the Group recognized an increase in non-controlling interests of RMB193,003,000 and a decrease in other reserves of RMB193,003,000.

In March 2025, the Company entered into an equity transfer agreement with CNPC Kunlun Gas Co., Ltd. (“CNPC Kunlun Gas”), pursuant to which the Company agreed to sell, and CNPC Kunlun Gas agreed to acquire, a 25% interest in China Power Changshu Thermal Power Co., Ltd. (“Changshu Thermal Power”) for a consideration of RMB99,150,000. Upon completion of the equity transfer, as the Group maintained the control over Changshu Thermal Power and continue to consolidate its financial statements. The transfer was accounted for as a change in ownership interest in a subsidiary that does not result in a loss of control. Therefore, the Group recognized an increase in non-controlling interests of RMB103,799,000 and a decrease in other reserves of RMB4,649,000.

In May 2025, the “State Power Investment — Shandong Energy Infrastructure Investment Blue Carbon Neutrality Asset-Backed Special Plan” was established with the Group’s certain subsidiaries (the “Certain Subsidiaries II”) as the underlying assets. As the Group maintained the control over of the Certain Subsidiaries II and continue to consolidate their financial statements. The transaction was structured as a sale of equity interests in the Certain Subsidiaries II to external investors through a securitization arrangement. The proceeds of RMB3,899,000,000 received from the special plan were recognized as an increase in non-controlling interests, reflecting the new investors’ ownership interest in these subsidiaries. The issuance cost of RMB3,989,000 was recognized as a reduction in other reserves.

In October 2025, the “State Power Investment-Fujian Company New Energy Infrastructure Carbon Neutrality Green Asset-Backed Special Plan” was established with the Group’s certain subsidiaries (the “Certain Subsidiaries III”) as the underlying assets. As the Group maintained the control over the Certain Subsidiaries III and continue to consolidate their financial statements. The transaction was structured as a sale of equity interests in the Certain Subsidiaries III to external investors through a securitization arrangement. The proceeds of RMB809,000,000 received from the special plan were recognized as an increase in non-controlling interests, reflecting the new investors’ ownership interest in these subsidiaries. The issuance cost of RMB728,000 was recognized as a reduction in other reserves.

Notes to the Consolidated Financial Statements

46. DISPOSAL OF INTERESTS IN SUBSIDIARIES (CONTINUED)

(b) Loss of control

In June 2025, Hunan Wu Ling Power New Energy Co., Ltd. (“Wuling New Energy”), the Company’s subsidiary, entered into an equity transfer agreement with Inner Mongolia E’erqin Power Co., Ltd. (“E’erqin Power”), a third party, pursuant to which Wuling New Energy agreed to sell, and E’erqin Power agreed to acquire, 51% equity interest in Wu Ling Zhenghe (Alxa League) Energy Co., Ltd. (“Wu Ling Zhenghe”), a subsidiary of the Group, at a consideration of RMB5,700,000. Upon completion of the equity transfer, Wu Ling Zhenghe ceased to be a subsidiary of the Group.

In September 2025, the Company entered into an equity transfer agreement with China Resources Environmental Protection Development Co., Ltd. (“China Resources Environmental Protection”), a third party, pursuant to which the Company agreed to sell, and China Resources Environmental Protection agreed to acquire, 55% equity interest in Xinyuan Taili Energy Technology (Beijing) Co., Ltd. (“Xinyuan Taili”), at a consideration of RMB27,159,000. Upon completion of the equity transfer, Xinyuan Taili ceased to be a subsidiary of the Company.

In November 2025, China Power (Binzhou) Energy Investment Co., Ltd. (“China Power Binzhou”), the Company’s subsidiary, entered into an equity transfer agreement with Zhongnenglian (Shandong) New Energy Co., Ltd. (“Zhongnenglian”), a third party, pursuant to which China Power Binzhou agreed to sell, and Zhongnenglian agreed to acquire, 45% equity interest in China Power Lubei Clean Energy (Shandong) Co., Ltd. (“China Power Lubei”) at a consideration of RMB6,250,000. Upon completion of the equity transfer, China Power Lubei ceased to be a subsidiary of the Group.

	Wu Ling Zhenghe RMB’000	Xinyuan Taili RMB’000	China Power Lubei RMB’000	Total RMB’000
Property, plant and equipment	35,312	33,832	22,968	92,112
Prepayment for construction of power plants	-	61	-	61
Other non-current assets	2,878	1,947	783	5,608
Accounts and notes receivables	2,122	-	488	2,610
Prepayments, deposits, other receivables	323	23,484	156	23,963
Cash and cash equivalents	3,637	5,866	459	9,962
Bank borrowings	(33,000)	(13,413)	(14,010)	(60,423)
Construction cost payable	(492)	-	(447)	(939)
Other payables and accrued charges	(25)	(3,352)	(796)	(4,173)
Net assets	10,755	48,425	9,601	68,781
Non-controlling interests	5,203	21,562	5,156	31,921
Equity attributable to owners of the company (ie: Net assets subject to disposal)	5,552	26,863	4,445	36,860
Consideration	5,700	27,159	6,250	39,109
Gain on disposal of subsidiaries (Note 7)	148	296	1,805	2,249

Net cash inflows arising on disposal

	Wu Ling Zhenghe RMB’000	Xinyuan Taili RMB’000	China Power Lubei RMB’000	Total RMB’000
Consideration received in cash	5,700	27,159	6,250	39,109
Less: Cash and cash equivalents disposed	3,637	5,866	459	9,962
Net cash inflows	2,063	21,293	5,791	29,147

47. ACQUISITIONS

(a) Business combination

(i) Asset Pre-Restructuring

On a notice to the Company dated 30 September 2024, SPIC proposed that the Group and Xiangtou International transfers their respective equity interests in Wu Ling Power and SPIC Guangxi Changzhou Hydropower Development Co., Ltd. (“Changzhou Hydropower”), subsidiaries of the Group principally engaged in the hydropower business, to SPIC Hydropower, a company listed on the SSE and ultimately controlled by SPIC, in exchange for an allotment of new shares of SPIC Hydropower (“Consideration Shares”) together with cash consideration (the “Asset Restructuring”) (Note 47(a)(ii)).

In relation to the Asset Restructuring, on 18 October 2024:

- the Company and Xiangtou International, which holds 63% and 37% equity interest in Wu Ling Power respectively, entered into a restructuring framework agreement with SPIC Hydropower; and
- SPIC Guangxi Electric Power Co., Ltd. (“Guangxi Company”), a wholly-owned subsidiary of the Company which holds 64.93% equity interest in Changzhou Hydropower, entered into a restructuring framework agreement with SPIC Hydropower.

To facilitate the implementation of the Asset Restructuring, the Company, Wu Ling Power and Changzhou Hydropower carried out a series of corporate reorganizations (the “Asset Pre-Restructuring”) prior to the Asset Restructuring, which mainly comprised: (i) external acquisitions by Wu Ling Power: on 17 January 2025, Wu Ling Power entered into a series of acquisition agreements to acquire certain wind and photovoltaic power entities in Hunan Province for an aggregate cash consideration of RMB1,320,819,000; (ii) the formations of two new subsidiaries of the Group, namely Wuling New Energy (63% owned by the Company and 37% by Xiangtou International) and Guangxi Wuzhou Ruifeng Investment Co., Ltd. (64.93% owned by Guangxi Company and 35.07% by Guangxi Overseas, which is ultimately controlled by SPIC); and (iii) intra-group reorganizations, involving the transfer of certain non-hydropower renewable energy entities of Wu Ling Power and Changzhou Hydropower to the two new subsidiaries mentioned in (ii) above.

On 28 February 2025, the Group completed the abovementioned (i) external acquisitions of equity interests ranging from 51% to 100% in 24 entities by Wu Ling Power from related parties and a third party for total cash considerations of RMB1,320,819,000. Out of these acquisitions, the acquisitions of 22 entities (“Acquired Entities”) was accounted for as businesses combinations using acquisition method and the acquisitions of the remaining two entities are asset acquisitions.

Notes to the Consolidated Financial Statements

47. ACQUISITIONS (CONTINUED)

(a) Business combination (Continued)

(i) Asset Pre-Restructuring (Continued)

The Group's proportion of ownership interest in the Acquired Entities were as follows:

Acquired Entities	Proportion of ownership interest
Changde Xianghe New Energy Co., Ltd	100%
Changsha Xianghe New Energy Co., Ltd	100%
Hunan Changyun Power Development Co., Ltd	70%
Chenzhou Yunyi Electric Investment New Energy Co., Ltd	51%
Dongan Qianxiang Wancun New Energy Co., Ltd	70%
Hunan Xianghe Clean Energy Co., Ltd	85%
Jianghua Yaozu Autonomous County Xiehe Wind Power Co., Ltd. ("Jianghua Yaozu") (Note)	100%
Linli Hechuang New Energy Co., Ltd	100%
Longhui Lengxishan New Energy Co., Ltd	100%
Miluo Qingxintou Electric Power Co., Ltd	100%
Ningyuan Qianxiang Wancun New Energy Co., Ltd	70%
China Power Nongchuang (Hongjiang) Technology Development Co., Ltd.	51%
Hunan SPIC Haixiang New Energy Tech Co., Ltd	100%
SPIC Hunan New Energy Co., Ltd	100%
SPIC Weidun (Hunan) Energy Development Co., Ltd	62%
Xianghe New Energy Co., Ltd	100%
Hunan Xiangtan Daliwan PV Power Co., Ltd	100%
Hunan Xiangxi Longshan Da'an New Energy Co., Ltd	100%
Hunan Xiangxiang Huiyuan New Energy Co., Ltd	100%
Xinhua Yunyi New Energy Co., Ltd	100%
Zhuzhou Heshun Zhuoer New Energy Co., Ltd	80%
Lanshanxian Zhuoyue New Energy Development Co., Ltd	100%

Note: The Group acquired equity interest in Jianghua Yaozu of 60% and 40% from Mengdong Xiehe New Energy Co., Ltd., a related party, and Beijing Xinying New Energy Investment Co., Ltd., a third party, respectively. The purchase considerations were RMB146,791,000 and RMB97,861,000 respectively.

Notes to the Consolidated Financial Statements

47. ACQUISITIONS (CONTINUED)

(a) Business combination (Continued)

(i) Asset Pre-Restructuring (Continued)

The fair values of the identifiable assets and liabilities of the Acquired Entities as at the date of acquisition were as follows:

	Acquired Entities RMB'000
Property, plant and equipment	3,514,579
Right-of-use assets	75,460
Deferred income tax assets	11,291
Other non-current assets	117,232
Inventories	665
Accounts receivable	405,690
Prepayments, deposits and other receivables	414,663
Debt instruments at FVTOCI	12,926
Cash and cash equivalents	229,093
Bank borrowings	(2,712,186)
Lease liabilities	(54,025)
Deferred income tax liabilities	(29,274)
Accounts and bills payables	(557,778)
Tax payable	(5,375)
Total identifiable net assets at fair value	1,422,961
Non-controlling interests	(87,139)
Goodwill arising on acquisition (Note 18)	15,069
Gain on bargain purchase (Note 7)	(30,072)
Cash consideration	1,320,819

An analysis of the cash flows in respect of the acquisition of the Acquired Entities is as follows:

	Acquired Entities RMB'000
Cash consideration	1,320,819
Less: cash consideration unpaid	900,528
Cash and cash equivalents acquired	229,093
Net cash outflow included in cash flows from investing activities	191,198

Notes to the Consolidated Financial Statements

47. ACQUISITIONS (CONTINUED)

(a) Business combination (Continued)

(i) Asset Pre-Restructuring (Continued)

Non-controlling interests

The non-controlling interests in Acquired Entities recognized at the acquisition date were measured by reference to the proportionate share of recognized fair value of net assets of the Acquired Entities amounting to RMB87,139,000.

Since the acquisitions of the Acquired Entities, they contributed to the Group's revenue and profit for the year of RMB608,938,000 and RMB136,586,000 respectively for the year ended 31 December 2025.

(ii) Asset Restructuring

On 16 April and 29 August 2025, the Company, Xiangtou International, and SPIC Hydropower entered into an equity transfer agreement and supplemental agreements, pursuant to which the Company and Xiangtou International conditionally agreed to transfer their respective equity interests in Wu Ling Power to SPIC Hydropower. The Company agreed to transfer 63% equity interest in Wu Ling Power at total consideration amounted to RMB15,288,425,460 and Xiangtou International agreed to transfer 37% equity interest in Wu Ling Power at total consideration amounted to RMB8,978,916,540. The consideration was settled by the issuance of Consideration Shares valued at RMB20,968,000,000 (at an issue price of RMB6.55 per share) and cash payment of RMB3,299,342,000 by SPIC Hydropower; among which, the consideration that the Company entitled are Consideration Shares valued at RMB13,210,000,000 and cash payment of RMB2,078,425,460.

Simultaneously, on the same dates, Guangxi Company entered into an equity transfer agreement and supplemental agreements with SPIC Hydropower, pursuant to which Guangxi Company conditionally agreed to transfer its 64.93% equity interest in Changzhou Hydropower to SPIC Hydropower for a total consideration of RMB2,912,357,818.37, which was settled by the issuance of Consideration Shares valued at RMB2,608,000,000 (at an issue price of RMB6.55 per share) and cash payment of RMB304,357,818.37 by SPIC Hydropower.

In October 2025, SPIC Hydropower completed the shares allotment and issued 2,016,793,893 Consideration Shares to the Company, 1,184,427,480 Consideration Shares to Xiangtou International and 398,167,938 Consideration Shares to Guangxi Company. Upon the completion of the issuance of Consideration Shares, the Company directly holds and indirectly holds through Guangxi Company, a total of 2,414,961,831 shares in SPIC Hydropower, representing approximately 55.13% of SPIC Hydropower's issued share capital. SPIC Hydropower has become a subsidiary of the Group, and its financial results and financial position have been consolidated into the Group's consolidated financial statements since the acquisition date (31 October 2025).

In the meantime, Wu Ling Power and Changzhou Hydropower were transferred to SPIC Hydropower. As of the acquisition date, SPIC Hydropower held 100% equity interest in Wu Ling Power and 64.93% equity interest in Changzhou Hydropower. And the Group, Xiangtou International and the original shareholders of SPIC Hydropower held 55.13%, 27.04% and 17.83% equity interests in SPIC Hydropower respectively. Despite the above change in ownership structure, Wu Ling Power and Changzhou Hydropower remain as the subsidiaries of the Group and continue to be consolidated into the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements

47. ACQUISITIONS (CONTINUED)

(a) Business combination (Continued)

(ii) Asset Restructuring (Continued)

The acquisition of SPIC Hydropower by the Group was accounted for as a business combination using the acquisition method.

The Group incurred professional fees of RMB28,765,000 which have been expensed and were included in other operating expenses in the consolidated statement of profit or loss for the year ended 31 December 2025.

The fair values of the identifiable assets and liabilities of SPIC Hydropower and its original subsidiaries prior to the completion of the Asset Restructuring (collectively “Yuanda Group”) as at the date of acquisitions were as follows:

	Yuanda Group RMB'000
Property, plant and equipment	4,014,241
Right-of-use assets	131,835
Other intangible assets	1,172,040
Interests in associates	380,239
Equity instruments at FVTOCI	255,317
Deferred income tax assets	198,420
Other non-current assets	233,691
Inventories	256,113
Prepayments, deposits and other receivables	3,308,521
Tax recoverable	154,055
Debt instruments at FVTOCI	130,481
Cash and cash equivalents	616,773
Other non-current liabilities	(61,376)
Bank borrowings	(1,686,246)
Lease liabilities	(130,981)
Deferred income tax liabilities	(200,177)
Other payables and accrued charges	(2,663,761)
Tax payable	(15,480)
Total identifiable net assets at fair value	6,093,705
Non-controlling interests	(5,802,101)
Gain on bargain purchase (Note 7)	(291,604)
Cash consideration	—

The purchase price allocation was based on the report issued by Tianjian Xingye Asset Appraisal Co., Ltd., an independent qualified valuer.

Notes to the Consolidated Financial Statements

47. ACQUISITIONS (CONTINUED)

(a) Business combination (Continued)

(ii) Asset Restructuring (Continued)

Non-controlling interests

In substance, the Group exchanged its 63% equity interest in Wu Ling Power and its subsidiaries (collectively “Wu Ling Group”) and 64.93% equity interest in Changzhou Hydropower (collectively, the “Transferred Interest”) for a 55.13% equity interest in SPIC Hydropower (post-Asset Restructuring). As a result to the Asset Restructuring, the Group’s equity interest in Wu Ling Group decreased from 63% to 55.13% and in Changzhou Hydropower decreased from 64.93% to 35.8%, and the Group newly obtained 55.13% equity interest in the original business of SPIC Hydropower prior to the completion of the Asset Restructuring (equivalent to Yuanda Group). Accordingly, the original shareholder of SPIC Hydropower held 17.83% portion of the newly obtained Transferred Interest held by SPIC Hydropower. For purposes of purchase price allocation:

- From the perspective of the consolidated financial statements of the Group, since the Transferred Interest remained in the consolidated financial statements, the consideration paid by the Group represented the share of Transferred Interest newly held by the original shareholders of SPIC Hydropower (after the Transferred Interest being transferred to SPIC Hydropower). The consideration transferred was accounted for as increase in non-controlling interest amounting to RMB2,820,391,000, being the 17.83% (the proportion share held by the original shareholders of SPIC Hydropower after the Asset Restructuring) of the fair value of incremental equity, the amount approximated the total value of all Consideration Shares paid by SPIC Hydropower to the Group of RMB15,818,000,000;
- The non-controlling interest in the original business of SPIC Hydropower prior to the completion of the Asset Restructuring held by minority shareholders was measured at its proportionate share of the fair value of identifiable net assets, amounting to RMB2,981,710,000. The amount included the fair value of non-controlling interests amounting to RMB448,875,000 attributable to the minority shareholders of the original subsidiaries of SPIC Hydropower prior to the completion of the Asset Restructuring (i.e.: Yuanda Group’s subsidiaries).

The acquisition by the Group through SPIC Hydropower of the 37% equity interest in Wu Ling Group, which held by Xiangtou International, was accounted for as an equity transaction, as it involved a change in ownership structure within the Group without a change in control. The difference between the total consideration paid by SPIC Hydropower (RMB8,978,916,540), and the carrying amount of Xiangtou International’s share in Wu Ling Group (i.e. the non-controlling interest part of RMB6,341,965,000) was recognized as a reduction in equity reserves, rather than an adjustment to goodwill or profit or loss.

Wu Ling Power and Changzhou Hydropower remained subsidiaries of the Group before and after the Asset Restructuring. Therefore, they were accounted for at carrying amount throughout the year with no re-measurement of their net assets as there is no change of control nor change in the Group’s consolidation basis.

An analysis of the cash flows in respect of the acquisition of Yuanda Group is as follows:

	Yuanda Group RMB’000
Cash consideration	—
Cash and cash equivalents acquired	616,773
Net cash inflow included in cash flows from investing activities	(616,773)

Since the acquisition of Yuanda Group, it contributed to the Group’s other income and loss for the year of RMB980,835,000 and RMB123,192,000 respectively for the year ended 31 December 2025.

Notes to the Consolidated Financial Statements

47. ACQUISITIONS (CONTINUED)

(a) Business combination (Continued)

(iii) Sichuan Lingxin

On 30 June 2025, Wuling New Energy acquired 70% equity interest in Sichuan Lingxin Clean Power Co., Ltd. and its subsidiary (collectively “Sichuan Lingxin”) from Hangzhou Guangyao Dongbai Equity Investment Partnership (Limited Partnership), at a total cash consideration of approximately RMB12,535,000. The acquisition of Sichuan Lingxin was accounted for as a business combination using the acquisition method.

The fair values of the identifiable assets and liabilities of Sichuan Lingxin as at the date of acquisitions were as follows:

	Sichuan Lingxin RMB'000
Property, plant and equipment	274,632
Inventories	58
Accounts receivable	958
Prepayments, deposits and other receivables	12,031
Cash and cash equivalents	30,321
Accounts and bills payables	(548)
Other payables and accrued charges	(296,071)
Tax payable	(3,474)
Total identifiable net assets at fair value	17,907
Non-controlling interests	(5,372)
Cash consideration	12,535

Non-controlling interests

The non-controlling interests in Sichuan Lingxin recognized at the acquisition date were measured by reference to the proportionate share of recognized fair value of net assets of the Sichuan Lingxin amounting to RMB5,372,000.

An analysis of the cash flows in respect of the acquisitions of Sichuan Lingxin is as follows:

	Sichuan Lingxin RMB'000
Cash consideration	12,535
Cash and cash equivalents acquired	30,321
Net cash inflow included in cash flows from investing activities	(17,786)

Since the acquisition of Sichuan Lingxin, it contributed to the Group's revenue and profit for the year of RMB19,367,000 and RMB3,283,000 for the year ended 31 December 2025.

(b) Assets Acquisition

On 17 January 2025, the Group completed the acquisitions of 100% equity interest in each of Huanggang Jidian New Energy Co., Ltd and Hunan Yongzhou Huicheng New Energy Co., Ltd. at nil consideration. Both entities had not yet commenced operations at the acquisition date, therefore, the Group did not consider these acquisitions as a business combination for accounting purpose.

On 30 June 2025, the Group completed the acquisition of control over Beiliu Lingrui Co., Ltd. (“Beiliu Lingrui”) through a contractual agreement, at nil consideration. Beiliu Lingrui had not yet commenced operations and had no significant assets or liabilities. Therefore, the Group did not consider the acquisition as a business combination for accounting purpose.

Notes to the Consolidated Financial Statements

47. ACQUISITIONS (CONTINUED)

(c) Acquisitions of non-controlling interests

In January 2025, SPIC Fujian Power Co., Ltd. (“Fujian Company”), a subsidiary of the Group, and Qingdao Zhongneng Innovation Wind Power Co., Ltd. (“Qingdao Zhongneng”), a third party, entered into an equity transfer agreement, pursuant to which Qingdao Zhongneng agreed to transfer its entire equity interest in Qingdao SPIC Energy Power Co., Ltd. (“Qingdao Energy”) to Fujian Company for a consideration of RMB1,780,000. Upon completion of the equity transfer, the Group’s equity interest in Qingdao Energy increased from 97.34% to 100%. The difference between the consideration and the non-controlling interest of RMB1,955,000 was recognized in other reserve.

In September 2025, Fujian Company and CCB Financial Asset Investment Co., Ltd. (“CCB Investment”, a substantial shareholder of two subsidiaries of the Company) entered into an equity transfer agreement, pursuant to which CCB Investment agreed to transfer its entire equity interest in Fuzhou Minxin Diantou Energy Co., Ltd. (“Minxin Diantou”) to Fujian Company for a consideration of RMB294,551,000. Upon completion of the equity transfer, the Group’s equity interest in Minxin Diantou increased from 58.18% to 100%. The difference between the consideration and the non-controlling interest of RMB322,701,000 was recognized in other reserve.

In September 2025, SPIC Shanxi Electric Power Co., Ltd. (“Shanxi Company”), a subsidiary of the Group, and Bridge Trust, a related party, entered into an equity transfer agreement, pursuant to which the Group acquired all the non-controlling interest of Dian Tuo (Shouyang) Clean Energy Co., Ltd. (“Shouyang Clean Energy”) held by Bridge Trust acting as trustee for the holders of asset-backed bank notes issued by Shanxi Company for a consideration of RMB402,000,000. Upon completion of the equity transfer, Shouyang Clean Energy became a wholly-owned subsidiary of the Group.

In December 2025, SPIC Beijing Electric Power Co., Ltd. (“Beijing Company”), a subsidiary of the Group, entered into an equity transfer agreement with Beijing Chengtong Gongrong Equity Investment Fund (Limited Partnership) (“Chengtong Gongrong”), a third party, pursuant to which Beijing Company agreed to acquire Chengtong Gongrong’s entire equity interest in Beijing Economic-Development Zone Comprehensive Smart Energy Co., Ltd. (“Beijing Economic-Development”, a non wholly-owned subsidiary of the Group), at a cash consideration of RMB2,000,000,000. Upon completion of the equity transfer, Beijing Economic-Development became a wholly-owned subsidiary of Beijing Company. The difference between the consideration and the non-controlling interest of RMB1,636,989,000 was recognized in other reserve.

In December 2025, certain subsidiaries of the Group entered into a series of equity transfer agreements, pursuant to which the Group obtained the entire indirect equity interests, held by Bridge Trust, a related party, in Hangjin Banner Huasheng Photovoltaic Energy Co., Ltd. (“Huasheng Photovoltaic”) and Xiajin Huineng Wind Power Co., Ltd. (“Huineng Wind Power”), both are non wholly-owned subsidiaries of the Group at an aggregate consideration of RMB780,100,000. Upon completion of these equity transfers, both Huasheng Photovoltaic and Huineng Wind Power became wholly-owned subsidiaries of Beijing Company. The difference between the consideration and the non-controlling interest of RMB896,290,000 was recognized in other reserve.

In December 2025, CCB Investment and SPIC Shandong Energy Development Co., Ltd. (“Shandong Energy”), a wholly-owned subsidiary of the Company, entered into an equity transfer agreement, pursuant to which CCB Investment agreed to transfer its entire equity interest in SPIC (Haiyang) New Energy Development Co., Ltd. (“Haiyang New Energy”) to Shandong Energy for a consideration of RMB934,149,000. Upon completion of the equity transfer, Shandong Energy’s equity interest in Haiyang New Energy increased from 53.5% to 100%. The difference between the consideration and the non-controlling interest of RMB1,028,728,000 was recognized in other reserve.

48. RELATED PARTY TRANSACTIONS

As at 31 December 2025, the Group is controlled by CPI Holding, an intermediate holding company which directly holds approximately 22.9% (2024: 22.9%) of the Company's shares, and indirectly holds approximately 21.5% (2024: 21.5%) of the Company's shares through CPDL. In addition, SPIC Finance HK and SPIC Innovation Investment Co., Ltd. ("SPIC Innovation"), both are wholly-owned subsidiary of SPIC and also a fellow subsidiary of the Company, holds approximately 3.6% (2024: 3.6%) and 2.4% (2024: 1.7%) of the Company's shares. China Power (New Energy) Holdings Limited ("CPNE"), an indirect non wholly-owned subsidiary of SPIC, holds approximately 15.0% (2024: 15.0%) of the Company's shares. SPIC, the beneficial owner of CPI Holding and SPIC Finance HK, SPIC Innovation and CPNE, hold in aggregate approximately 65.4% (2024: 64.7%) of the equity interest in the Company as at 31 December 2025.

SPIC is controlled by the PRC government which also owns a significant portion of the productive assets in the PRC. In accordance with HKAS 24 (Revised), government-related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include SPIC, its subsidiaries, joint ventures and associates (other than the Group), other government-related entities and their subsidiaries, other entities and corporations in which the Company is able to control or exercise significant influence and key management personnel of the Company and SPIC as well as their close family members.

For the purpose of the related party transactions disclosures, the Directors believe that it is also meaningful to disclose the related party transactions with SPIC companies for the interests of financial information users. The Directors believe that the information of related party transactions has been adequately disclosed in the consolidated financial statements.

The following is a summary of significant related party transactions which, in the opinion of the Directors, are entered into in the ordinary course of the Group's business, in addition to the related party information shown elsewhere in the consolidated financial statements. Management of the Group is of the opinion that meaningful information relating to related party transactions has been adequately disclosed.

Some of the related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. All transactions with related parties were conducted at prices and on terms mutually agreed by the parties involved, and are based on normal commercial terms or better and with reference to the prevailing local market conditions.

Notes to the Consolidated Financial Statements

48. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Income

	Notes	2025 RMB'000	2024 RMB'000
Interest income from:	(i)		
— SPIC Financial		39,694	29,600
— A joint venture		5,970	9,670
— Associates		8,080	6,218
— Companies controlled by SPIC other than CPI Holding and SPIC Financial		22,744	24,675
Dividend income from :	(ii)		
— Shanghai Power		101,722	72,658
— Huainan Mining		19,932	14,237
— Zhongdian Clean Industry Entrepreneurship Investment Fund (Tianjin) Partnership Enterprise (Limited Partnership)		55,323	16,127
— SPIC Financial		6,072	—
Rental income from:	(iii)		
— Companies controlled by SPIC other than CPI Holding and SPIC Financial		727	1,607
— A joint venture		1,103	1,359
— An associate		704	1,408
— Non-controlling interests		1,237	—
Income from provision of repairs and maintenance services to:	(iii)		
— Companies controlled by SPIC other than CPI Holding and SPIC Financial		115,958	123,969
Income from provision of entrusted management services to:	(iii)		
— CPI Holding		98,218	85,782
— Companies controlled by SPIC other than CPI Holding and SPIC Financial		34,011	31,470
— An associate		3,168	—
Income from provision of other services to:	(iii)		
— SPIC		3,853	472
— CPI Holding		649	566
— Companies controlled by SPIC other than CPI Holding and SPIC Financial		496,467	319,765
— Associates		1,193,141	705,405
— Joint ventures		19,432	17,184
Sales of coal, coal by-products and spare parts to:	(iii)		
— Companies controlled by SPIC other than CPI Holding and SPIC Financial		7,499	48,500
— Associates		31,617	19,060
Sales of energy storage equipment to companies controlled by SPIC other than CPI Holding and SPIC Financial	(iii)	18,609	848,779
Income from provision of environmental protection-related services to:	(iii)		
— Companies controlled by SPIC other than CPI Holding and SPIC Financial		529,812	—
— Non-controlling interests		7,935	—
— Associates		9,950	—
Loss on disposal of a subsidiary		—	(70,941)
Gain on remeasurement of remaining equity interests in an associate after loss of control over a subsidiary		—	89,619

Notes to the Consolidated Financial Statements

48. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Income (Continued)

Notes:

- (i) Interest income from these related parties are charged at interest rates from 0.35% to 3.45% (2024: 0.35% to 5.66%) per annum.
- (ii) Dividend income were recognized based on dividends declared by the respective boards of directors in proportion to the Group's equity interest in these companies.
- (iii) These incomes are charged in accordance with the terms of the relevant agreements.

(b) Expenses

	Notes	2025 RMB'000	2024 RMB'000
Purchases of coal, coal by-products and spare parts from:	(i)		
— Non-controlling interests		3,040,217	5,312,791
Construction costs and other services fees to:	(ii)		
— Companies controlled by SPIC other than CPI Holding and SPIC Financial		1,054,330	2,531,706
— Non-controlling interests		101,633	111,918
— Associates		105,699	56,476
— SPIC		—	3,679
Interest expenses to:	(iii)		
— SPIC		371,142	477,509
— CPI Holding		21,716	852
— SPIC Financial		222,240	270,609
— Associates		6,189	7,536
— Companies controlled by SPIC other than CPI Holding and SPIC Financial		79,269	96,522
— Companies controlled by SPIC other than CPI Holding and SPIC Financial on lease liabilities		40,348	45,394
Acquisition of subsidiaries from associates		—	955,446

Notes:

- (i) Purchases of coal, coal by-products and spare parts are charged in accordance with the terms of the relevant agreements.
- (ii) Construction costs and other services fees are mainly related to construction services, repair and maintenance services, transportation services and other services which are charged based on mutually agreed prices.
- (iii) Interest expenses to these related parties are charged at interest rates from 1.75% to 5.80% (2024: 1.75% to 5.80%) per annum.
- (iv) Acquisition of subsidiaries from related parties are set out in note 47 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

48. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Financial assistance provided by a related party

As disclosed in Note 34, the Company and certain of its subsidiaries entered into the perpetual debt investment contracts with Bridge Trust. For the year ended 31 December 2025, the Group received RMB663,430,000 perpetual debts.

(d) Year-end balances with related parties

Year-end balances with related parties are disclosed in Notes 17, 27, 28, 31, 34 and 37.

(e) Lease arrangements with related parties

Details of lease arrangements with related parties are disclosed in Note 39.

(f) For the years ended 31 December 2025 and 2024, the Group's significant transactions and balances with entities that were controlled, jointly-controlled or significantly influenced by the PRC government mainly include:

- (i) bank deposits in state-owned banks and the related interest income
- (ii) bank borrowings from state-owned banks and the related interest expenses
- (iii) sales of electricity to provincial power grid companies owned by the PRC government and the related receivables
- (iv) purchases of coal from state-owned enterprises and the related payables
- (v) reservoir maintenance and usage fees to the PRC government
- (vi) service fees to state-owned enterprises
- (vii) compensation for inundation to the PRC government

The prices and terms of these transactions are set out in the relevant agreements governing these transactions or as mutually agreed.

(g) Key management personnel compensation

	2025 RMB'000	2024 RMB'000
Fees, basic salaries, housing allowance, other allowances and benefits in kind, discretionary bonuses and other benefits (Note 14(c))	11,636	17,511
Employer's contribution to pension plans	1,479	591
Share-based payment expenses	331	1,691

Notes to the Consolidated Financial Statements

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES

The following is a list of the principal subsidiaries as at 31 December 2025:

Name of companies	Place of establishment and operation	Proportion of ownership interest				
		Registered/ paid up capital	Held by the Company	Held by subsidiaries	Type of legal entity	Principal activities
Huainan Pingwei No. 2 Electric Power Generation Co., Ltd. (淮南平圩第二發電有限責任公司)	The PRC	USD104,153,000	60%	—	Sino-foreign equity joint venture	Generation and sale of electricity
Huainan Pingwei No. 3 Electric Power Generation Co., Ltd. (淮南平圩第三發電有限責任公司)	The PRC	RMB1,571,800,000/ RMB1,460,079,000	60%	—	Sino-foreign equity joint venture	Generation and sale of electricity
China Power Integrated Smart Energy Co., Ltd. (中電智慧綜合能源有限公司)	The PRC	RMB1,000,000,000/ RMB999,904,000	100%	—	Wholly foreign-owned enterprise	Investment in new energy power resources
China Power Guorui Supply Chain Management Co., Ltd. (中電國瑞供應鏈管理有限公司)	The PRC	RMB3,450,000,000/ RMB1,762,614,000	100%	—	Wholly foreign-owned enterprise	Provision of logistic services
Xinyuan Green Energy Power (Beijing) Co., Ltd. (新源綠能電力(北京)有限公司)	The PRC	RMB3,665,713,000	54.56%	—	Sino-foreign equity joint venture	Investment in new energy power resources
China Power (Shenyang) Energy Investment Co., Ltd. (中電(瀋陽)能源投資有限公司)	The PRC	RMB500,000,000/ RMB454,100,000	100%	—	Wholly foreign-owned enterprise	Investment in new energy power resources
China Power Clean Energy (Beijing) New Energy Development Co., Ltd. (電投清能(北京)新能源發展有限責任公司)	The PRC	RMB6,250,000,000/ RMB6,019,377,000	—	20%	Limited liability company	Investment in new energy power resources
China Power Investment Green Energy Technology Co., Ltd. (中電投綠能科技有限公司)	The PRC	RMB3,000,000,000/ RMB1,467,252,000	100%	—	Wholly foreign-owned enterprise	Investment in new energy power resources
Shandong Energy (國家電投集團山東能源發展有限公司)	The PRC	RMB5,000,000,000/ RMB3,379,717,000	100%	—	Wholly foreign-owned enterprise	Investment in new energy power resources
Anqiu Hengtai New Energy Technology Co., Ltd. (安丘恒泰新能源科技有限公司)	The PRC	RMB331,819,000	—	51%	Limited liability company	Generation and sale of electricity
Shanghe Guorui Power Investment Wind Power Co., Ltd. (商河國瑞電投風力發電有限公司)	The PRC	RMB332,000,000/ RMB168,881,000	—	66%	Limited liability company	Generation and sale of electricity
Qingyun Guorui Power Investment New Energy Co., Ltd. (慶雲國瑞電投新能源有限公司)	The PRC	RMB172,000,000	—	66%	Limited liability company	Generation and sale of electricity
State Power Investment (Haiyang) Offshore Wind Power Co., Ltd. (國電投(海陽)海上風電有限公司)	The PRC	RMB1,200,000,000	—	100%	Limited liability company	Generation and sale of electricity
State Power Investment (Rushan) Offshore Wind Power Co., Ltd. (國電投(乳山)海上風電有限公司)	The PRC	RMB754,000,000/ RMB739,000,000	—	100%	Limited liability company	Generation and sale of electricity

Notes to the Consolidated Financial Statements

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

The following is a list of the principal subsidiaries as at 31 December 2025: (Continued)

Name of companies	Place of establishment and operation	Registered/ paid up capital	Proportion of ownership interest		Type of legal entity	Principal activities
			Held by the Company	Held by subsidiaries		
Shouguang China Power Haobang New Energy Co., Ltd. (壽光電投昊邦新能源有限公司)	The PRC	RMB90,000,000	–	70%	Limited liability company	Generation and sale of electricity
Guangxi Company (國家電投集團廣西電力有限公司)	The PRC	RMB2,500,000,000/ RMB2,134,000,000	100%	–	Wholly foreign-owned enterprise	Investment in new energy power resources
State Power Investment (Xing'an) Wind Power Co., Ltd. 國電投(興安)風電有限公司	The PRC	RMB1,471,253,000/ RMB1,416,036,000	–	95%	Limited liability company	Generation and sale of electricity
SPIC Guangxi Jinzishan Wind Power Co., Ltd. (國家電投集團廣西金紫山風電有限公司)	The PRC	RMB1,098,332,000/ RMB1,072,577,000	–	94.89%	Limited liability company	Generation and sale of electricity
Guangxi Guilin Green Power New Energy Co., Ltd. (廣西桂林綠動新能源有限公司)	The PRC	RMB200,000,000/ RMB104,400,000	–	100%	Limited liability company	Generation and sale of electricity
SPIC Hubei Power Co., Ltd. (國家電投集團湖北電力有限公司)	The PRC	RMB4,830,000,000/ RMB3,728,123,000	100%	–	Wholly foreign-owned enterprise	Investment in new energy power resources
SPIC Jingmen Lvdong Energy Company Limited (國家電投集團荊門綠動能源有限公司)	The PRC	RMB200,000,000/ RMB123,985,000	–	90%	Limited liability company	Generation and sale of electricity
Gulang County E Power Investment New Energy Co., Ltd. (古浪縣鄂電投新能源有限公司)	The PRC	RMB126,000,000/ RMB40,000,000	–	90%	Limited liability company	Generation and sale of electricity
SPIC Anhui Electric Power Co., Ltd. (國家電投集團安徽電力有限公司)	The PRC	RMB1,437,000,000/ RMB1,045,282,000	100%	–	Wholly foreign-owned enterprise	Investment in new energy power resources
Huainan SPIC New Energy Co., Ltd. (淮南市國家電投新能源有限公司)	The PRC	RMB300,000,000	–	100%	Limited liability company	Generation and sale of electricity
Wuling New Energy (湖南五凌電力新能源有限公司)	The PRC	RMB500,000,000/ RMB100,000,000	63%	–	Sino-foreign equity joint venture	Investment in new energy power resources
Wu Ling Power (五凌電力有限公司)	The PRC	RMB10,185,450,000	–	100%	Limited liability company	Generation and sale of electricity
SPIC Hydropower (國家電投集團水電股份有限公司)	The PRC	RMB4,380,206,000	46.04%	9.09%	Joint stock, limited liability company with its A-shares listed on the SSE	Investment on hydropower resources
Changzhou Hydropower (國家電投集團廣西長洲水電開發有限公司)	The PRC	RMB901,518,000	–	64.93%	Limited liability company	Generation and sale of electricity

Notes to the Consolidated Financial Statements

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

The following is a list of the principal subsidiaries as at 31 December 2025: (Continued)

Name of companies	Place of establishment and operation	Registered/ paid up capital	Proportion of ownership interest		Type of legal entity	Principal activities
			Held by the Company	Held by subsidiaries		
Guizhou Qingshuijiang Hydropower Co., Ltd. (貴州清水江水電有限公司)	The PRC	RMB3,400,000,000	–	95%	Limited liability company	Generation and sale of electricity
Huaihua Yuanjiang Power Development Co., Ltd. (懷化沅江電力開發有限責任公司)	The PRC	RMB3,800,000,000	–	100%	Limited liability company	Generation and sale of electricity
Hunan Xingling New Energy Development Co., Ltd. (湖南星凌新能源發展有限公司)	The PRC	RMB1,615,513,894	–	55%	Limited liability company	Investment in new energy power resources
Hunan Zhongshui Investment Co., Ltd. (湖南中水投資有限公司)	The PRC	RMB67,000,000	–	100%	Limited liability company	Investment in new energy power resources
Hunan Wuling Lyuxin Power Co., Ltd. (湖南五凌綠新電力有限責任公司)	The PRC	RMB1,000,000	–	100%	Limited liability company	Investment in new energy power resources
Fujian Company (國家電投集團福建電力有限公司)	The PRC	RMB2,000,000,000/ RMB1,004,534,000	100%	–	Wholly foreign-owned enterprise	Generation and sale of electricity
Ningxia Jiaxu New Energy Technology Co., Ltd. (寧夏嘉旭新能源科技有限公司)	The PRC	RMB160,000,000/ RMB153,600,000	–	100%	Limited liability company	Generation and sale of electricity
Beijing Company (國家電投集團北京電力有限公司)	The PRC	RMB6,116,057,000/ RMB6,116,112,000	55.15%	–	Sino-foreign equity joint venture	Investments in new energy power resources
Inner Mongolia Jinghe New Energy Co., Ltd. (內蒙古京和新能源有限公司)	The PRC	RMB2,197,020,188/ RMB1,026,519,163	–	100%	Limited liability company	Investment in new energy power resources
Beijing Economic-Development (北京經開綜合智慧能源有限公司)	The PRC	RMB1,948,224,191	–	70.21%	Limited liability company	Investment in new energy power resources
SPIC Shanxi New Energy Co., Ltd. (國家電投集團山西新能源有限公司)	The PRC	RMB721,365,000/ RMB820,958,100	–	100%	Limited liability company	Investment in new energy power resources
SPIC Shandong New Energy Co., Ltd. (國家電投集團山東新能源有限公司)	The PRC	RMB600,000,000	–	100%	Limited liability company	Investment in new energy power resources
SPIC (Inner Mongolia) New Energy Co., Ltd. (國電投(內蒙古)新能源有限公司)	The PRC	RMB1,101,965,700	–	100%	Limited liability company	Investment in new energy power resources
Beijing New Energy (國家電投集團(北京)新能源投資有限公司)	The PRC	RMB370,810,000	–	100%	Limited liability company	Investment in new energy power resources

Notes to the Consolidated Financial Statements

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

The following is a list of the principal subsidiaries as at 31 December 2025: (Continued)

Name of companies	Place of establishment and operation	Registered/ paid up capital	Proportion of ownership interest		Type of legal entity	Principal activities
			Held by the Company	Held by subsidiaries		
SPIC (Tianjin) Power Co., Ltd. (國電投(天津)電力有限公司)	The PRC	RMB300,000,000/ RMB303,123,000	–	100%	Limited liability company	Investment in new energy power resources
Ningxia Jingyin Smart New Energy Co., Ltd. (寧夏京銀智慧新能源有限公司)	The PRC	RMB250,000,000	–	100%	Limited liability company	Investment in new energy power resources
SPIC Jingqiong (Hainan) Clean Energy Co., Ltd. (國電投京瓊(海南)清潔能源有限公司)	The PRC	RMB112,930,300	–	100%	Limited liability company	Investment in new energy power resources
Shanxi Company (國家電投集團山西電力有限公司)	The PRC	RMB2,800,000,000/ RMB904,344,000	100%	–	Wholly foreign-owned enterprise	Investment in new energy power resources
State Power Investment Corporation Heilongjiang Power Co., Ltd. (國家電投集團黑龍江電力有限公司)	The PRC	RMB2,500,000,000/ RMB824,561,000	100%	–	Wholly foreign-owned enterprise	Investment in new energy power resources
Anda City Xingdian New Energy Co., Ltd. (安達市興電新能源有限公司)	The PRC	RMB736,600,000/ RMB684,440,000	–	100%	Limited liability company	Generation and sale of electricity
Sichuan CPI Fuxi Power Company Limited (四川中電福溪電力開發有限公司)	The PRC	RMB968,000,000	51%	–	Sino-foreign equity joint venture	Generation and sale of electricity
China Power (Pu'an) Power Generating Company Limited (中電(普安)發電有限責任公司)	The PRC	RMB999,120,000/ RMB940,023,000	95%	–	Sino-foreign equity joint venture	Generation and sale of electricity
Xinyuan Smart Storage Energy Development (Beijing) Co., Ltd. (新源智儲能源發展(北京)有限公司)	The PRC	RMB632,511,000	55.32%	–	Sino-foreign equity joint venture	Energy storage

Notes to the Consolidated Financial Statements

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Material non-controlling interests

The table below shows details of non wholly-owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiaries	Place of incorporation	Proportion of ownership interests and voting rights held by non-controlling interests		Total comprehensive income allocated to non-controlling interests		Accumulated non-controlling interests	
		2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Wu Ling Group	The PRC	44.87% (note)	37%	224,906	449,367	7,598,208	6,143,718
Beijing Company and its subsidiaries (collectively known as "Beijing Group")	The PRC	44.85%	44.85%	164,234	137,301	4,405,247	4,518,605
Subsidiaries with individually immaterial non-controlling interests						47,390,501	41,972,607
Total						59,393,956	52,634,930

Note: Changed from 37% to 44.87% since the acquisition date on 31 October 2025 (Note 47(a)(ii)).

The non-controlling interests in respect of the rest of entities with non-controlling interests were individually not material. Set out below are the summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests.

(1) Wu Ling Group

Summarized consolidated statement of financial position

	Wu Ling Group	
	2025 RMB'000	2024 RMB'000
Non-current assets	47,954,984	66,243,289
Current assets	5,671,171	5,507,717
Non-current liabilities	(21,602,070)	(27,650,757)
Current liabilities	(11,999,989)	(19,068,448)
Total equity	20,024,096	25,031,801
Equity attributable to shareholders of Wu Ling Power	16,933,827	16,604,646
Non-controlling interests of Wu Ling Power (at 44.87% (2024: 37%))	7,598,208	6,143,718

Notes to the Consolidated Financial Statements

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Material non-controlling interests (Continued)

(1) Wu Ling Group (Continued)

Summarized consolidated statement of profit or loss and consolidated statement of comprehensive income

	Wu Ling Group	
	2025 RMB'000	2024 RMB'000
Revenue	5,580,584	7,783,143
Profit for the year	649,586	1,652,457
Profit attributable to shareholders of Wu Ling Power	493,405	1,212,877
Profit attributable to the non-controlling interests of Wu Ling Power (at 44.87% (2024: 37%))	221,391	448,764
Other comprehensive income for the year	7,834	1,632
Other comprehensive income attributable to shareholders of Wu Ling Power	7,834	1,631
Other comprehensive income attributable to the non-controlling interests of Wu Ling Power (at 44.87% (2024: 37%))	3,515	603
Total comprehensive income for the year	657,420	1,654,089
Total comprehensive income attributable to shareholders of Wu Ling Power	501,239	1,214,508
Total comprehensive income attributable to the non-controlling interests of Wu Ling Power (at 44.87% (2024: 37%))	224,906	449,367

Summarized consolidated statement of cash flows

	Wu Ling Group	
	2025 RMB'000	2024 RMB'000
Dividends paid to non-controlling interests	(190,074)	(313,592)
Net cash inflow from operating activities	4,302,722	4,230,719
Net cash inflow/(outflow) from investing activities	1,152,899	(3,598,249)
Net cash outflow from financing activities	(5,560,287)	(539,193)
Net decrease in cash and cash equivalents	(294,740)	(220,315)
Cash and cash equivalents at 1 January	412,598	632,913
Cash and cash equivalents at 31 December	117,858	412,598

Notes to the Consolidated Financial Statements

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Material non-controlling interests (Continued)

(2) Beijing Group

Summarized consolidated statement of financial position

	Beijing Group	
	2025 RMB'000	2024 RMB'000
Non-current assets	29,023,187	29,645,704
Current assets	11,072,699	10,562,500
Non-current liabilities	(14,493,646)	(14,320,910)
Current liabilities	(13,642,439)	(10,971,460)
Total equity	11,959,801	14,915,834
Equity attributable to shareholders of Beijing Company	9,822,179	10,074,928
Non-controlling interests of Beijing Company (at 44.85%)	4,405,247	4,518,605

Summarized consolidated statement of profit or loss and consolidated statement of comprehensive income

	Beijing Group	
	2025 RMB'000	2024 RMB'000
Revenue	4,015,129	4,172,941
Profit for the year	562,237	499,735
Profit attributable to shareholders of Beijing Company	366,186	306,134
Profit attributable to the non-controlling interests of Beijing Company (at 44.85%)	164,234	137,301

Summarized consolidated statement of cash flows

	Beijing Group	
	2025 RMB'000	2024 RMB'000
Dividends paid to non-controlling interests	(1,129,062)	(1,057,048)
Net cash inflow from operating activities	2,798,145	1,176,396
Net cash outflow from investing activities	(1,663,093)	(1,958,355)
Net cash inflow from financing activities	201,978	1,511,280
Net increase/(decrease) in cash and cash equivalents	207,968	(327,727)
Cash and cash equivalents at 1 January	737,383	1,065,110
Cash and cash equivalents at 31 December	945,351	737,383

The financial information presented above is before inter-company eliminations.

Notes to the Consolidated Financial Statements

50. CONTINGENT LIABILITIES

There are no material contingent liabilities of the Group at 31 December 2025.

51. EVENTS AFTER THE REPORTING PERIOD

On 12 February 2026, CCB Investment, the Company and Xinyuan Green Power (Beijing) Co., Ltd. (“Xinyuan Green Power”, a non wholly-owned subsidiary of the Company) entered into a capital reduction agreement, pursuant to which CCB Investment exits its entire equity interest in Xinyuan Green Power by way of a directed capital reduction of Xinyuan Green Power’s registered capital in an amount of RMB1,665,713,115 for a consideration of RMB2,005,973,156. Immediately after the capital reduction, the registered capital of Xinyuan Green Power reduces from RMB3,665,713,115 to RMB2,000,000,000. The Company’s equity interest in Xinyuan Green Power increases from 54.56% to 100% accordingly.

Notes to the Consolidated Financial Statements

52. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	As at 31 December	
	2025 RMB'000	2024 RMB'000
ASSETS		
Non-current assets		
Property, plant and equipment	14,005	12,290
Right-of-use assets	3,715	32,409
Investments in subsidiaries	60,275,933	50,219,803
Interests in associates	5,753,353	4,541,202
Interests in joint ventures	765,707	765,707
Equity instruments at FVTOCI	7,273,109	3,331,389
Other non-current assets	-	25,478
	74,085,822	58,928,278
Current assets		
Loans to subsidiaries	4,771,380	3,009,293
Prepayments, deposits and other receivables	95,057	81,151
Amounts due from related parties	1,999,446	258,207
Amounts due from subsidiaries	3,581,492	255,019
Dividends receivable	348,325	668,534
Cash and cash equivalents	2,177,057	1,267,594
	12,972,757	5,539,798
Total assets	87,058,579	64,468,076
EQUITY		
Share capital (Note 32)	24,508,986	24,508,986
Other equity instruments (Note 34)	3,015,213	3,015,213
Reserves (note)	19,235,332	5,731,675
Total equity	46,759,531	33,255,874

Notes to the Consolidated Financial Statements

52. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(CONTINUED)

	As at 31 December	
	2025 RMB'000	2024 RMB'000
LIABILITIES		
Non-current liabilities		
Bank borrowings	2,104,332	2,526,231
Other borrowings	15,500,000	7,500,000
Deferred income tax liabilities	1,499,144	513,617
	19,103,476	10,539,848
Current liabilities		
Other payables and accrued charges	263,907	332,500
Amounts due to related parties	202,090	251,716
Amounts due to subsidiaries	5,200,154	1,976,953
Bank borrowings	11,128,428	6,983,428
Borrowings from related parties	2,400,000	3,100,000
Other borrowings	2,000,000	8,000,000
Lease liabilities	993	27,757
	21,195,572	20,672,354
Total liabilities	40,299,048	31,212,202
Total equity and liabilities	87,058,579	64,468,076
Net current liabilities	(8,222,815)	(15,132,556)
Total assets less current liabilities	65,863,007	43,795,722

The statement of financial position was approved and authorized for issue by the Board on 20 March 2026 and is signed on its behalf by:

GUI Xude

Director

ZHAO Yonggang

Director

Notes to the Consolidated Financial Statements

52. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

Note:

Movements in the Company's reserves

	FVTOCI reserve RMB'000	Share-based payment reserve RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2025	1,561,821	55,507	(1,800)	4,116,147	5,731,675
Profit for the year	-	-	-	12,549,149	12,549,149
Fair value gain on equity instruments at FVTOCI, net of tax	2,956,290	-	-	-	2,956,290
Share-based payment expenses	-	2,182	-	-	2,182
2024 final dividend	-	-	-	(2,003,964)	(2,003,964)
At 31 December 2025	4,518,111	57,689	(1,800)	14,661,332	19,235,332
At 1 January 2024	1,368,368	36,224	(1,800)	3,999,568	5,402,360
Profit for the year	-	-	-	2,367,947	2,367,947
Fair value gain on equity instruments at FVTOCI, net of tax	193,453	-	-	-	193,453
Share-based payment expenses	-	19,283	-	-	19,283
2023 final dividend	-	-	-	(1,632,860)	(1,632,860)
2024 special dividend	-	-	-	(618,508)	(618,508)
At 31 December 2024	1,561,821	55,507	(1,800)	4,116,147	5,731,675

Five-Year Financial and Operations Summary

	2025 RMB million	2024 RMB million	2023 RMB million	2022 RMB million	2021 RMB million (restated)
Revenue	49,029.5	54,212.8	44,261.8	43,689.1	35,476.7
Profit before taxation	7,858.8	8,010.7	5,426.6	3,344.0	1,038.2
Income tax expense	(1,940.6)	(1,470.8)	(892.6)	(658.7)	(361.9)
Profit for the year	5,918.2	6,539.9	4,534.0	2,685.3	676.3
Attributable to:					
Equity holders of the Group	3,404.1	3,861.8	3,084.5	2,648.0	(256.3)
Non-controlling interests	2,514.1	2,678.1	1,449.5	37.3	932.6
Basic earnings per share (RMB)	0.24	0.27	0.22	0.22	(0.04)
Dividend per share (RMB)	0.168	0.212	0.132	0.110	0.050
Total non-current assets	309,925.2	288,817.2	260,164.6	180,519.2	156,675.6
Total current assets	57,630.4	51,638.4	45,642.2	30,885.7	18,570.4
Total assets	367,555.6	340,455.6	305,806.8	211,404.9	175,246.0
Total current liabilities	92,210.7	93,182.4	75,170.6	45,925.0	45,535.8
Total non-current liabilities	157,313.0	139,740.8	135,615.5	96,889.8	77,333.5
Net assets	118,031.9	107,532.4	95,020.7	68,590.1	52,376.7
Equity attributable to equity holders of the Company	58,637.9	54,897.5	53,639.7	46,968.6	36,052.5
Non-controlling interests	59,394.0	52,634.9	41,381.0	21,621.5	16,324.2
Total equity	118,031.9	107,532.4	95,020.7	68,590.1	52,376.7
Consolidated installed capacity (MW)	54,753.7	49,390.9	45,018.8	31,599.2	28,931.9
Attributable installed capacity (MW)	43,232.2	39,717.1	37,639.5	29,333.6	24,960.8
Gross power generation (MWh)	130,972,889	133,065,568	107,582,860	112,942,437	104,926,234
Total electricity sold (MWh)	126,332,861	127,959,080	103,239,505	108,170,802	100,612,928
Net coal consumption rate (g/kWh)	294.83	298.06	298.72	302.37	301.16

Technical Glossary and Definitions

“ABC Financial”	ABC Financial Asset Investment Co., Ltd.* (農銀金融資產投資有限公司), a substantial shareholder of SPIC Beijing Electric Power Co., Ltd. (國家電投集團北京電力有限公司), a subsidiary of the Company
“Asset Pre-Restructuring”	the pre-restructuring of assets of the Group prior to the Asset Restructuring, which involves (i) external acquisitions by Wu Ling Power; (ii) the formations of two new subsidiaries; and (iii) intra-group reorganizations
“Asset Restructuring”	The Company, Xiangtou International and Guangxi Company entered into equity transfer agreements with Yuanda Environmental (now known as SPIC Hydropower), pursuant to which (i) the Company and Xiangtou International agreed to transfer its 63% and 37% equity interests in Wu Ling Power, respectively, and (ii) Guangxi Company agreed to transfer a 64.93% equity interest in Changzhou Hydropower to Yuanda Environmental, in exchange for new shares to be allotted by Yuanda Environmental and cash consideration
“attributable installed capacity”	the proportionate amount of installed capacities of a power plant attributable to a company based on the percentage of equity interest held by the company in that power plant
“average utilization hours”	for a specified period, the amount of electricity (MWh) produced in such period divided by the average installed capacity (MW) in such period
“Board”	the board of Directors of the Company
“Board Committees”	All committees under the Board that are specifically formed to assist the Board in carrying out its different functions.
“CG Code”	the Corporate Governance Code as set out in Appendix C1 of the Listing Rules, as amended from time to time
“Changzhou Hydropower”	SPIC Guangxi Changzhou Hydropower Development Co., Ltd.* (國家電投集團廣西長洲水電開發有限公司), a subsidiary of the Company
“China Power” or “Company”	China Power International Development Limited
“CITIC Financial AMC”	China CITIC Financial Asset Management Co., Ltd.
“consolidated installed capacity”	100% installed capacity of a company that is deemed as a subsidiary in the Group’s consolidated financial statements
“COSO”	The Committee of Sponsoring Organizations of the Treadway Commission
“CP Hua Chuang”	China Hua Chuang Power Technology Research Co., Ltd.* (中電華創電力技術研究有限公司), a subsidiary of the Company
“CP Nongchuang”	China Power Investment Xinnongchuang Technology Co., Ltd.* (中電投新農創科技有限公司), an associate of the Company
“CPDL”	China Power Development Limited (中國電力發展有限公司*) a substantial shareholder of the Company and a subsidiary of CPI Holding

Technical Glossary and Definitions

“CPI Holding”	China Power International Holding Limited (中國電力國際有限公司), the intermediate holding company of the Company and a subsidiary of SPIC
“CPNE”	China Power (New Energy) Holdings Limited (中國電力(新能源)控股有限公司), a subsidiary of CPI Holding and an associate of SPIC
“date of this annual report”	20 March 2026, the day this annual report was approved by the Board
“Dazhou Energy”	Dazhou Xingchuan Energy Co., Ltd.* (達州興川能源有限公司), an indirect subsidiary of CPI Holding
“Dual Carbon Goals”	the climate commitment made by the Chinese government which sets the targets of peaking carbon emissions by 2030 and achieving carbon neutrality by 2060
“Director(s)”	director(s) of the Company
“ESG”	environmental, social and governance
“Fuxi Power Plant”	Sichuan CPI Fuxi Power Company Limited* (四川中電福溪電力開發有限公司), a subsidiary of the Company
“Group” or “We”	the Company and its subsidiaries from time to time
“Guangxi Company”	SPIC Guangxi Electric Power Co., Ltd.* (國家電投集團廣西電力有限公司), a wholly-owned subsidiary of the Company
“Guangxi Overseas”	Guangxi SPIC Overseas Energy Investment Co., Ltd.* (廣西國電投海外能源投資有限公司), a joint venture of the Company
“GW”	gigawatt, that is, one billion watts
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Companies Ordinance”	Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended from time to time)
“Hong Kong Stock Exchange” or “HKEx”	The Stock Exchange of Hong Kong Limited
“Huainan Mining”	Huainan Mining Industry (Group) Company Limited* (淮南礦業(集團)有限責任公司), a substantial shareholder of certain subsidiaries of the Company
“installed capacity”	the manufacturers’ rated power output of a generating unit or a power plant, usually denominated in MW
“Jieyang Power”	SPIC (Jieyang) Power Investment Co., Ltd.* (國電投(揭陽)電力投資有限公司), an indirect subsidiary of CPI Holding

Technical Glossary and Definitions

“kWh”	kilowatt-hour, a standard unit of energy used in the electric power industry. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“market-power”	electricity buy and sell in the open market
“MW”	megawatt, that is, one million watts. The installed capacity of a power plant is generally expressed in MW
“MWh”	megawatt-hour, which is equal to one thousand kWh
“NAFMII”	National Association of Financial Market Institutional Investors
“NDRC”	National Development and Reform Commission of the People’s Republic of China
“NEA”	the National Energy Administration
“net coal consumption rate”	average consumption of standard coal for supplying 1 kWh power (deducting self-used power)
“PBOC”	中國人民銀行 (People’s Bank of China*)
“Pingwei II”	Huainan Pingwei No. 2 Electric Power Co., Ltd. (淮南平圩第二發電有限責任公司), a subsidiary of the Company
“Pingwei III”	Huainan Pingwei No. 3 Electric Power Co., Ltd. (淮南平圩第三發電有限責任公司), a subsidiary of the Company
“Pingwei Power”	Anhui Huainan Pingwei Electric Power Company Limited (安徽淮南平圩發電有限責任公司), an associate of the Company
“PRC” or “China” or “State”	the People’s Republic of China
“Pu’an Power Plant”	China Power (Pu’an) Power Generating Company Limited* (中電(普安)發電有限責任公司), a subsidiary of the Company
“Qiyuanxin Power”	Shanghai Qiyuanxin Power Technology Co., Ltd.* (上海啟源芯動力科技有限公司), an associate of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council
“Shanghai Power”	Shanghai Electric Power Co., Ltd.* (上海電力股份有限公司), a company listed on the SSE which the Company holds certain of its A shares for investment purpose

Technical Glossary and Definitions

“Share Incentive Scheme”	the share option incentive scheme approved and adopted by the Company at an extraordinary general meeting held on 15 June 2022. For details, please refer to the circular of the Company dated 27 May 2022
“Sichuan Energy Investment”	Sichuan Energy Investment Development Co., Ltd.* (四川能投發展股份有限公司), an associate of the Company
“SPIC”	State Power Investment Corporation Limited (國家電力投資集團有限公司), the ultimate holding company of the Company
“SPIC Finance HK”	SPIC International Finance (Hong Kong) Company Limited (國家電投香港財資管理有限公司), a subsidiary of SPIC
“SPIC Financial”	SPIC Financial Company Limited* (國家電投集團財務有限公司), a subsidiary of SPIC
“SPIC Fund”	SPIC Innovation Investment Co., Ltd. (國家電投集團創新投資有限公司), a subsidiary of SPIC
“SPIC Green Energy”	formerly known as Jilin Electric Power Co., Ltd.* (吉林電力股份有限公司), and renamed SPIC Green Energy Co., Ltd. (國電投綠色能源股份有限公司) in February 2026 to reflect its business transformation, an associate of SPIC and listed on the Shenzhen Stock Exchange
“SPIC Hydropower”	formerly known as “Yuanda Environmental”, and renamed SPIC Hydropower Co., Ltd. (國家電投集團水電股份有限公司) in January 2026 to reflect its business transformation, a subsidiary of the Company and listed on the SSE
“SSE”	Shanghai Stock Exchange
“standard coal”	coal with an energy content of 7,000 kilocalories per kilogram
“Tuoli Power”	Tuoli SPIC Power Generation Co., Ltd.* (托里國電投發電有限責任公司), an indirect subsidiary of SPIC
“Wu Ling Power”	Wu Ling Power Corporation* (五凌電力有限公司), a subsidiary of the Company
“Xiangtou International”	Hunan Xiangtou International Investment Limited* (湖南湘投國際投資有限公司), a company which owns 37% of Wu Ling Power
“Xinyuan Smart Storage”	Xinyuan Smart Storage Energy Development (Beijing) Co., Ltd.* (新源智儲能源發展(北京)有限公司), a subsidiary of the Company
“Yuanda Environmental”	SPIC Yuanda Environmental-Protection Co., Ltd. (國家電投集團遠達環保股份有限公司), now known as “SPIC Hydropower”, formerly an associate of SPIC, a subsidiary of the Company after the Completion of the Asset Restructuring and listed on the SSE

* For identification purpose only

Useful Information for Investors

ANNUAL REPORT

This annual report has been posted on the websites at www.chinapower.hk and www.hkexnews.hk on 24 April 2026. Physical reports are sent to the shareholders of the Company who have selected to receive the printed version of corporate communication only.

ANNUAL GENERAL MEETING (AGM)

The Company's AGM will be held on 8 June 2026 by way of virtual meeting via online platform. Information regarding the business to be considered in the AGM is set out in the circular to the shareholders of the Company dated 24 April 2026 together with a proxy form.

INVESTOR CALENDAR

Closure of register of members for determining shareholders' eligibility to attend and vote at the AGM	3 June 2026 to 8 June 2026 (both days inclusive)
AGM date	8 June 2026
Ex-dividend date	10 June 2026
Closure of register of members for determining shareholders' entitlement to 2025 Final Dividend	12 June 2026 to 16 June 2026 (both days inclusive)
Record date for 2025 Final Dividend	16 June 2026
Proposed 2025 Final Dividend payable* <i>RMB0.168 (equivalent to HK\$0.1911) per ordinary share</i>	30 June 2026

* Subject to approval by shareholders of the Company at the AGM to be held on 8 June 2026.

Useful Information for Investors

INVESTOR ENQUIRIES AND FEEDBACK

For enquiries about share transfer and registration, please contact the share registrar of the Company:

Computershare Hong Kong Investor Services Limited

Shops 1712–1716, 17/F, Hopewell Centre

183 Queen's Road East, Wanchai, Hong Kong

Tel.: (852) 2862 8555

Fax: (852) 2865 0990

Email: chinapower.ecom@computershare.com.hk

Website: www.computershare.com/hk/en/online_feedback

For enquiries and feedback from investors and securities analysts, please contact:

Capital Markets & Investor Relations Department

China Power International Development Limited

Suite 6301, 63/F, Central Plaza

18 Harbour Road, Wanchai, Hong Kong

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Website: www.chinapower.hk/en/ir/investor-information-collection.php



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